



Gauteng Province  
Gauteng Province  
**ADJUSTED ESTIMATES OF PROVINCIAL  
REVENUE AND EXPENDITURE**  
2022



**GAUTENG**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**GGT2030**  
GROWING GAUTENG TOGETHER

# ADJUSTED ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE 2022



PR292/2022

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The Adjusted Estimates of Provincial Revenue and Expenditure 2022 is compiled using the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision

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# LIST OF ABBREVIATIONS

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

<b>G</b>	GBN	Gauteng Broadband Network
	GBV	Gender Based Violence
	GBVF	Gender Based Violence and Femicide
	GGB	Gauteng Gambling Board
	GIDZ	Gauteng Industrial Development Zone
	GCRA	Gauteng City Region Academy
	GDE	Gauteng Department of Education
	GEP	Gauteng Enterprise Propeller
	GGDA	Gauteng Growth and Development Agency
	GGT	Growing Gauteng Together
	GMA	Gautrain Management Agency
	GIS	Geographic Information System
	GPG	Gauteng Provincial Government
	GPL	Gauteng Provincial Legislature
	GPT	Gauteng Provincial Treasury
	GTA	Gauteng Tourism Authority
GEP	Gauteng Enterprise Propeller	
GG	Government Garage	
GGT2030	Growing Gauteng Together	
<b>H</b>	HIV and AIDS	Human Immune Virus and Acquired Immune Deficiency Syndrome
	HOD	Head of Department
<b>I</b>	ICT	Information and Communication Technology
	IDMS	Infrastructure Delivery Management System
<b>L</b>	LSB	Legislature Services Board
	LTSM	Learner Teacher Support Materials
	LSEN	Learners with Special Education Needs
	LTSM	Learner Teacher Support Materials
	LPID	Learners with Profound Intellectual Disability
<b>M</b>	MEC	Member of Executive Council
	MV	Military veterans
<b>N</b>	NPI	Non-Profit Institution
<b>O</b>	OOP	Office of the Premier
<b>P</b>	PRF	Provincial Revenue Fund
	PYEI	Presidential Youth Employment Initiative
	PPE	Personal Protective Equipment
	PDLTC	Public Driving Licence Testing Centres
<b>R</b>	RISFSA	Road Infrastructure Strategic Framework for South Africa
<b>S</b>	SAIPA	South African Institute of Professional Accountants
	SCOA	Standard Chart of Accounts
	SETA	Sector Education and Training Authority
	SEZ	Special Economic Zone
	SITA	State Information Technology Agency
	SOPA	State of Province Address
	SSIP	Secondary School Improvement Programme
	SALS	South African Legislative Sector meetings



**T**

TIH  
TISH  
TOLABS  
TEDA

The Innovation Hub  
Townships, Informal Settlements, and Hostels  
Transport Operating Licensing Administration Boards  
Township Economic Development Act

**U**

UIF

Unemployment Insurance Fund

# SUMMARY OF ADJUSTMENTS FOR 2022/23

## 1. Adjusted Estimates of Provincial Revenue and Expenditure

The Gauteng Provincial Government (GPG) implemented the provincial adjustments budget process in line with the provisions of Section 18(1)(a) of the Public Finance Management Act (Act No. 1 of 1999) to facilitate the compilation of the 2022/23 provincial adjustments budget according to the provisions of Section 31 of the PFMA. The provincial adjustments budget revises and adjusts the 2022/23 provincial main budget that the Gauteng Member of Executive Council (MEC) for Finance tabled at the Gauteng Provincial Legislature on the 10 March 2022.

The GPG revises the estimates of provincial revenue and expenditure by appropriating funds to provide for the priorities of government, 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 for defrayment of excess expenditure in another main division and the rollover of unspent funds from the preceding financial year.

The province uses this process to align the provincial budget with adjustments emanating from the national government. The adjustments from National government provide for the provisional 3 per cent wage increase in the 2022/23 financial year and a rollover of conditional grant funding unspent in the previous financial year. The adjustments budget is also informed by the continued implementation of the GGT2030 Plan with a key focus on the elevated priority actions of economic recovery and reconstruction, strengthening the fight against crime, corruption, vandalism and lawlessness and changing the living conditions in townships, informal settlements and hostels.

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 2022/23 adjustments budget is prepared in an economic environment where in terms of global economy, the war in Ukraine has worsened prospects for the global economy, which was well on its way to recovery from the COVID-19 pandemic. Global prospects for 2022 have weakened mainly due to intensified supply disruptions and increased commodity prices, adding to high inflation caused by the war. The International Monetary Fund (IMF) projects the global Gross Domestic Product (GDP) to slow from 6.0 per cent in 2021 to an estimated 3.2 per cent in 2022 and further decrease to 2.7 per cent in 2023.

South Africa's quarter-on-quarter GDP growth surpassed its 2019 level in the first quarter of 2022, growing by 1.7 per cent, partly reflecting the easing of lockdown restrictions, favourable commodity export prices and improving domestic demand. However, the economic growth momentum was derailed in the second quarter as the economy experienced shocks that included intensified load-shedding and strike activity from Eskom, as well as flooding from KwaZulu-Natal, which all dampened economic activity.

In the first half of 2022, the economy of Gauteng grew by 2.3 per cent compared to the same period in the previous year. However, the economy contracted by 0.7 per cent quarter-on-quarter in the second quarter of 2022. The contraction in the second quarter was primarily due to large-scale load-shedding and the floods in KwaZulu-Natal. Overall, the domestic economic outlook remains uncertain, as factors in the global economy that stimulated economic recovery are dissipating. This in addition to domestic shocks, particularly the power cuts which have lowered confidence and economic growth.

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

## 2. Summary of the 2022 Adjusted Estimates of Provincial Receipts

### 2.1. Provincial receipts

TABLE 1: SUMMARY OF CHANGES TO RECEIPTS

R thousand	Main Appropriation	Additional Funding: National	Additional Funding Provincial	Total Adjustments	Adjusted Appropriation
Equitable Share	120 041 881	2 017 769		2 017 769	122 059 650
Conditional Grants	26 503 432				26 503 432
<b>Transfers from National</b>	<b>146 545 313</b>	<b>2 017 769</b>		<b>2 017 769</b>	<b>148 563 082</b>
Provincial Own Receipts	7 249 930				7 249 930
Gross Receipts	153 795 243	2 017 769		2 017 769	155 813 012
Less: Direct charges - Political Office bearers	(81 118)		(1912)	(1 912)	(83 030)
<b>Total Receipts</b>	<b>153 714 125</b>	<b>2 017 769</b>	<b>(1912)</b>	<b>2 015 857</b>	<b>155 729 982</b>

Transfers from national increase by a total of R2 billion from R146.5 billion to R148.6 billion. The R2 billion accounts for an increase in provincial equitable share for the provisional 3 per cent wage increase for public servants. Direct charges increase by R1.9 million from the main appropriation of R81.1 million to an adjusted appropriation of R83 million to fund leave gratuity payments to former Members of Provincial Legislature.

### 2.2 Changes to Conditional Grants

TABLE 2: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Health</b>	<b>14 421 682</b>		<b>503 042</b>			<b>503 042</b>	<b>14 924 724</b>
HIV, TB, Malaria and Community Outreach	6 295 969		257 030			257 030	6 552 999
Health Facility Revitalisation Grant	1 058 859						1 058 859
National Tertiary Services Grant	5 083 886		224 707			224 707	5 308 593
Statutory Human Resources, Training and Development	1 872 229		21 305			21 305	1 893 534
National Health Insurance Grant	90 399						90 399
EPWP Integrated Grant	2 360						2 360
Social Sector EPWP Integrated Grant	17 980						17 980
<b>Education</b>	<b>3 056 637</b>		<b>23 366</b>			<b>23 366</b>	<b>3 080 003</b>
Education Infrastructure Grant	1 686 845						1 686 845
HIV and Aids (Life Skills Education) Grant	37 311						37 311
National School Nutrition Programme Grant	993 367						993 367
Maths, Science and Technology Grant	60 901						60 901
Learners with Profound Intellectual Disabilities Grant	35 150						35 150
Early Childhood Development Grant	232 715		23 366			23 366	256 081
EPWP Integrated Grant	2 733						2 733
Social Sector EPWP Integrated Grant	7 615						7 615
<b>Social Development</b>	<b>23 948</b>						<b>23 948</b>
EPWP Integrated Grant	2 000						2 000
Social Sector EPWP Incentive Grant	21 948						21 948
<b>Cooperative Governance and Traditional Affairs</b>	<b>2 106</b>						<b>2 106</b>

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
EPWP Integrated Grant	2 106							2 106
<b>Human Settlements</b>	<b>5 141 364</b>		<b>171 347</b>				<b>171 347</b>	<b>5 312 711</b>
Integrated Housing and Human Settlement Development Grant	3 955 283		17 094				17 094	3 972 377
Informal Settlements Upgrading Partnership Grant for Provinces	1 175 155		153 012				153 012	1 328 167
EPWP Integrated Grant	10 926		1 241				1 241	12 167
<b>Roads, Transport and Logistics</b>	<b>3 420 465</b>							<b>3 420 465</b>
Provincial Roads Maintenance Grant	680 058							680 058
Public Transport Operations Grant	2 730 550							2 730 550
EPWP Integrated Grant	9 857							9 857
<b>Community Safety</b>	<b>4 706</b>							<b>4 706</b>
Social Sector EPWP Incentive Grant	4 706							4 706
<b>Agriculture, Rural Development and Environment</b>	<b>149 584</b>		<b>17 397</b>				<b>17 397</b>	<b>166 981</b>
Comprehensive Agricultural Support Programme Grant	103 748		17 397				17 397	121 145
Ilima/Letsema Projects Grant	37 262							37 262
Land Care Programme Grant: Poverty Relief and Infrastructure Development	5 219							5 219
EPWP Integrated Grant	3 355							3 355
<b>Sport, Arts, Culture and Recreation</b>	<b>276 172</b>							<b>276 172</b>
Community Library Services Grant	174 099							174 099
Mass Sport and Recreation Participation Programme Grant	102 073							102 073
EPWP Integrated Grant								
Social Sector EPWP Incentive Grant								
<b>Infrastructure Development</b>	<b>6 768</b>							<b>6 768</b>
EPWP Integrated Grant	6 768							6 768
<b>Total changes in conditional grants</b>	<b>26 503 432</b>		<b>715 152</b>				<b>715 152</b>	<b>27 218 584</b>

The table above presents an increase of R715.2 million to the conditional grants' allocation for the 2022/23 financial year. Adjustments to the conditional grants include the rollovers and shifts and virements. The rollover of conditional grants is funded from the previous allocation for conditional grants that is currently in the province.

#### **Gauteng Department of Health: R503 million**

An amount of R257 million is rolled over to fund commitments on medicine within the Comprehensive HIV, AIDS Component of the District Health Programmes Grant. Furthermore, R224.7 million is rolled over from the National Tertiary Services Grant and R21.3 million from the Training component of the Human Resource and Training Grant towards payment of commitments on the procurement of medical and allied equipment in the previous financial year.

#### **Gauteng Department of Education: R23.4 million**

An amount of R23.4 million is rolled over for ECD Employee Stimulus Relief Fund to settle outstanding payment batches which were delayed due to the finalisation of verification process.

#### **Gauteng Department of Human Settlements: R171.3 million**

The department receives approval from the National Treasury for the rollover amounting to R171.3 million for Human Settlements Development Grant (HSDG), Informal Settlements Upgrading Partnership Grant for Provinces (ISUPG) and EPWP Integrated Grant to cater for outstanding invoices and commitments on projects from the previous financial year. The approved rollover amount is in the transfers and subsidies budget under Programme 3: Housing Development within Financial and Incremental Intervention sub-programmes.

### Gauteng Department of Agriculture and Rural Development: R17.3 million

The department receives an approved rollover with the amount of R17.3 million for Comprehensive Agricultural Support Programme (CASP) Grant (Extension Recovery plan) to cover expenditure relating to the procurement of laptops, screens, rugged device and protective clothing for agricultural extension officers. Funds are also availed for CASP infrastructure to procure garden shade nets, equipping of boreholes, new fences, as well as supply and delivery of piggery and poultry inputs and equipment.

## 3. Summary of the 2022 Adjusted Estimates of Provincial Expenditure

### 2.1 Changes to Provincial Payments by Vote

TABLE 3: CHANGES TO PROVINCIAL PAYMENTS BY VOTE

R thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation	
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National			Additional Funding: Provincial
Office of the Premier	722 858		4 000			77 000	81 000	803 858
Gauteng Provincial Legislature	825 163							825 163
Economic Development	1 982 709	(260 750)	14 871			60 000	(185 879)	1 796 830
Health	59 426 398	(214 703)	1 130 722		1 007 000	2 000	1 925 019	61 351 417
Education	59 736 014		168 641			85 000	253 641	59 989 655
Social Development	5 537 037							5 537 037
Cooperative Governance and Traditional Affairs	610 789							610 789
Human Settlements	6 336 392		171 347			100 000	271 347	6 607 739
Roads, Transport and Logistics	8 719 282	(137 146)					(137 146)	8 582 136
Community Safety	1 153 296		21 042			199 727	220 769	1 374 065
Agriculture, Rural Development and Environment	1 042 356	(2 548)	46 443		39 255		83 150	1 125 506
Sport, Arts, Culture and Recreation	1 097 407	(129 238)					(129 238)	968 169
E-Government	1 690 374		45 587				45 587	1 735 961
Gauteng Provincial Treasury	792 933	(108 868)					(108 868)	684 065
Infrastructure Development	3 312 235					43 000	43 000	3 355 235
<b>Total</b>	<b>152 985 243</b>	<b>(853 253)</b>	<b>1 602 653</b>		<b>1 046 255</b>	<b>566 727</b>	<b>2 362 382</b>	<b>155 347 625</b>

### Gauteng Office of the Premier: R81 million increase

An amount of R81 million is added to the budget of the Gauteng Office of the Premier during the adjustments budget process. The budget increases from R722.8 million to R803.8 million. The increase comprises of R77 million allocated to provide for the claims of acutely ill mental health care users that the Office of the Premier will transfer to the claimants, executors and administrators of the claim process. It also comprises of R4 million rollover amount approved for the payment of laptops in respect of previous year's accruals.

### Gauteng Department of Economic Development: R185.9 million decrease

The department's total budget reduces by R185.8 million during the 2022/23 adjustments budget process. The overall decrease is a net effect of R260 million surrendered to the Provincial Revenue Fund and additions totalling R74.9 million allocated to the department. The infrastructure amount that will not be spent by the financial year-end is surrendered. It is for the Tshwane SEZ Expansion of Buk Infrastructure and Construction of Central Hub Building. The additions include R60 million for the Tshwane Automotive Special Economic Zone (TASEZ), of which R40 million is for electricity supply and R20 million is for the completion of the top structure of the Jewellery Manufacturing Precinct in the Gauteng Industrial Development Zone (GIDZ). The additions also include R14.9 million approved rollover to settle 2021/22 accruals and commitments.

### Gauteng Department of Health: R1.9 billion increase

The 2022/23 allocation of the Gauteng Department of Health is R1.9 billion higher during the adjustments budget process.

The additions include the R1.1 billion rollover of conditional grants and equitable share allocations. The increasing conditional grants are the District Health Programmes Grant (within the Comprehensive HIV/ AIDS Grant), the National Tertiary Services Grant and the Training Component of the Human Resources and Training Grant. The equitable share rollovers are for laboratory services, medicine, contracted mental health service providers (advisory services) and fleet services, machinery and equipment, HIV/AIDS cash subsidy transfers to Sedibeng District municipality and Tshwane Metropolitan municipal-

ity and the nutrition programme run by non-profit institutions.

The additions also include R1.007 billion for improvement in conditions of service and R2 million for the assessment of alternative water and energy supply at health institutions. Delays in the implementation of occupational health and safety infrastructure projects causes a surrender of R214.7 million to the Provincial Revenue Fund.

#### **Gauteng Department of Education: R253.6 million increase**

The addition of 253.6 million increases the 2022/23 budget from 59.7 billion to R60 billion during the adjustments budget process. The increase includes rollovers for the ECD Employee Stimulus Relief Fund, the Presidential Youth Employment Initiative (PYEI) programme, the GCRA youth bursaries programme and procurement of school furniture. The increase also include R85 million allocated for the school infrastructure maintenance to create a conducive environment for teaching and learning.

#### **Gauteng Department of Human Settlements: R271.3 million increase**

The 2022/23 budget is R271.3 million higher during the adjustments budget process because of the approved R171.3 million rollovers for the Human Settlements Development Grant, Informal Settlements Upgrading Partnership Grant and Expanded Public Works Programme to finalise the 2021/22 projects and because of R100 million added to complete RDP stock projects.

#### **Gauteng Department of Roads, Transport and Logistics: R137.1 million decrease**

The department's budget reduces by R137.1 million during the 2022/23 adjustments budget process. This reduction comprises of the surrender of R337 million from delayed infrastructure projects to the Provincial Revenue Fund, of which R200 million is approved to be redirected towards funding a shortfall in the Gautrain patronage guarantee.

#### **Gauteng Department of Community Safety: R220.8 million**

The department's budget increases by R220.8 million from R1.153 billion to an adjusted appropriation of R1.374 billion. The increase includes a rollover of R21 million from the previous financial year and an additional allocation of R199.7 million to fund the elevated priority of defeating or overcoming lawlessness and crime in the province through the expansion and capacitation of the police force and the investment in e-police and e-security.

The additional funding from the province of R199.7 million includes, amongst others, R24 million for recruiting 2 000 peace wardens, R60 million for training the appointed peace wardens which will assist the province to fight crime and lawlessness, R43 million for the procurement of 50 motor vehicles which will be used to support the South African Police Service, R27.5 million for an e-Panic button App that will activate immediate calls from the Call Centre and an armed response and/or the deployment of emergency services, R8.3 million for the procurement or leasing of drones and the training of drone operator pilots, R10 million for leasing helicopters to be deployed to crime hotspots and R26.8 million which is a reallocation from the previous financial year.

#### **Gauteng Department of Agriculture, Rural Development and Environment: R83.1 million increase**

The 2022/23 budget is R83.1 million higher during the adjustments budget process adjustments because of the R46.4 million approved rollover to fund the following projects such as the piggery and poultry infrastructure projects, supply and delivery of agriculture equipment, research agenda projects, medical supplies for veterinary services and the nature reserves projects. R39.2 million is added to provide for salary increases and a shortfall in compensation of employees. An amount of R2.5 million is surrendered from Infrastructure Delivery Management System (IDMS) due to a reduction of scope of work for the construction of fence at Abe Bailey Nature Reserve.

#### **Gauteng Department of Sport, Arts, Culture and Recreation: R129.2 million decrease**

A surrender of R129.2 million to the Provincial Revenue Fund reduces the budget from R1.1 billion to R968.2 million in 2022/23. The amount surrendered includes R51.9 million from compensation of employees because of delays in filling vacant posts. It also includes R32.9 million from goods and services for the Wednesday League School Programme, Provincial Archives Centre, the Kagiso Monument and the Women's Living Heritage Monument. From transfers and subsidies, the surrendered R30.3 million is for the delayed bidding and hosting of events and for bursaries for non-employees. It also includes R14 million for machinery and equipment software for the Provincial Archives Centre and incomplete infrastructure projects.

#### **Gauteng Department of e-Government: R45.6 million increase**

The approved rollovers increase the department's total budget by R45.6 million from R1.6 billion to R1.7 billion during the adjustments budget process in 2022/23 to fund the Gauteng Broadband Network programme, e-mobility services and SAP support, building refurbishment and laptops procurement.

## Gauteng Provincial Treasury: R108.9 million decrease

The unutilized R108.9 million for vacant posts in the organisational structure is surrendered to the Provincial Revenue Fund.

## Gauteng Department of Infrastructure Development: R43 million increase

The department is allocated an additional R43 million to fund the expenditure of legal services. This increases the budget from R3.312 billion to R3.355 billion. In addition, a surrender of R35 million from the infrastructure budget is reallocated to goods and services under security services for the purpose of safeguarding the GPG properties, reducing the risk of illegal occupants and dealing with security threats with regards to GPG buildings.

## Other Provincial Departments

The adjustments in other provincial departments through virements and shifts, which tend to have a zero net effect on the overall budgets.

## 3.2 Changes to Provincial Payments by Economic Classification

TABLE 4: CHANGES TO PROVINCIAL PAYMENTS BY ECONOMIC CLASSIFICATION

R thousand	Main Appropriation	2020/21 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current Payments</b>	<b>121 365 492</b>	<b>(255 185)</b>	<b>877 598</b>	<b>(977 157)</b>	<b>1 046 255</b>	<b>287 199</b>	<b>978 710</b>	<b>122 344 201</b>
Compensation Of Employees	86 884 782	(160 813)		(270 583)	1 046 255	24 000	638 859	87 523 641
Salaries and Wages	75 739 263	(138 393)		(200 831)	1 042 154	24 000	726 930	76 466 193
Social Contributions	11 145 520	(22 420)		(69 752)	4 101		(88 071)	11 057 449
Goods and Services	34 480 530	(94 372)	877 598	(709 192)		263 199	337 233	34 817 762
Interest and rent on land	180			2 618			2 618	2 798
<b>Transfers and subsidies</b>	<b>25 295 366</b>	<b>(291 070)</b>	<b>359 422</b>	<b>1 104 036</b>		<b>205 028</b>	<b>1 377 416</b>	<b>26 672 782</b>
Provinces and Municipalities	1 900 121		26 914	600			27 514	1 927 635
Departmental Agencies and Accounts	3 742 914			251 475		20 000	271 475	4 014 389
Higher Education Institutions	76 101		1 020	(13 053)			(12 033)	64 068
Public Corporations and Private Enterprises	3 313 413	(260 750)		(15 100)		40 000	(235 850)	3 077 563
Non-Profit Institutions	10 584 553	(30 000)	154 598	645 816			770 414	11 354 967
Households	5 678 264	(320)	176 890	234 298		145 028	555 896	6 234 160
<b>Payments for capital assets</b>	<b>6 324 385</b>	<b>(306 998)</b>	<b>365 633</b>	<b>(127 975)</b>		<b>74 500</b>	<b>5 160</b>	<b>6 329 545</b>
Buildings and other Fixed Structures	3 599 974	(305 817)	2 811	(228 576)			(531 582)	3 068 392
Machinery and Equipment	2 089 115	(1 000)	362 822	193 042		47 000	601 864	2 690 979
Heritage Assets								
Land and Sub-Soil Assets	609 176			(81 390)			(81 390)	527 786
Software and other Intangible Assets	26 120	(181)		(11 051)		27 500	16 268	42 388
<b>Payments For Financial Assets</b>				<b>1 096</b>			<b>1 096</b>	<b>1 096</b>
Thefts and Losses				1 096			1 096	1 096
<b>Total Economic Classification</b>	<b>152 985 243</b>	<b>(853 253)</b>	<b>1 602 653</b>		<b>1 046 255</b>	<b>566 727</b>	<b>2 362 382</b>	<b>155 347 625</b>

The province's allocation increases by R2.4 billion from R152.9 billion to R155.3 billion. The increase comprises of R1.6 billion rollovers, R1 billion additional funding from national government, R566.7 million from provincial additional funding and R853.2 million surrendered to the Provincial Revenue Fund. The adjustments also include virements and shifts within departments.

Adjustments to compensation of employee increase the budget by R638.9 million from the main budget of R86.9 billion to R87.5 billion. Additions to compensation of employees are allocated to the Gauteng Department of Health (i.e., R1.007 billion) and to the Gauteng Department of Agriculture and Rural Development (i.e., R39.2 million) which receive the national funding to provide for improvement in condition of services and to implement the provisional 3 per cent wage offer for public servants. In Gauteng Department of Health, this amount is allocated to the district health services and emergency medical services programme. In Gauteng Department of Agriculture and Rural Development, the amount covers a shortfall on compensation of employees and wages settlement for all employees in salary level 1 to 12. The R24 million provincial funding is added to the Gauteng Department of Community Safety to recruit 2 000 peace wardens.

Other adjustments in compensation of employees are funds surrenders, virements and shifts. The R160 million surrender to the Provincial Revenue Fund is for vacant posts in Gauteng Provincial Treasury (i.e., R108 million) and Gauteng Department of Sport, Arts, Culture and Recreation (i.e., R51.9 million). In the latter department, vacancies are within the infrastructure unit and the Provincial Archives Centre. The R270.6 million reduction, through virements and shifts, emanates from various departments, including Gauteng Department of e-Government, reprioritised compensation of employees to fund priorities.

The budget for goods and services is R337.2 million higher during the adjustments budget process. The net increase comprises of national and provincial additions and reductions through surrenders, virements and shifts. Among key provincial departments contributing to the R94.4 million surrenders are the Gauteng Department of Roads and Transport and the Gauteng Department of Sport, Arts, Culture and Recreation. The delayed projects and programmes in the Gauteng Department of Sport, Arts, Culture and Recreation include the Wednesday League School Programme, Provincial Archives Centre, Kagiso Monument, and the Women's Living Heritage Monument.

The R877.6 million rollovers contribute to the increase in goods and services. Amongst others, R770 million is allocated to the Gauteng Department of Health to fund laboratory services and medicine. R16.7 million is allocated to the Gauteng Department of Education to address school furniture needs to ensure that teaching and learning takes place in all public ordinary schools. R32 million is allocated to Gauteng Department of e-Government to fund the Gauteng Broadband Network programme, e-Mobility services, SAP support and the building refurbishment. The Gauteng Department of Community Safety rolls over the amount for procuring uniforms for community patrollers, for converting trucks into mobile police stations and for fleet services.

Through virements and shifts, goods and services reduce by R709.2 million. The Gauteng Department of Social Development reallocates R171.3 million from dignity packs and school uniform programmes to fund amongst others the expansion of substance abuse interventions and the upscaling of poverty alleviation programmes. The Gauteng Department of Health is funding the spending pressures and maintenance of institutions. The Gauteng Department of Education reallocates the personal protective equipment (PPE) funds towards the Sci-Bono Discovery Centre for the implementation of the 2022 Secondary School Improvement Programme (SSIP) and to transfers to schools for the building of additional brick-and-mortar classrooms to address pressure in school admission. The Gauteng Department of Roads and Transport reallocates funds for delayed infrastructure projects (RISFSA) towards buildings and other fixed structures.

Provincial funding totalling R263.2 million is added to provincial departments. It includes R85 million allocated to the Gauteng Department of Education for the maintenance needs of school infrastructure. The Gauteng Department of Community Safety is allocated funds for training appointed peace wardens to assist the province in fighting crime and lawlessness. The Gauteng Department of Infrastructure Development is funding legal services. The Gauteng Office of the Premier is funding legal fees and media campaigns to share information with stakeholders mainly Gauteng community.

Total transfers and subsidies increase by R1.4 billion. Of this amount, R26.9 million is a rollover under provinces and municipalities in the Gauteng Department of Health to fund the HIV, AIDS cash subsidy transfer to the Sedibeng District Municipality and the City of Tshwane Metropolitan Municipality. Departmental agencies and accounts increase by R271.5 million, of which R251.1 million comes from virements and shifts. The Gauteng Department of Economic Development's entities contribute significantly to this amount. The additional funding of R20 million is towards GGDA to fund the top structure of Jewellery Manufacturing Precinct. Public corporations and private enterprises reduce by R235.8 million mainly due to infrastructure cuts in the Tshwane SEZ, whereby the funds for the expansion of bulk infrastructure and for the construction of Central Hub Building are cut.

Transfers to non-profit institution increase by R770.4 million to fund the Gauteng of Social Development's substance abuse programmes. It also funds the Gauteng Department of Education's transfers to schools by the Gauteng City Region Academy (GCRA) to pay stipends to the education assistants and general school assistants placed in schools under the Presidential Youth Employment Initiative (PYEI) and for the ECD Employee Stimulus Relief Fund under the Early Childhood Development Grant. Gauteng Department of Education also provides for funds transfer to schools to pay the salaries of EPWP workers & patrollers.

Transfers to households increase by R555.9 million. They include the Gauteng Department of Human Settlements' rollover of conditional grants (i.e., Human Settlements Development Grant, Informal Settlements Upgrading Partnership Grant and EPWP Integrated Grant) and R100 million provincial additional funding allocated for incomplete RDP stock projects. They also include the Gauteng Office of the Premier's claims payout for the acutely ill mental healthcare users.

The R5.2 million increase in payments for capital assets include surrenders, rollovers, additional funds and virements and shifts. Gauteng Department of Health surrenders funds for buildings and other fixed structures because of delays in implementing the occupational health and safety infrastructure projects. The Gauteng Department of Agriculture and Rural Development surrenders funds for Infrastructure Delivery Management System (IDMS) due to a reduction of scope of work for the construction of fence at Abe Bailey Nature Reserve. The Gauteng Department of Health contributes the rollover of



National Tertiary Services Grant and the Training component of the Human Resource and Training Grant to settle commitments on the procurement of medical and allied equipment. Through virements and shifts, the Gauteng Department of e-Government reallocates R257 million for the Gauteng Broadband Network Programme from goods and services to payments for capital assets.

The Gauteng Department of Community Safety is allocating the additional funding of R47 million under machinery and equipment to procure motor vehicles that will be used to support the South African Police Service. This department also allocates additional R27.5 million to software and other intangible assets to provide for an e-Panic button App that activates immediate calls from the Call Centre and an armed response or the deployment of emergency services. The Gauteng Department of Human Settlementment reduces the budget for land and sub-soil assets to realign the HSDG with the approved adjusted business plan.

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

TABLE 5: CHANGES TO TRANSFERS TO LOCAL GOVERNMENT

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Category A	1 785 789		189 200	(129 755)			59 445	1 845 234
Category B	350 745		20 764	187 759			208 353	559 088
Category C	29 336		2 257				2 257	29 336
Unallocated	(77 270)							(77 270)
<b>Total changes in conditional Name of transfer payments</b>	<b>2 088 600</b>		<b>212 221</b>	<b>57 824</b>			<b>270 045</b>	<b>2 112 992</b>

In terms of section 30(2)(a)(i) of the Division of Revenue Bill, the Provincial Treasury is required to publish the transfer allocations to local government by each department by means of a gazette. These allocations are also be published in the budget documents of the province.

In 2022/23, the Gauteng Department of Human Settlements makes transfers to Category A and Category B municipalities for the delivery of housing stock/ units, where a municipality is appointed as the implementing agent. The Gauteng Department of Cooperative Governance and Traditional Affairs makes transfers to municipalities for the purpose of improving Fire & Rescue Services response capabilities, GRAP 17 support in targeted municipalities, and for the EPWP conditional grant to continue to support job creation initiatives in communities. The Department of Sports Arts and Culture provides funding to municipalities for the operationalisation of community libraries in accordance with the directives of the National Department of Arts and Culture through the Community Library Services conditional grant. Transfers made by the Gauteng Department of Infrastructure Development are for payment of rates and taxes on behalf of the Gauteng Provincial Government to all the municipalities across the province, whilst transfers made by the Gauteng Department of Health are made to provide funding for Primary Health Care, HIV and AIDS and emergency medical services.

#### **Rollovers: R212.2 million**

The total rollover is disaggregated as follows across municipal categories. The Gauteng Department of Human Settlements is approved roll over R185.5 million for the City of Ekurhuleni, City of Tshwane, and Merafong Local Municipality to finalise projects that were in progress as at the end of the previous financial year. The Gauteng Department of Health receives a rollover of R26.6 million which is allocated to municipalities for commitments on the HIV/AIDS cash subsidy transfer to the Sedibeng District Municipality and Tshwane Metropolitan Municipality.

#### **Virements and shifts: R57.8 million**

Through shifts, the Gauteng Department of Human Settlements shifts R117.5 million from the City of Ekurhuleni to Mogale City and Merafong Local municipality and an amount of R12.2 million from City of Tshwane to Merafong local municipality; whilst an additional amount of R57.8 million is allocated to Merafong Municipality and Rand West City Municipality due to the revised approved business plan.

### 3.4 Changes to Transfers to Public Entities

TABLE 6: CHANGES TO TRANSFERS TO PUBLIC ENTITIES

R thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Gautrain Management Agency	2 457 566		200 000			200 000	2 657 566
2. Gauteng Growth and Development Agency	535 565		20 500		20 000	40 500	576 065
3. Gauteng Enterprise Propeller	212 805		11 071			11 071	223 876
4. Gauteng Tourism Authority	112 667		3 770			3 770	116 437
5. Gauteng Partnership Fund	350 824		617 181			617 181	968 005
<b>Total Transfers</b>	<b>3 318 603</b>		<b>235 341</b>		<b>20 000</b>	<b>255 341</b>	<b>3 573 944</b>

Transfers to public entities increase by R255.3 million from R3.32 billion to R3.57 billion during the 2022 adjustments budget process.

#### Gauteng Enterprise Propeller (GEP)

Through virements, the entity received R11 million for its operational requirements resulting in an adjusted appropriation of R223.9 million.

#### Gauteng Tourism Authority (GTA)

GTA's budget is adjusted upwards by R3.8 million resulting to an adjusted budget of R116.4 million. The adjustments include the following:

- R3.2 million allocated towards compensation of employees
- R2.1 million received from the Cradle of Humankind is allocated for the administration and management of Ga Rankuwa Hotel Schools
- R1.2 million redirected to the Gauteng Department of Economic Development (DED) Inclusive Economy sub-programme for the BBB-EE implementation
- R268 000 allocated for the operations of the Gauteng Gambling Board War Room.

#### Gauteng Growth and Development Agency (GGDA)

The budget for the GGDA reflects a net increase of R40.5 million resulting in an adjusted appropriation of R556.1 million. The GGDA redirects R9.9 million to DED for the BBB-EE implementation. Furthermore, R30.5 million is allocated to the entity to fund the Project Management Unit (PMU) to drive the Western Corridor/ N12 SEZ programme, the Lanseria Smart City, The Innovation Hub (TIH) personnel requirements, TIH strategic priorities as well as the Conhill Creative sector. An amount of R20 million is allocated as additional funding to the GIDZ, a subsidiary under the GGDA, towards the completion of the top structure of the Jewellery Manufacturing Precinct.

#### Gautrain Management Agency (GMA)

Through virements, the Gauteng Department of Roads and Transport reallocates R200 million to the GMA. The amount is from the delayed implementation of infrastructure projects, and it is reallocated to cater for the GMA patronage guarantee that became due because of a drop in passengers when people worked from home. This passenger drop caused the patronage guarantee to increase to the limit of the Concessionaire's Demand Forecast (CDF).

#### Gauteng Partnership Fund (GPF)

Through virements, transfers to the Gauteng Partnership Fund increase by R617.2 million to provide technical support and augment the province's capacity in implementation of various Mega projects. This is in line with the revised business plan.

## 2.5 Changes to Transfers to Trading Entities

TABLE 7: CHANGES TO TRANSFERS TO TRADING ENTITIES

R thousand	Main Appropriation	2020/21 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Cradle of Humankind	57 523		210			210	57 733
2. Dinokeng	38 228		(450)			(450)	37 778
3. Gauteng Liquor Board	85 327		(6 000)			(6 000)	79 327
4. Gauteng Gambling Board	392		14 208			14 208	14 600
5. Gauteng Infrastructure Funding Agency	63 706						63 706
<b>Total Transfers</b>	<b>245 176</b>		<b>7 968</b>			<b>7 968</b>	<b>253 144</b>

Transfers to trading entities increase by R8 million from R245.2 million to an adjusted appropriation of R253.1 million. These changes primarily impact the Gauteng Department of Economic Development's trading entities.

### Cradle of Humankind

The transfer reflects a net increase of R210 000 resulting to an adjusted budget of R57.7 million. The adjustments are as follows:

- R2.1 million is redirected to GTA for the administration and management of the Ga Rankuwa Hotel School goods and services requirements
- R3.3 million is redirected to the entity to augment the shortfall in the budget for Signature projects; and
- R990 000 is allocated towards the upkeep of the War Room which is administered and managed by Gauteng Gambling Board (GGB).

### Dinokeng and Gauteng Liquor Board (GLB)

R450 000 is shifted from Dinokeng and R6 million is shifted from GLB to GGB towards the budget for the War Room upkeep.

### Gauteng Gambling Board

All entities within DED redirected funds towards the War Room upkeep that is administered and managed by the entity. The total budget increases by R14.2 million from the main budget of R392 000 to an adjusted budget of R14.6 million.

## 4. Summary of the 2022 Adjusted Estimates of Provincial Own Receipts

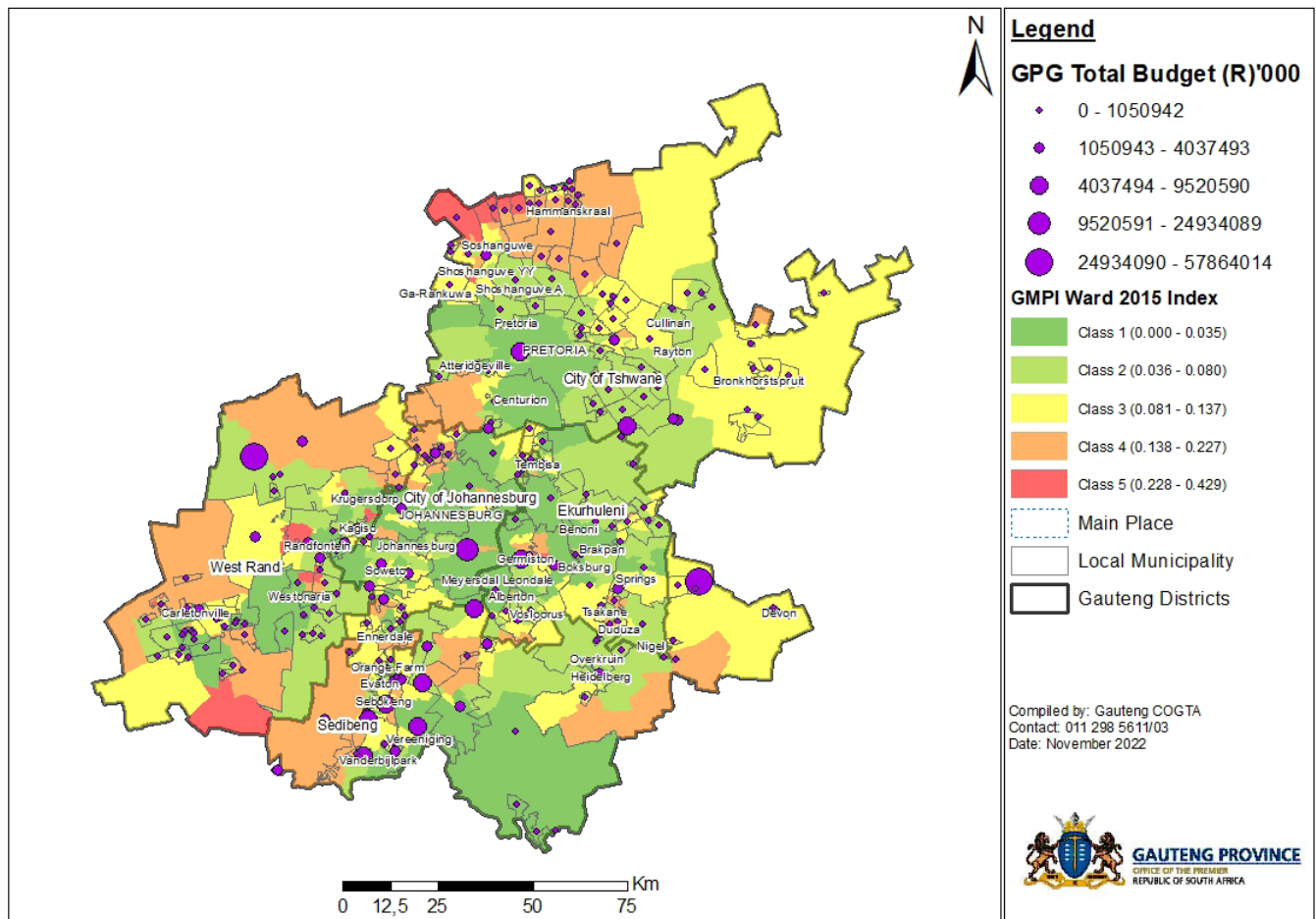
TABLE 8: SUMMARY OF THE ADJUSTED ESTIMATES OF PROVINCIAL OWN RECEIPTS

R thousand	Main Appropriation	Total Adjustments	Adjusted Appropriation	Actual Receipts April - September 2019
Office of the Premier	386		386	328
Gauteng Provincial Legislature				
Economic Development	1 153 431		1 153 431	579 609
Health	540 800		540 800	217 296
Education	39 076		39 076	41 840
Social Development	4 201		4 201	4 731
Cooperative Governance and Traditional Affairs	370		370	129
Human Settlements	919		919	2 713
Roads and Transport	4 795 179		4 795 179	1 937 002
Community Safety	43 885		43 885	13 099
Agriculture, Rural Development and Environment	14 967		14 967	14 903
Sport, Arts, Culture and Recreation	377		377	338
E-Government	777		777	370
Gauteng Provincial Treasury	624 091		624 091	309 919
Infrastructure Development	31 471		31 471	102
<b>Total Changes in Own Receipts</b>	<b>7 249 930</b>		<b>7 249 930</b>	<b>3 122 379</b>

There are no adjustments to the provincial own receipts.

## 5. Spatial Referencing of the Provincial Budget

The figure below presents the spatial referencing of the provincial adjustments budget during the 2022/23 financial year.



The Gauteng Multidimensional Poverty Index (GMPI) is utilised as consideration of non-infrastructure budgets in relation to areas of multi-dimensional poverty.

An overall Multidimensional Poverty Index (MPI) is computed by combining headcount and intensity (the proportion of households that are lacking in three or more dimensions is multiplied by the average percentage of indicators in which poor households are lacking) noted as: Education: Years of schooling and child enrolment; Health: Child mortality and nutrition; Standard of living: Electricity, flooring, drinking water, sanitation, cooking fuel and assets. The poverty index ranges from 1-5 with 5 having the least access to education, health and lower standard of living.

The majority of non-infrastructure budgets are directed at GMPI Class 2, followed by Class 1 and Class 3 which does not seem to link to the most marginalised areas found in Classes 4 and 5 which may proportionally require more non-infrastructure support. This may be as a result of the majority of population residing in areas classified under Class 1, 2 & 3 which is the driving factor for most budgets target these areas. In Gauteng, Class 1, 2 and 3 also coincide with the location of townships in the Province.



# VOTE 1

## OFFICE OF THE PREMIER

R thousand	2022/23			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	722 858	803 858		81 000
of which:				
Current payments	534 013	562 975		28 962
Transfers and subsidies	175 450	220 764		45 314
Payments for capital assets	13 395	20 063		6 668
Payment for financial assets		56		56
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 2022/23

TABLE 1.1 OFFICE OF THE PREMIER

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	133 388			2 327		77 000	79 327	212 715
2. Institutional Development	258 616		4 000	6 649			10 649	269 265
3. Policy & Governance	330 854			(8 976)			(8 976)	321 878
<b>Total for Programmes</b>	<b>722 858</b>		<b>4 000</b>			<b>77 000</b>	<b>81 000</b>	<b>803 858</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation	
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National			Additional Funding: Provincial
<b>Current payments</b>		<b>534 013</b>			<b>(3 010)</b>		<b>31 972</b>	<b>28 962</b>	<b>562 975</b>
Compensation of employees	377 887								377 887
Salaries & wages	337 269			(7 009)				(7 009)	330 260
Social contribution	40 619			7 009				7 009	47 628
Goods and services	156 126			(3 010)		31 972		28 962	185 088
<b>Transfers and subsidies</b>		<b>175 450</b>			<b>286</b>		<b>45 028</b>	<b>45 314</b>	<b>220 764</b>
Higher education institutions	30 244								30 244
Non-profit institutions	144 682								144 682
Households	524			286		45 028		45 314	45 838
<b>Payments for capital assets</b>		<b>13 395</b>		<b>4 000</b>	<b>2 668</b>			<b>6 668</b>	<b>20 063</b>
Buildings and other fixed structures									
Machinery and equipment	13 395		4 000	2 668				6 668	20 063
Software and other intangible assets									
<b>Payments for financial assets</b>					<b>56</b>			<b>56</b>	<b>56</b>
<b>Total economic classification</b>		<b>722 858</b>		<b>4 000</b>			<b>77 000</b>	<b>81 000</b>	<b>803 858</b>

The Office of the Premier has a budget baseline of R722.9 million in the 2022/23 financial year, which increases by R81 million to the adjusted budget of R803.9 million. The increase is allocated to provide for the claims of acutely ill mental health care users that the Office of the Premier will transfer to the claimants, executors and administrators of the claim process, and for the payment of laptops in respect of previous year’s accruals.

The movement of funds through shifts and virements is mainly to address spending pressure such as the Provincial strategic support task team, Legal fees resulting from inter-departmental claims received from Department of Justice, Gauteng Youth Advisory Panel, procurement of assistive devices for the needs of employees living with disabilities, provincial state funeral and Inter-departmental claims from the Gauteng Department of Community Safety for VIP protectors.

The budget of Programme 1: Administration increases by R79.3 million through provincial additional funding and through virements and shifts to fund the revised activities, Life Esidimeni, VIP protectors, airtime and data costs and audit costs. The budget for Programme 2: Institutional Development increases by R10.6 million through rollovers in respect of laptop purchases and virements and shifts to fund the legal fees, State of the Province Address (SOPA), Ntirhisano Outreach Programme and other key achievement campaign, Long Service Awards to accommodate 500+ employees. Through virements and shifts, the budget for Programme 3: Policy and Governance reduces by R8.9 million resulting from the tender cancellation due to prolonged period in the conclusion of the adjudication process and moving funds to centralised activities under Programme 1 and Programme 2.

Adjustments reflect in all categories of economic classification. Total shifts of R7 million within compensation of employees provide for aligning payment of salaries in programmes according to the organisational structure as well as funding lower-level items showing an overspending. In goods and services, the budget is reprioritised through virements and shifts. Goods and services budget reduces by R3 million to reallocate the budgets towards transfers to households and the budget for machinery and equipment. The increase of R286 000 in transfers and subsidies comprises of leave gratuity payments for employees who exit the public service and a donation made to assist in respect of community member’s funeral. Payments for capital assets increase by R6.7 million through rollovers and through virements and shifts. This amount provides for the procurement of tools of trade such as laptops to enable employees to work in the hybrid system and for the maintenance of Geographic Information System (GIS) server. Payments for financial assets increases by R56 000 to fund old debts written off, which were uneconomical to recovery.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 20 22/23

##### Programme 1: Administration

TABLE 1.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Premier's Support	20 582			(1 300)			(1 300)	19 282
2. Executive Council Support	9 183			(576)			(576)	8 607
3. Director-General	41 469			4 532		77 000	81 532	123 001
4. Financial Management	59 315			1 441			1 441	60 756
5. Programme Support Prg1	2 839			(1 770)			(1 770)	1 069
<b>Total for Programmes</b>	<b>133 388</b>			<b>2 327</b>		<b>77 000</b>	<b>79 327</b>	<b>212 715</b>
R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>123 868</b>			<b>2 871</b>		<b>31 972</b>	<b>34 843</b>	<b>158 711</b>
Compensation of employees	83 942							83 942
Salaries & wages	75 366			(2 499)			(2 499)	72 867
Social contribution	8 576			2 499			2 499	11 075
Goods and services	39 926			2 871		31 972	34 843	74 769
<b>Transfers and subsidies</b>						<b>45 028</b>	<b>45 028</b>	<b>45 028</b>
Provinces and municipalities								
Households						45 028	45 028	45 028
<b>Payments for capital assets</b>	<b>9 520</b>			<b>(600)</b>			<b>(600)</b>	<b>8 920</b>
Buildings and other fixed structures								
Machinery and equipment	9 520			(600)			(600)	8 920
<b>Payments for financial assets</b>				<b>56</b>			<b>56</b>	<b>56</b>
<b>Total economic classification</b>	<b>133 388</b>			<b>2 327</b>		<b>77 000</b>	<b>79 327</b>	<b>212 715</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(12 093)</b>		<b>14 964</b>
Compensation of employees	Reprioritisation of budget within compensation of employees to fund lower level items and other sub-programmes.	(3 600)	To fund the personnel requirements of sub-programmes.	3 600
Goods and services	Unused funds for the COVID-19 wellness programme post the COVID-19 era; excess budget for municipal rates; and lower expenditure for catering and for parking at Legislature due to online meetings.	(8 493)	To pay for the Provincial Strategic Support Team Board Members, VIP protection services claim from Gauteng Department of Community Safety, Probity audit services, and Airtime & data costs to support rotational remote working.	11 364
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Households				
<b>Payments for capital assets</b>		<b>(600)</b>		
Buildings and other fixed structures				
Machinery and equipment	Procurement of office furniture postponed until OoP moves to the new office premises.	(600)		
Heritage assets				
Software and other intangible assets				
Payments for financial assets			To write off old debts that are uneconomical to recover.	56
<b>Total economic classification</b>		<b>(12 693)</b>		<b>15 020</b>



The budget for Programme 1: Administration reflects a net increase of R79.3 million from R133.4 million to R212.7 million due to additional funds received to cater for acutely ill mental health care users’ claims as well as virements and shifts to provide for the operational requirements.

**Virements and shifts**

Through virements, the budget for Programme 1: Administration increases by R2.3 million received from Programme 2: Institutional Development and Programme 3: Policy and Governance to fund operational requirements.

Shifts within compensation of employees are funding the spending pressure in lower-level items mainly from salaries and wages to social contributions as well as the alignment of sub-programmes’ budgets.

The budget for goods and services increases by R2.9 million to fund operational requirements. These requirements include the claims payment for VIP protection services rendered by the Gauteng Department of Community Safety, funding for the provincial strategic support task team, provision of probity audit services, provision of uniforms for security officers, and provision of airtime and data for employees to support rotational remote working.

Payments for capital assets decrease by R600 000 due to the major assets were not procured whilst there was a delay in the move to new office premises.

Payments for financial assets increase by R56 000 to provide for the write-off of irrecoverable old debts.

**Additional Funding: Provincial R77 million**

The R77 million for mental health care users of Life Esidimeni is allocated as follows: R45 million is allocated under transfer payments to households to cater for payouts to beneficiaries. A balance of R32 million provides for legal fees (R24.3 million) and advertising (R7.6 million) for media costs to share information with stakeholders mainly Gauteng community.

**Programme 2: Institutional Development**

TABLE 1.4: PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Strategic Human Resources	100 186			899			899	101 085
2. Information Communication	13 502		4 000	8 385			12 385	25 887
3. Legal Services	14 005			2 915			2 915	16 920
4. Communication Services	61 498			1 230			1 230	62 728
5. Programme Support Prg2	2 231			212			212	2 443
6. Service Delivery Intervention	67 194			(6 992)			(6 992)	60 202
<b>Total for Programmes</b>	<b>258 616</b>		<b>4 000</b>	<b>6 649</b>			<b>10 649</b>	<b>269 265</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
R Thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>255 491</b>			<b>2 060</b>			<b>2 060</b>	<b>257 551</b>
Compensation of employees	201 487							201 487
Salaries & wages	178 209			(1 337)			(1 337)	176 872
Social contribution	23 278			1 337			1 337	24 615
Goods and services	54 004			2 060			2 060	56 064
<b>Interest and rent on land</b>								
Interest (Incl. interest on finance leases)								
<b>Transfers and subsidies</b>				<b>571</b>			<b>571</b>	<b>571</b>
Provinces and municipalities								
Non-profit institutions								
Households				571			571	571
<b>Payments for capital assets</b>	<b>3 125</b>		<b>4 000</b>	<b>4 018</b>			<b>8 018</b>	<b>11 143</b>
Buildings and other fixed structures								
Machinery and equipment	3 125		4 000	4 018			8 018	11 143
Software and other intangible assets								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>258 616</b>		<b>4 000</b>	<b>6 649</b>			<b>10 649</b>	<b>269 265</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(18 924)</b>		<b>20 984</b>
Compensation of employees	Reprioritisation of budget within compensation of employees to fund lower level items and other sub-programs.	(6 607)	To fund the personnel requirements of sub-programmes.	6 607
Goods and services	Unused funds for printing of advertisement banners. Unspent funds for Q2 commitments of Provincial Communication Services. Lower expenditure on radio and video production, animation and beneficiary videos.	(12 317)	To provide for advertising and media buying to profile government work such as SOPA 2023, Ntirhisano and other key achievement campaigns. To pay for Long Service Awards. To purchase equipment for employees with special needs. To pay for legal fees claim from the Department of Justice. To pay for declared state and official funerals. To pay for a venue for strategic leadership workshop.	14 377
<b>Transfers and subsidies</b>				<b>571</b>
Households			To provide for leave gratuity payments, injury-on-duty claims and a donation made to assist in respect of community member's funeral.	571
<b>Payments for capital assets</b>				<b>4 018</b>
Buildings and other fixed structures				
Machinery and equipment			To fund the replacement of a damaged laptops, procurement of new laptops, software licences and maintenance of GIS server.	4 018
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(18 924)</b>		<b>25 573</b>

**Rollovers: R4 million**

The R4 million approved rollover is allocated to the Information Communication Technology sub-programme to settle accruals for laptops procured.

**Virements and shifts**

Virements and shifts results in a net increase of R6.6 million in Programme 2 mainly to fund key projects pronounced by the Premier, such as enhancing communication to the public and improving service delivery of the province.

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

Through virements, the budget for goods and services increases by R2.1 million to provide for media buying to profile government work such as SOPA 2023, Ntirhisano and other key achievement campaigns. This amount also caters for the payment of the Long Service Awards to qualifying employees. It also caters for expenditure incurred for the DPSA workshop on 8 principles for accounting officers and for the costs of a provincial official state funeral declared in April 2022. The purchase of specialised equipment for employees with special needs and the payment of legal fees claims from the Department of Justice are covered in this virements amount.

The budget for transfers to households increases by R571 000 to provide for payment of leave gratuity to former employees, injury-on-duty claims, and a donation made to assist with funeral costs of a needy family in Tembisa township.

Payments for capital assets increase because of R4 million received for the replacement of damaged laptops, procurement of new laptops and maintenance of GIS server in the Information Communication Technology sub-programme.

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

R Thousand	Main Appropriation	2022/22 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Intergovernmental Relations	54 702			2 193			2 193	56 895
2. Provincial Policy Management	272 763			(11 169)			(11 169)	261 594
3. Programme Support Prg3	3 390							3 390
<b>Total for Programmes</b>	<b>330 854</b>			<b>(8 976)</b>			<b>(8 976)</b>	<b>321 878</b>

Economic classification	Main Appropriation	2022/22 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R Thousand</b>							
<b>Current payments</b>	<b>154 654</b>			<b>(7 941)</b>		<b>(7 941)</b>	<b>146 713</b>
Compensation of employees	92 458						92 458
Salaries & wages	83 694			(3 173)		(3 173)	80 521
Social contribution	8 765			3 173		3 173	11 938
Goods and services	62 196			(7 941)		(7 941)	54 255
<b>Transfers and subsidies</b>	<b>175 450</b>			<b>(285)</b>		<b>(285)</b>	<b>175 165</b>
Higher education institutions	30 244						30 244
Non-profit institutions	144 682						144 682
Households	524			(285)		(285)	239
<b>Payments for capital assets</b>	<b>750</b>			<b>(750)</b>		<b>(750)</b>	
Buildings and other fixed structures							
Machinery and equipment	750			(750)		(750)	
<b>Payments for financial assets</b>							
<b>Total economic classification</b>	<b>330 854</b>			<b>(8 976)</b>		<b>(8 976)</b>	<b>321 878</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(20 966)</b>		<b>13 025</b>
Compensation of employees	Reprioritisation of budget within compensation of employees to fund lower level items and other sub-programs.	(5 221)	To fund personnel requirements of sub-programmes.	5 221
Goods and services	Pending SIU investigations to happen in 2023/24. Online meetings lower the expenditure. Use of internal capacity to develop Provincial PME Framework handbook. Delayed tenders cancelled.	(15 745)	To fund the Premier's international travel that was previously cancelled due to COVID-19 restrictions. To pay for services rendered by NW University. To pay for costs of the Gauteng Youth Advisory Panel. To pay for the management of the Gauteng ethic hotline. To provide for expenditure of Premier's war room, International Women Day Awards, 16 Days of Activism, Ntirhisano outreach programme and the launch of GGT2030 Evidence map.	7 804
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(500)</b>		<b>215</b>
Higher education institutions				
Public corporations and private enterprises				
Non-profit institutions				
Households	Non-receipt of bursary applications for military veterans (MV) caused an underspending. Funds reallocated for MV training services rendered by a local university.	(500)	To pay for leave gratuity to former employees.	215
<b>Payments for capital assets</b>		<b>(750)</b>		
Buildings and other fixed structures				
Machinery and equipment	Centralisation of ICT funds to Information Communication Technology sub-programme in Programme 2 to pay for the maintenance of the Geographic Information System server.	(750)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(22 216)</b>		<b>13 240</b>

## Virements and shifts

The budget of the programme reduces by R8.9 million from R330.8 million to R321.9 million because of virements to Programme 1 and Programme 2.

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

Through virements, goods and services reduce by R7.9 million. Unspent funds are for the N12 Corridor project due to a cancellation of delayed tender. They are also for the delayed SIU investigations that will continue in 2023/24 financial year. Online meetings reduce expenditure incurred for meeting venues and thus availed funds for other spending needs.

The budget for transfers to households decreases by R285 000 to provide for leave gratuity payments to former employees and injury-on-duty claims.

From payments for capital assets R750 000 is reallocated to Information Communication Technology sub-programme in Programme 2 to provide for the maintenance of the GIS server. This sub-programme is responsible for centrally providing the ICT procurement function.

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

TABLE 1.8: EXPENDITURE 2020/21 AND PRELIMINARY EXPENDITURE 2021/22

Department	2021/22				2022/23		
	Adjusted appropriation	Expenditure Outcome		Apr 2021-Mar 2022 as a % of adjusted appropriation	Preliminary expenditure		
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Adjusted appropriation		Apr 2022 - Sept 2023	% change 21/22 - 22/23 Apr-Sept	
<b>R thousand</b>							
1. Administration	320 400	82 012	166 158	52%	212 715	83 587	2%
2. Institutional Development	267 743	111 825	234 553	88%	269 265	113 945	2%
3. Policy and Governance	297 895	160 191	285 123	96%	321 878	137 105	(14)%
<b>Total</b>	<b>886 038</b>	<b>354 028</b>	<b>685 834</b>	<b>77%</b>	<b>803 858</b>	<b>334 637</b>	<b>(5)%</b>
<b>Current payments</b>	<b>539 000</b>	<b>241 917</b>	<b>486 823</b>	<b>90%</b>	<b>562 975</b>	<b>233 900</b>	<b>(3)%</b>
Compensation of employees	357 035	180 675	363 668	102%	377 887	173 374	(4)%
Goods and Services	181 965	61 242	123 155	68%	185 088	60 526	(1)%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>331 714</b>	<b>107 277</b>	<b>185 450</b>	<b>56%</b>	<b>220 764</b>	<b>90 230</b>	<b>(16)%</b>
Higher education institutions	30 182	12 534	25 066	83%	30 244	15 122	21%
Non-profit institutions	131 108	82 913	138 188		144 682	57 928	(30)%
Households	170 424	11 830	22 196	13%	45 838	17 120	44.72%
<b>Payments for capital assets</b>	<b>15 324</b>	<b>4 834</b>	<b>13 494</b>	<b>88%</b>	<b>20 063</b>	<b>10 451</b>	<b>116%</b>
Machinery and equipment	15 324	4 834	13 494	88%	20 063	10 451	116%
<b>Payments for financial assets</b>			<b>67</b>		<b>56</b>	<b>56</b>	
<b>Total</b>	<b>886 038</b>	<b>354 028</b>	<b>685 834</b>	<b>77%</b>	<b>803 858</b>	<b>334 637</b>	<b>(5)%</b>

### Expenditure trends 2021/22

The department spent R354 million (or 40 per cent) of the R886 million adjusted appropriation as at 30 September 2021. The annual spending amounted to R685.8 million (or 77 per cent of the budget) as at 31 March 2022.

The unspent R200.2 million or 33 per cent of the budget is mostly for the projects that could not be implemented in the previous year, a delay in finalisation of the court process as the date for the hearing was postponed to the second quarter of 2022, procurement of less printers and stationery as some employees were working remotely, the Legal Compliance of Employee Health and Wellness project that was cancelled due to non-responsive bids, Disability Rights awards and International Day of Persons Disabilities that were reduced to small events due to the COVID-19 arrangements, and procurement of ICT equipment's which were affected by early closure of system.

### Preliminary expenditure trends for the first half of 2022/23

The department spent R334.6 million during the first six months of 2022/23 versus R354 million spent in the corresponding period in 2021/22, representing a decrease of 5 per cent. The slow spending in compensation of employees is mainly due to employees who resigned, and the posts have not been filled. Goods and services underspending were due to the procurement judgement issued by the constitutional court stating that departments may only issue a Purchase Order to a maximum of R30 000. Some activities were put on hold to comply with the issued judgement.

**Programme 1: Administration**

The expenditure for the first six months amounting to R83.6 million is 2 per cent more than R82 million spent in the same period of 2021/22 financial year. A trend in payments for the acutely ill mental health care users is the main reason for the higher expenditure.

**Programme 2: Institutional Development**

The spending of R113 .9 million as at the end of first six months in 2022/23 is 2 per cent more than R111.8 million spent in 2021/22 financial year during the same period. The main contributing factors to the highest expenditure are payment of software licences and the previous year accruals for Laptops.

**Programme 3: Policy and Governance**

The expenditure amounting to R137.1 million during the 2022/23 first six months is 14 per cent less than R160.2 million spent during the same period in the previous financial year. The main contributing factor to the lower expenditure is the payment of transfers to Tshepo 1 million. The payment schedule is different from the previous financial year in terms of payment period.

**6. Departmental Receipts**

TABLE 1.9: DEPARTMENTAL RECEIPTS

Department	2021/22				2022/23		
	Audited Outcome				Preliminary Receipts		
R thousand	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021-Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
Tax receipts							
Sales of goods and services other than capital assets	279	132	259		246	123	(7)%
Interest, dividends and rent on land	4	2	4		3	(15)	(850)%
Sales of capital assets			7				
Financial transactions in assets and liabilities	102	60	622	510%	137	220	267%
<b>Total</b>	<b>385</b>	<b>194</b>	<b>892</b>	<b>132%</b>	<b>386</b>	<b>328</b>	<b>69%</b>

**Revenue trends for the first half of the 2022/23 financial year**

The table above shows the contribution of each revenue source towards the departmental receipts generated as 30 September 2022. The main source of departmental receipts is sales of goods and services other than capital assets. This item consists of parking fees and commission earned on garnishee orders and insurance premiums.

The interest revenue contributes the lowest share of the departmental receipts. Departmental receipts totalling R328 000 as of 30 September 2022 are 69 per cent higher than R194 000 collected as at 30 September 2021. The increase reflects in financial transactions in assets and liabilities and is due to salary reversal (of deceased employees) relating to the previous financial year.

Collection under this item depends on the recovery of previous year’s debts raised by Debt Management Unit against the existing employees who breach the bursary contract and employees who resigned while owing for bursaries. Under collection in sales of goods and services other than capital assets is due to the less collection on parking fees resulting from employees who resigned as well as less garnish orders received.

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

**7.1 Changes to transfers and subsidies**

Not applicable

**7.2 Changes to conditional grants**

Not applicable

**7.3 Changes to infrastructure**

Not applicable

# VOTE 2

## GAUTENG PROVINCIAL LEGISLATURE

R thousand	2022/23			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	825 163	825 163		
of which:				
Current payments	645 032	648 306	3 274	
Transfers and subsidies	158 015	158 015		
Payments for capital assets	22 116	18 842		(3 274)
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 2022/23

TABLE 2.1: GAUTENG PROVINCIAL LEGISLATURE

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Leadership and Governance	59 716			3 147			3 147	62 863
2. Office of the Secretary	26 635			1 267			1 267	27 902
3. Corporate Support Services	420 460			(5 471)			(5 471)	414 989
4. Core Business	259 427							259 427
5. Office of the CFO	58 925			1 057			1 057	59 982
<b>Total for Programmes</b>	<b>825 163</b>							<b>825 163</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>645 032</b>			<b>3 274</b>			<b>3 274</b>	<b>648 306</b>
Compensation of employees		389 821			(4 385)			(4 385)	385 436
Salaries & wages		389 821			(4 385)			(4 385)	385 436
Social contribution									
Goods and services		255 211			7 659			7 659	262 870
<b>Transfers and subsidies</b>		<b>158 015</b>							<b>158 015</b>
Provinces and municipalities									
Non-profit institutions		158 015							158 015
Households									
<b>Payments for capital assets</b>		<b>22 116</b>			<b>(3 274)</b>			<b>(3 274)</b>	<b>18 842</b>
Buildings and other fixed structures		14 714			(14 714)			(14 714)	
Machinery and equipment		7 402			11 440			11 440	18 842
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>825 163</b>							<b>825 163</b>

Each year before 31 October, the Provincial Legislature is required by Section 53 of Financial Management of Parliament and Provincial Legislatures Act, 2009 (FMPPLA) to perform the mid-year assessment of budget and performance and to also review expenditure projections for the second half of the financial year. This led to all programmes undertaking the review and revision of current planned activities in response to changes that have an impact on the main budget including consideration of unforeseeable emerging political imperatives.

The outcome of the mid-year review process led to unspent funds totalling R5.4 million from Programme 3: Corporate Support Services under both compensation of employees and capital assets. Unspent funds from compensation of employees are primarily as a result of reclassification of budget from security insourcing to security outsourcing as well as from political support staff remuneration to political parties’ research consultants. Unspent funds from capital assets are as a result of roofing projects which have been deferred to the next financial year due to challenges in securing qualifying service providers. Savings were also realised within individual Programmes from conducting legislature business virtually and from reprioritising underperforming activities and non-cores.

Declared savings and unspent funds have been mainly reallocated to approved roll-overs from the 2021/22 financial year and spending pressures under security outsourcing, office furniture and equipment, parliamentary exchange programmes and operational costs, by effecting virements and funds shifts. Overall, the institutional budget remains unchanged from the main budget at R825.2 million.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

##### Programme 1: Leadership and Governance

TABLE 2.2: PROGRAMME 1: LEADERSHIP AND GOVERNANCE

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the Executive Director	22 169			(102)			(102)	22 067
2. Administrative Operations	2 211			2 204			2 204	4 415
3. Inter-Legislature Relations	30 998			(376)			(376)	30 622
4. Oversight and Liaison	4 338			1 421			1 421	5 759
<b>Total for Programmes</b>	<b>59 716</b>			<b>3 147</b>			<b>3 147</b>	<b>62 863</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>59 716</b>			<b>3 147</b>			<b>3 147</b>	<b>62 863</b>
Compensation of employees	21 927							21 927
Salaries & wages	21 927							21 927
Social contribution								
Goods and services	37 789			3 147			3 147	40 936
Interest and rent on land								
<b>Transfers and subsidies</b>								
Provinces and municipalities								
Households								
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>59 716</b>			<b>3 147</b>			<b>3 147</b>	<b>62 863</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(478)</b>		<b>3 625</b>
Compensation of employees				
Goods and services	Savings from consultants and meetings	(478)	To fund parliamentary exchange programmes spending pressures	3 625
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Payments for financial assets				
<b>Total economic classification</b>		<b>(478)</b>		<b>3 625</b>

The budget for Programme 1: Leadership and Governance is adjusted upwards by R3.1 million from the main budget of R59.7 million to an adjusted budget of R62.9 million.



**Virements and shifts**

A total amount of R3.5 million is reallocated to parliamentary exchange programmes that are aimed at capacitating Committees and Presiding Officers with the knowledge and best learning experiences from other legislative sectors in order to improve the execution of their constitutional responsibilities. Of the total R3.5 million, an amount of R3.1 million is received from Programme 3: Corporate Support Services and the remaining R363 000 is financed through funds shifts within the programme.

Through savings within the programme, an amount of R115 544 is reallocated within goods and services to fund the anticipated shortfall on Legislature Services Board (LSB) external members’ fees. Savings were realised from consultancy fees and meetings that were held virtually.

**Programme 2: Office of the Secretary**

TABLE: 2.4: PROGRAMME 2: OFFICE OF THE SECRETARY

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the Secretary	26 496			1 311			1 311	27 807
2. Office of the Integrity Commissioner	139			(44)			(44)	95
<b>Total for Programmes</b>	<b>26 635</b>			<b>1 267</b>			<b>1 267</b>	<b>27 902</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Current payments</b>		<b>26 635</b>			<b>1 267</b>		<b>1 267</b>	<b>27 902</b>
Compensation of employees		17 652						17 652
Salaries & wages		17 652						17 652
Social contribution								
Goods and services		8 983			1 267		1 267	10 250
Interest and rent on land								
<b>Transfers and subsidies</b>								
Provinces and municipalities								
Households								
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Software and other intangible assets								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>		<b>26 635</b>			<b>1 267</b>		<b>1 267</b>	<b>27 902</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(44)</b>		<b>1 311</b>
Compensation of employees				
Goods and services	Savings from stakeholder meetings which were held virtually	(44)	To fund legal fees for the ongoing investigations and legal matters	1 311
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(44)</b>		<b>1 311</b>

The budget for Programme 2: Office of the Secretary is increased by R1.3 million from the main budget of R26.6 million to an adjusted budget of R27.9 million.

### Virements and shifts

Through virements from Programme 3: Corporate Support Services, the programme's budget for goods and services has been increased by a total amount of R1.3 million to fund spending pressures on legal fees for the ongoing investigations and legal matters.

### Programme 3: Corporate Support Services

TABLE: 2.6: PROGRAMME 3: CORPORATE SUPPORT SERVICES

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. ED: Corporate Support Services	131 717			(4 385)			(4 385)	127 332
2. Members Affairs	169 395			706			706	170 101
3. Institutional Support Services	30 119			(225)			(225)	29 894
4. Operational Support Services	54 506			(6 928)			(6 928)	47 578
5. IT and Technology	34 723			5 361			5 361	40 084
<b>Total for Programmes</b>	<b>420 460</b>			<b>(5 471)</b>			<b>(5 471)</b>	<b>414 989</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>243 116</b>			<b>(397)</b>			<b>(397)</b>	<b>242 719</b>
Compensation of employees	126 530			(4 385)			(4 385)	122 145
Salaries & wages	126 530			(4 385)			(4 385)	122 145
Social contribution								
Goods and services	116 586			3 988			3 988	120 574
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>158 015</b>							<b>158 015</b>
Provinces and municipalities								
Non-profit institutions	158 015							158 015
Households								
<b>Payments for capital assets</b>	<b>19 329</b>			<b>(5 074)</b>			<b>(5 074)</b>	<b>14 255</b>
Buildings and other fixed structures	14 714			(14 714)			(14 714)	
Machinery and equipment	4 615			9 640			9 640	14 255
Software and other intangible assets								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>420 460</b>			<b>(5 471)</b>			<b>(5 471)</b>	<b>414 989</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(8 439)</b>		<b>8 042</b>
Compensation of employees	Unspent funds from the security insourcing which has since been halted, as well as from political support staff remuneration	(4 385)	To fund security outsourcing, rental operational costs and political parties research work	8 042
Goods and services	Savings from architecture and network security support and the Institute of Personnel Management conference	(4 054)		
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Households				
<b>Payments for capital assets</b>		<b>(14 714)</b>		<b>9 640</b>
Buildings and other fixed structures	Unspent funds from concrete and tile roof projects that have been deferred to the 2023/24 financial year due to challenges in securing qualifying service providers	(14 714)	To fund the replacement of audio-visual equipment, ICT strategy, laptops, tablets and access card machine.	9 640
Machinery and equipment				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(23 153)</b>		<b>17 682</b>

The overall budget for the programme is adjusted downwards by R5.5 million from the main budget of R420.5 million to an adjusted budget of R415 million. The surrendered funds have been reallocated to Programme 1: Leadership and Governance, Programme 2: Office of the Secretary and Programme 5: Office of the CFO. Funds were predominantly surrendered from the rehabilitation of concrete and tile roof projects that have been deferred to the 2023/24 financial year as a result of challenges in securing qualifying service providers.

**Virements and shifts**

Through virements and funds shifts, compensation of employees is adjusted downwards by a total amount of R4.4 million which comprises the security insourcing allocation of R3.7 million and the R706 000 for political support staff remuneration. The security insourcing has been halted for a period of three years and similarly the institution has outsourced security services for the same period. In terms of political support staff remuneration, the institutional Internal Arrangements for Represented Political Parties policy permits for support staff remuneration budget to be utilised to fund the appointment of political parties’ research consultants.

Goods and services are increased by R4 million through funds shifts within the programme to fund the outsourcing of security services, political parties research work and rental operational costs which increased as staff begin to return to office.

Building and other fixed structures allocation is decreased by R14.7 million due to deferred implementation of the rehabilitation of concrete and tile roof projects to the 2023/24 financial year as a result of challenges encountered in securing qualifying service providers to implement the projects. Supply chain processes will still be concluded in the current financial year however, the projects are expected to incur expenditure in the next financial year.

The budget for machinery and equipment is increased by R9.6 million through funds shifts within the programme to finance laptops, audio-visual equipment for caucus rooms and ICT strategy. Included in the budget is an amount of R540 000 to correct budget classification for tablets and access card machines.

## Programme 4: Core Business

TABLE: 2.8: PROGRAMME 4: CORE BUSINESS

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. ED: Core Business	178 530			(34)			(34)	178 496
2. Parliamentary Business	35 129			34			34	35 163
3. Information and Knowledge Management	14 262							14 262
4. Communication	31 506							31 506
<b>Total for Programmes</b>	<b>259 427</b>							<b>259 427</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>259 427</b>						<b>259 427</b>	
Compensation of employees		178 449						178 449	
Salaries & wages		178 449						178 449	
Social contribution									
Goods and services		80 978						80 978	
Interest and rent on land									
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>									
Thefts & Losses									
<b>Total economic classification</b>		<b>259 427</b>						<b>259 427</b>	

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		(34)		<b>34</b>
Compensation of employees				
Goods and services	Savings from South African Legislative Sector meetings which were held virtually	(34)	To defray excess expenditure on the Digital Parliament project: Upgrade of Committee Rooms and Auditorium for hybrid sittings	34
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(34)</b>		<b>34</b>

### Virements and shifts

Through funds shifts within the programme, an amount of R33 703 is shifted from the Office of the Executive Director: Core Business sub-programme to Parliamentary Business sub-programme to defray excess expenditure on the Digital Parliament project: Upgrade of Committee Rooms and Auditorium for hybrid sittings which has been rolled over from the previous financial year. Savings have been realised from the South African Legislative Sector meetings (SALS) which were held virtually.

**Programme 5: Office of the CFO**

**TABLE: 2.10: PROGRAMME 5: OFFICE OF THE CFO**

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Chief Financial Officer	49 672			(42)			(42)	49 630
2. Finance	248			176			176	424
3. Supply Chain Management	7 685			923			923	8 608
4. Audit, Risk and Governance	1 320							1 320
<b>Total for Programmes</b>	<b>58 925</b>			<b>1 057</b>			<b>1 057</b>	<b>59 982</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>56 138</b>			<b>(743)</b>			<b>(743)</b>	<b>55 395</b>
Compensation of employees		45 263							45 263
Salaries & wages		45 263							45 263
Social contribution									
Goods and services		10 875			(743)			(743)	10 132
Interest and rent on land									
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Non-profit institutions									
Households									
<b>Payments for capital assets</b>		<b>2 787</b>			<b>1 800</b>			<b>1 800</b>	<b>4 587</b>
Buildings and other fixed structures									
Machinery and equipment		2 787			1 800			1 800	4 587
Software and other intangible assets									
<b>Payments for financial assets</b>									
Thefts & Losses									
<b>Total economic classification</b>		<b>58 925</b>			<b>1 057</b>			<b>1 057</b>	<b>59 982</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(919)</b>		<b>176</b>
Compensation of employees				
Goods and services	Savings from the South African Institute of Professional Accountants (SAIPA) subscription and audit fees which were lower than anticipated. Additional savings were realised from cleaning materials as well as computer and photocopier consumables due to reduced demand	(919)	To fund budgetary pressures relating to the procurement of CaseWare.	176
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Non-profit institutions				
Households				

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(919)</b>		<b>176</b>
<b>Payments for capital assets</b>				<b>1 800</b>
Buildings and other fixed structures			To fund the procurement of a generator and to defray excess expenditure for office equipment and furniture as well as the revamping of the auditorium.	1 800
Machinery and equipment				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(919)</b>		<b>1 976</b>

The budget for Programme 5: Office of the CFO is adjusted upwards by R1.1 million, from the main budget of R58.9 million to an adjusted budget of R60 million.

### Virements and shifts

A total amount of R176 051 is shifted to the Finance sub-programme to fund the procurement of CaseWare, through virements from Programme 3: Corporate Support Services and funds shifts from the Office of the CFO sub-programme. CaseWare is a financial reporting software that aims to streamline and automate financial statements in order to improve the quality of the financial statements.

Through virements from Programme 3: Corporate Support Services and funds shifts within Supply Chain Management sub-programme, the budget for capital assets is increased by R1.8 million to fund the procurement of a generator and revamping of the auditorium, office chairs and Members' safes. The increased allocation is also financing emerging requirements for office furniture and equipment.

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

TABLE: 2. 13 EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2020/21

Programme	2021/22				2022/23		
	Adjusted appropriation	Expenditure Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Preliminary expenditure		
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Adjusted appropriation		Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept	
<b>R thousand</b>							
1. Leadership and Governance	29 802	11 484	24 652	83%	62 863	23 886	108%
2. Office of the Secretary	32 118	14 617	31 723	99%	27 902	8 150	(44)%
3. Corporate Support Services	422 501	224 284	367 481	87%	414 989	225 241	0%
4. Core Business	253 698	100 727	227 403	90%	259 427	108 375	8%
5. Office of the CFO	57 589	25 913	50 982	89%	59 982	24 149	(7)%
<b>Total</b>	<b>795 708</b>	<b>377 025</b>	<b>702 241</b>	<b>88%</b>	<b>825 163</b>	<b>389 801</b>	<b>3%</b>
<b>Current payments</b>	<b>609 558</b>	<b>246 489</b>	<b>540 943</b>	<b>89%</b>	<b>648 306</b>	<b>261 241</b>	<b>60%</b>
Compensation of employees	386 714	192 446	379 543	98%	385 436	168 019	(13)%
Goods and Services	222 844	54 043	161 399	72%	262 870	93 222	72%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>159 921</b>	<b>129 824</b>	<b>159 921</b>	<b>100%</b>	<b>158 015</b>	<b>128 200</b>	<b>(1)%</b>
Provinces and municipalities							
Departmental agencies and accounts							
Non-profit institutions	159 921	129 824	159 921	100%	158 015	128 200	(1)%
Households							
<b>Payments for capital assets</b>	<b>26 229</b>	<b>712</b>	<b>1 377</b>	<b>5%</b>	<b>18 842</b>	<b>360</b>	<b>(49)%</b>
Buildings and other fixed structures	9 636			0%			
Machinery and equipment	16 593	712	1 377	8%	18 842	360	(49)%
Land and sub-soil assets							
Software and other intangible assets							
<b>Payments for financial assets</b>							
<b>Total</b>	<b>795 708</b>	<b>377 025</b>	<b>702 241</b>	<b>88%</b>	<b>825 163</b>	<b>389 801</b>	<b>3%</b>

### **Expenditure trends for 2021/22**

The GPL spent a total amount of R702.2 million in the 2021/22 financial year, equating to 88 per cent of the institutional allocated budget. Compensation of employees accounted for 48 per cent of the total expenditure for the 2021/22 financial year, followed by goods and services and transfers to political parties at 20 per cent each.

Compensation of employees' expenditure totalled R379.5 million, translating to 98 per cent of the allocated personnel budget. The recorded expenditure included salaries for both GPL and political support staff as well as other employee benefits. The 2 per cent variance under compensation of employees can be credited to unfilled vacancies, with some of the vacancies being halted pending the conclusion of the ongoing Organisational Development exercise.

Spending on goods and services amounted to R161.4 million, representing 72 per cent of goods and services appropriation. Goods and services were mainly driven by committee activities and public participation programmes, activities of the House, provision of facilities and support to Members of the GPL, institutional events and projects, COVID-19 response, citizens responsibility campaigns, operational costs and contractual obligations. Goods and services underspent largely due to activities that were impacted by the COVID-19 pandemic and associated restrictions, the congested institutional calendar and delays in concluding operational projects. At least R14.2 million of the unspent funds can also be attributed to savings from conducting legislature business virtually and from continued implementation of cost-savings measures.

A combined amount of R159.9 million was transferred to political parties in the 2021/22 financial year, with support for political party work at R103 million and constituency support work at R57 million.

Payments for capital assets totalled R1.4 million and relates to procurement of audio-visual equipment for the institutional annual report, laptops and monitors. The recorded expenditure also includes the revamping of the auditorium.

### **Preliminary expenditure trends for the first half of 2022/23**

At mid-year, the GPL spent a total amount of R389.8 million in comparison to the R377 million that was spent in the same period of 2021/22, representing an increase of 3 per cent. A vast share of the mid-year expenditure is on compensation of employees at 43 per cent, trailed by transfers to political parties and goods and services at 33 per cent and 24 per cent respectively.

A total amount of R168 million was spent on compensation of employees for both GPL and political support staff salaries and other benefits, as well as leave payments due to resignations and expired contracts. The reported expenditure excludes cost-of-living adjustments as salary negotiations for the legislative sector had not been concluded at mid-year. Personnel expenses for the current period declined by 13 per cent when compared with the R192.4 million that was spent in the same period of 2021/22. The decline in expenditure can be credited to a once-off expenditure in 2021/22 relating to the payment of 13<sup>th</sup> cheque which was not funded in the current financial year.

Goods and services expenditure amounted to R93.2 million and is largely driven by House and Committee activities, public participation and education programmes, Members facilities, Digital Parliament project, operating expenses and contractual obligations. Goods and services expenditure grew by 72 per cent when compared with the same period in the 2021/22 financial year. The increase is evident in Committee activities and public participation programmes, parliamentary exchange programmes as well as institutional events due to full resumption of activities that were suspended as a result of COVID-19 pandemic and restrictions.

Political Parties received a combined amount of R128.2 million in the first half of the financial year in support of their political party work and constituency work. Transfers to Political Parties decreased by 1 per cent in comparison to the same period of the previous financial year, primarily as a result of a once-off supplementary allocation that was made to political parties in 2021/22.

Spending on capital assets totalled R360 000 in comparison to R712 000 that was spent in the same period of 2021/22, representing a decline of 49 per cent. The decrease can be attributable to delays in the replacement of network switch owing to the global chip shortages. The recorded expenditure relates to office furniture and equipment.

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

The programme spent R23.9 million in the first six months of the financial year when compared to the R11.5 million that was spent in the same period of 2021/22, representing an increase of 108 per cent. The increase in expenditure is largely under goods and services due to Committees and Presiding Officers international study tours and exchange programmes which were suspended in 2021/22 as a result of the COVID-19 pandemic. Compensation of employees accounted for R10.4 million of the reported expenditure for the period and goods and services for R13.5 million. Goods and services expenditure is mainly driven by Committees and Presiding officers study tours and exchange programmes, external board members fees, Gauteng Speakers Forum activities and stakeholder engagements.

### Programme 2: Office of the Secretary

The programme spent R8.2 million in the first half of the financial year as compared to R14.6 million that was spent in the same period of the last financial year, equating to a decrease of 44 per cent. The sharp decline can be credited to a once-off expenditure for the recruitment of senior management positions whose contracts expired in the last financial year. Compensation of employees accounted for R6.2 million of the mid-year expenditure whilst goods and services accounted for R2 million. Goods and services expenditure is mostly driven by legal fees, participation in legislative sector exchange programmes and the printing of Members' declaration books.

### Programme 3: Corporate Support Services

At mid-year, the programme spent R225.2 million which is a faint increase from the R224.3 million that was spent in the same period of the 2021/22 financial year. Compensation of employees accounted for R54.5 million or 24 per cent of the overall programme expenditure, whilst goods and services accounted for R42.5 million or 19 per cent. Operational costs, contractual obligations and Member facilities drove goods and services expenditure.

Transfers to Political Parties accounted for R128.2 million or 57 per cent of the overall programme spending for the mid-year. Of the total transfers made to political parties, an amount of R98.4 million was transferred for political party work and R29.8 million for constituency work.

### Programme 4: Core Business:

The programme expenditure for the mid-year increased by 8 per cent, when comparing the R108.4 million that was spent in the first half of 2022/23 against the R100.7 million that was spent in the same period of 2021/22 financial year. Compensation of employees accounted R78.5 million and goods and services for R29.9 million, with a share of 72 per cent and 28 per cent respectively. The reported goods and services expenditure comprises House and Committee activities, public participation and educational programmes including sector parliaments for the youth, children, women and interfaith as well as the Digital Parliament Project. Also included in the expenditure are citizens' responsibility campaigns and institutional events such as Vita Basadi Awards, Nelson Mandela Day as well as women and men month activities.

### Programme 5: Office of the CFO

The programme spent an amount of R24.1 million in the first half of the financial year in comparison to the R25.9 million that was spent in the same period of 2021/22, displaying a decrease of 7 per cent. Unfilled vacancies contributed to the reduced mid-year expenditure. Of the total expenditure for the period, compensation of employees accounted for R18.5 million or 77 per cent, followed distantly by goods and services at R5.3 million or 22 per cent and capital assets at R360 000 or 1 per cent. Goods and services expenditure consists of audit fees, bank charges, inventory, Audit and Risk Committee board member fees as well as maintenance and support fees for the budgeting and assets management systems. Payments for capital assets consist of procured office equipment and furniture.

## 6. Departmental Receipts

TABLE 2.14: DEPARTMENTAL RECEIPTS

Department	2021/22				2022/23		
	Adjusted appropriation	Audited Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Preliminary Receipts		% change 21/22 - 22/23 Apr-Sept
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Apr 2022 - Sept 2022				
<b>R thousand</b>							
Tax receipts							
Sales of goods and services other than capital assets	1 637	762	1 632	100%	1 842	1 618	112%
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	12 959	6 480	14 021	108%	28 500	12 162	88%
Sales of capital assets							
Financial transactions in assets and liabilities							
<b>Total</b>	<b>14 596</b>	<b>7 242</b>	<b>15 653</b>	<b>7%</b>	<b>30 342</b>	<b>13 780</b>	<b>90%</b>

### Revenue trends for the first half of 2022/23

The primary source of GPL revenue is interest earned on positive bank balances, City Hall booking fees and renting out of the parking space. At mid-year, the GPL collected a total amount of R13.8 million in comparison to the R7.2 million that was collected in the same period of 2021/22, representing an increase of 90 per cent. The increase in revenue collection is evident in both sales of goods and services and interest earned. Interest received accounted for a large share of collected revenue at R12.2 million or 88 per cent of the total revenue and the remaining 12 per cent or R1.6 million was collected through sales of goods and services which comprises insurance claims and the disposal of GPL vehicles that have reached their lifespan.



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

### **7.1 Changes to transfers and subsidies**

No changes.

### **7.2 Changes to conditional grants**

Not applicable.

### **7.3 Changes to infrastructure**

Not applicable.

# VOTE 3

## DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	2022/23			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 982 709</b>	<b>1 796 830</b>	<b>(185 879)</b>	
<b>of which:</b>				
Current payments	480 183	447 020	(33 163)	
Transfers and subsidies	1 488 005	1 332 425	(155 580)	
Payments for capital assets	14 521	17 385		
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Economic Development</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

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

#### Mission

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

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

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

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2022/23

TABLE 3.1: DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	272 288		14 871	(25 608)			(10 737)	261 551
2. Integrated Economic Development Service	212 805			11 071			11 071	223 876
3. Trade and Sector Development	743 983			24 030		20 000	44 030	788 013
4. Business Regulation & Governance	147 681			(884)			(884)	146 797
5. Economic Planning	605 952	(260 750)		(8 609)		40 000	(229 359)	376 593
<b>Total for Programmes</b>	<b>1 982 709</b>	<b>(260 750)</b>	<b>14 871</b>			<b>60 000</b>	<b>(185 879)</b>	<b>1 796 830</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>480 183</b>		<b>11 287</b>	<b>(44 450)</b>			<b>(33 163)</b>	<b>447 020</b>
Compensation of employees	294 279			(49 861)			(49 861)	244 418
Salaries & wages	254 709			(45 317)			(45 317)	209 392
Social contribution	39 570			(4 544)			(4 544)	35 026
Goods and services	185 904		11 287	5 411			16 698	202 602
<b>Transfers and subsidies</b>	<b>1 488 005</b>	<b>(260 750)</b>		<b>45 170</b>		<b>60 000</b>	<b>(155 580)</b>	<b>1 332 425</b>
Departmental agencies and accounts	1 042 507			43 309		20 000	63 309	1 105 816
Public corporations and private enterprises	445 498	(260 750)				40 000	(220 750)	224 748
Households				1 861			1 861	1 861
<b>Payments for capital assets</b>	<b>14 521</b>		<b>3 584</b>	<b>(720)</b>			<b>2 864</b>	<b>17 385</b>
Machinery and equipment	14 521		3 584	(720)			2 864	17 385
Software and other intangible assets								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>1 982 709</b>	<b>(260 750)</b>	<b>14 871</b>			<b>60 000</b>	<b>(185 879)</b>	<b>1 796 830</b>

The budget of the department is adjusted to appropriate roll-overs, surrenders, additional funding and the reprioritisation of budget between and within programmes and items. The appropriation is adjusted downwards by a net decrease of R185.8 million from a main budget of R1.9 billion to an adjusted budget of R1.7 billion. The net amount includes a surrender of R260 million to the Provincial Revenue Fund due to infrastructure cuts implemented for the Tshwane SEZ Expansion of Bulk Infrastructure and Construction of Central Hub Building.

The department received additional funding of R60 million for the TASEZ - electricity supply (R40 million) and R20 million to Gauteng Industrial Development Zone (GIDZ) for the completion of Jewellery Manufacturing Precinct Top Structure.

The approved rollover of R 14.8 million relates to 2021/22 accruals and commitments which is used to reimburse previous year expenditure incurred prior to the rollover approval.

The department identified savings from programmes and projects with potential underspending. Funds were reprioritised towards programmes and activities that are geared towards the implementation of the Township Economic Development Act, No 02 of 2022 initiative, Broad-Based Black Economic Empowerment (B-BBEE) and Special Economic Zone (SEZ) programmes. In addition, funds were also allocated to augment the short fall on existing programmes and projects to ease their spending pressures.

Furthermore, the budget for the upkeep of War Room (Project Centre) is centralised to the Gauteng Gambling Board (GGB) and is shifted from the department and entities for ease of the business and administration. An amount of R83.7 million was identified as a saving from various economic classification within the department.

## 4. Details of adjustments to estimates of departmental expenditure 2022/23

### Programme 1: Administration

TABLE 3.2: PROGRAMME 1: ADMINISTRATION

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1.Office Of The Mec	7 057			1 202			1 202	8 259
2.Office Of The Hod	14 113			(902)			(902)	13 211
3.Financial Management	59 216			(488)			(488)	58 728
4.Corporate Services	191 902		14 871	(25 420)			(10 549)	181 353
<b>Total for Programmes</b>	<b>272 288</b>		<b>14 871</b>	<b>(25 608)</b>			<b>(10 737)</b>	<b>261 551</b>

Economic classification	R thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Current payments</b>		257 767		11 287	(26 199)		(14 912)	242 855
Compensation of employees		155 300			(8 160)		(8 160)	147 140
Salaries & wages		136 140			(11 947)		(11 947)	124 193
Social contribution		19 160			3 787		3 787	22 947
Goods and services		102 467		11 287	(18 039)		(6 752)	95 715
<b>Transfers and subsidies</b>					1 311		1 311	1 311
Households					1 311		1 311	1 311
<b>Payments for capital assets</b>		14 521		3 584	(720)		2 864	17 385
Buildings and other fixed structures								
Machinery and equipment		14 521		3 584	(720)		2 864	17 385
<b>Payments for financial assets</b>								
<b>Total economic classification</b>		<b>272 288</b>		<b>14 871</b>	<b>(25 608)</b>		<b>(10 737)</b>	<b>261 551</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(83 899)</b>		<b>57 700</b>
Compensation of employees	Surplus funds identified is attributed to the vacant positions mainly at SMS level. There is also a misalignment of compensation codes and proposed structure not yet approved.	(44 576)	Funds are shifted to align compensation of employee's budget to where expenditure is incurred on the structure.	36 416
Goods and services	Surplus funds realised as a result of reimbursement of accruals from rollovers and department claims made against entities. Furthermore, funds are shifted to where the function is performed.	(39 323)	Realignment of the budget, funds are shifted to follow the expenditure where the function is performed.  Furthermore, provision is made for additional requirement for Probity Auditors such as software licensing, telephones and rental and hiring. Funds are also allocated towards the strategic risk assessment.	21 284
<b>Transfers and subsidies</b>				<b>1 311</b>
Households			Funds are shifted to cover payments of leave gratuity for officials that retired or resigned from the department.	1 311
<b>Payments for capital assets</b>		<b>(3 584)</b>		<b>2 864</b>
Machinery and equipment	Surplus funds identified as a result of reimbursement of accruals from rollovers.	(3 584)	Realignment of the budget, funds are shifted to where the function is performed.	2 864
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(87 483)</b>		<b>61 875</b>

**Roll-overs: R14.8 million**

An amount of R14.8 million is rolled over for the payment of accruals, and commitments with PO’s for services rendered at the end of 2021/22 financial year.

**Virements and shifts**

Through virements, an amount of R25.6 million from Compensation of Employees (COE), Goods and services and Machinery and equipment was moved from Programme 1 to fund the following projects R11 million in Programme 2 to fund the operational requirements (Opex) of Gauteng Enterprise Propeller (GEP), R14.6 million was allocated to Programme 3 towards funding the Lanseria Smart City, The Innovation Hubs compensation shortfall, Project management unit (PMU) to drive the Western Corridor/N12 as well as the Conhill Creative sector. Furthermore, funds are moved to augment the Gauteng Growth Development Agency (GGDA) budget for funding the TIHMC strategic projects as well as for the COE budget under Supplier Development.

Vacant posts resulted in the under-utilisation of Compensation of Employees at SMS level along with the misalignment of compensation codes and the delay in approval of the proposed organisational structure. Funds are reprioritized to where the expenditure in compensation of employees is incurred. Furthermore, funds are shifted to defray overspending caused by leave gratuity payments for employees who have left the employment of the department. A provision was also made to augment the budget for machinery and equipment to ensure tools of trade for the filling of vacant positions.

**Programme 2: Integrated Economic Development Services**

TABLE 3.4: PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Enterprise Development	212 805			11 071			11 071	223 876
2. Regional & Local Economic Development								
3. Economic Empowerment								
<b>Total for Programmes</b>	<b>212 805</b>			<b>11 071</b>			<b>11 071</b>	<b>223 876</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>								
Compensation of employees								
Salaries & wages								
Social contribution								
Goods and services								
<b>Transfers and subsidies</b>	<b>212 805</b>			<b>11 071</b>			<b>11 071</b>	<b>223 876</b>
Departmental agencies and accounts	212 805			11 071			11 071	223 876
Households								
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>212 805</b>			<b>11 071</b>			<b>11 071</b>	<b>223 876</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				
Compensation of employees				
Goods and services				
<b>Transfers and subsidies</b>		<b>(1 500)</b>		<b>12 571</b>
Departmental agencies and accounts	Funds are reprioritised to GGB to fund War Room.	(1 500)	Provision is made for GEP's operational costs.	12 571
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(1 500)</b>		<b>12 571</b>

### Virements and shifts

The programme budget reflects a net increase of R11 million from the main budget of R212.8 million to an adjusted budget of R223.8 million. Through virements, an amount of R12.6 million is redirected from Programme 1 towards Gauteng Enterprise Propeller (GEP) for the operational requirements. Furthermore, GEP contributed an amount of R1.5 million towards the upkeep of the War Room which is administered and managed by GGB.

### Programme 3: Trade and Sector Development

TABLE 3.6: PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Trade and Investment Promotion	535 565			20 500		20 000	40 500	576 065
2. Sector Development	208 418			3 530			3 530	211 948
3. Strategic Initiatives								
<b>Total for Programmes</b>	<b>743 983</b>			<b>24 030</b>		<b>20 000</b>	<b>44 030</b>	<b>788 013</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
R thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>								
Compensation of employees								
Salaries & wages								
Social contribution								
Goods and services								
<b>Transfers and subsidies</b>	<b>743 983</b>			<b>24 030</b>		<b>20 000</b>	<b>44 030</b>	<b>788 013</b>
Departmental agencies and accounts	743 983			24 030		20 000	44 030	788 013
Non-profit institutions								
Households								
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>743 983</b>			<b>24 030</b>		<b>20 000</b>	<b>44 030</b>	<b>788 013</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				
Compensation of employees				
Goods and services				
<b>Transfers and subsidies</b>				
		<b>(15 048)</b>		<b>39 078</b>
Provinces and municipalities				
Departmental agencies and accounts	Funds are reprioritised from Cradle of Humankind to GTA to make provision for the procurement of goods and services for Garankuwa Hotel school. In addition, funds are shifted due to centralisation of the War Room budget to GGB.	(15 048)	Funds are shifted to make provision for Lanseria Smart City; TIH COE; Project Management Unit to drive western corridor SEZ programme; and global business services. Funds are also shifted to augment the TIHMC budget. Funds shifted to GTA to augment the COE budget for Tourism Supply. Provision is also made to Cradle of Humankind towards their signature events.	39 078
Households				
<b>Payments for capital assets</b>				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(15 048)</b>		<b>39 078</b>

**Virements and shifts**

The programmes budget is adjusted upwards by R44 million from the main appropriation of R743.9 million to an adjusted appropriation of R788 million.

Funds are shifted to make provisions for Lanseria Smart City; TIH COE; Project Management Unit to drive Western corridor SEZ programme; the ConHill Creative sector; Supplier Development COE; and to augment the GGDA budget for funding TIHMC strategic projects.

The Gauteng Tourism Authority (GTA) is allocated R3.2 million towards the tourism supply (COE) and received R2.1 million from Cradle of Humankind for the administration and management of the Ga Rankuwa Hotel school goods and services requirements. An additional amount of R3.3 million is redirected to Cradle of Humankind to augment the shortfall in budget for Signature projects. The Gauteng Growth and Development Agency (GGDA) is allocated R20.5 million towards funding of the Lanseria Smart City; Project Management Unit (PMU) to drive the Western Corridor/N12 SEZ; Constitution Hill (ConHill) Creative Sector; and the Innovation Hub (TIH) COE.

Furthermore, Gauteng Tourism Authority (GTA) and Gauteng Growth and Development Agency (GGDA) contributed R1.2 million and R9.9 million respectively through virements towards the implementation of the B-BBEE Act under Programme 5; and Inclusive Economy.

The Dinokeng projects, COHWHS and GTA contributes R450 000, R990 000 and R268 000 respectively towards the upkeep of the War Room which is administered and managed by GGB.

**Additional funding: Provincial R20 million**

GGDA received an additional R20 million towards the Gauteng Industrial Development Zone (GIDZ) - Jewellery Manufacturing Precinct Top Structure. This funding will be used for the completion of the JMP Top Structures.

## Programme 4: Business Regulation and Governance

TABLE 3.8: PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

ProgrammeS	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1.Governance	8 141			(1 458)			(1 458)	6 683
2.Regulation Services	30 589			(10 650)			(10 650)	19 939
3.Consumer Protection	23 232			3 016			3 016	26 248
4.Liquor Regulation	85 327			(6 000)			(6 000)	79 327
5. Gauteng Gambling Board	392			14 208			14 208	14 600
<b>Total for Programmes</b>	<b>147 681</b>			<b>(884)</b>			<b>(884)</b>	<b>146 797</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>61 962</b>			<b>(9 392)</b>			<b>(9 392)</b>	<b>52 570</b>
Compensation of employees	59 327			(9 892)			(9 892)	49 435
Salaries & wages	49 920			(7 067)			(7 067)	42 853
Social contribution	9 407			(2 825)			(2 825)	6 582
Goods and services	2 635			500			500	3 135
<b>Transfers and subsidies</b>	<b>85 719</b>			<b>8 508</b>			<b>8 508</b>	<b>94 227</b>
Departmental agencies and accounts	85 719			8 208			8 208	93 927
Households				300			300	300
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>147 681</b>			<b>(884)</b>			<b>(884)</b>	<b>146 797</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(20 884)</b>		<b>11 492</b>
Compensation of employees	Surplus funds identified is attributed to the vacant positions mainly at SMS level. There is also misalignment of compensation codes and proposed structure not yet approved.	(20 452)	Funds are shifted to align compensation of employee's budget to where expenditure is incurred on the structure.	10 560
Goods and services	Funds are shifted to where the function is performed.	(432)	Funds are made available to defray over-spending and Board assessment project.	932
<b>Transfers and subsidies</b>		<b>(6 000)</b>		<b>14 508</b>
Provinces and municipalities				
Departmental agencies and accounts	Surplus funds identified under Compensation of Employees are ascribed to unfilled posts in GLB and slow-moving projects such as GLB automation.	(6 000)	Funds made available to fund GGB War Room requirements such as telephone solutions, rental and hiring of equipment and software licensing.	14 208
Households			Funds are shifted to cover payments of leave gratuity for officials who retired or resigned from the department.	300
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(26 884)</b>		<b>26 000</b>



**Virements and shifts**

The programme budget decreases by R884 000 from the main budget of R147.6 million to an adjusted budget of R146.8 million.

An amount of R6 million has been reprioritized from GLB to fund the following:

- R3 million was shifted towards GGB for the administration and management of the war room;
- R500 000 was shifted to Governance sub-programme for the Board assessment project; and
- Funds are shifted to augment the budget under GGDA for the Southern precinct JMP top structure at ORTIA SEZ.

Moreover, R10.8 million is shifted from within Compensation of Employees to follow the expenditure in other sub programmes. Provision is also made towards leave gratuity under households.

**Programme 5: Economic Planning**

TABLE 3.10: PROGRAMME 5: ECONOMIC PLANNING

ProgrammeS	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1.Policy & Planning	27 192			(5 396)			(5 396)	21 796
2.Research & Development	7 792			(4 325)			(4 325)	3 467
3.Knowledge Management	2 705			(1 809)			(1 809)	896
4.Sector& Industry Development	554 317	(260 750)		(22 094)		40 000	(242 844)	311 473
5.Inclusive Economy	13 946			25 015			25 015	38 961
<b>Total for Programmes</b>	<b>605 952</b>	<b>(260 750)</b>		<b>(8 609)</b>		<b>40 000</b>	<b>(229 359)</b>	<b>376 593</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>160 454</b>			<b>(8 859)</b>			<b>(8 859)</b>	<b>151 595</b>
Compensation of employees	79 652			(31 809)			(31 809)	47 843
Salaries & wages	68 649			(26 303)			(26 303)	42 346
Social contribution	11 003			(5 506)			(5 506)	5 497
Goods and services	80 802			22 950			22 950	103 752
Administrative fees	100			45			45	145
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>445 498</b>	<b>(260 750)</b>		<b>250</b>		<b>40 000</b>	<b>(220 500)</b>	<b>224 998</b>
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Public corporations and private enterprises	445 498	(260 750)				40 000	(220 750)	224 748
Non-profit institutions								
Households				250			250	250
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
Land and sub-soil assets								
Software and other intangible assets								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>605 952</b>	<b>(260 750)</b>		<b>(8 609)</b>		<b>40 000</b>	<b>(229 359)</b>	<b>376 593</b>

**TABLE 3.11 DETAILS OF VIREMEMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: ECONOMIC PLANNING**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(63 376)</b>		<b>54 517</b>
Compensation of employees	Surplus funds identified is attributed to the vacant positions mainly at SMS level. Misalignment of compensation codes and proposed structure not yet approved.	(45 869)	Funds are shifted to align compensation of employees budget to where expenditure is incurred on the structure.	14 060
Goods and services	Funds are shifted to where the function is performed. Surplus funds identified from slow moving projects.	(17 507)	Funds are allocated to projects such as B-BBEE; Township Economic Development Act; FurnTech; Incubators; Economic modelling; and Gauteng Innovation Observatory.	40 457
<b>Transfers and subsidies</b>				<b>250</b>
Provinces and municipalities				
Public corporations and private enterprises				
Households			Funds are shifted to cover payments of leave gratuity for officials who retired or resigned from the department.	250
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(63 376)</b>		<b>54 767</b>

### Function Shifts, Surrenders and Suspensions: R260.7 million

An amount of R260.7 million is surrendered to the PRF within this programme due to infrastructure cuts implemented for the Tshwane SEZ Expansion of Bulk Infrastructure and Construction of Central Hub Building.

### Virements and shifts

The programme shifted an amount of R31.8 million from compensation of employees due to surpluses realised as a result of vacancies not filled and the delay in the approval of the organisational structure. The household budget is increased by R250 000 to fund the processing of leave gratuity expenditure for employees who left the employment of the department.

The goods and services is increased by R22.9 million for the implementation of the TEDA; FurnTech; Technical advisory panel (War Room); and BBB-EE intervention. The key BBBEE scorecard elements consist of supplier and enterprise development, socio-economic development and skills development. B-BBEE spend therefore aims to build the capacity that enables SMME suppliers to create jobs. The Township Economic Development Act (TEDA) is position to change how townships are regulated and governed so that they become areas of employment-creating commercial activity.

The GGDA and GTA redirected R9.9 million and R1.2 million respectively towards the B-BBEE implementation which will be managed under the Inclusive Economy sub-programme.

Through shifts, the Sector and Industry development branch allocated a further R2.8 million to the Inclusive Economy branch for the installation, repair and maintenance programme and the last mile delivery programme, both geared towards stimulation of SMME's and job creation.

### Additional funding: Provincial R40 million

The Tshwane SEZ received additional funding of R40 million to augment the operational budget for electricity supply (diesel).

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

TABLE 3:12 EXPENDITURE 2021/22 AND PRELIMINARY EXPENDITURE 2022/23

Department†	2021/22				2022/23		
	Adjusted appropriation	Expenditure Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Preliminary expenditure		
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Adjusted appropriation		Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept	
<b>R thousand</b>							
1.Administration	235 647	100 514	214 229	91%	261 551	111 580	11%
2.Integrated Economic Development Services	309 403	128 974	309 403	100%	223 876	172 813	34%
3.Trade and Sector Development	806 246	456 132	822 946	102%	788 013	384 671	(16)%
4.Business Regulation and Governance	93 415	28 074	62 377	67%	146 797	74 431	165%
5.Economic Planning	338 200	96 691	324 958	96%	376 593	162 943	69%
<b>Total</b>	<b>1 782 911</b>	<b>810 385</b>	<b>1 733 913</b>	<b>97%</b>	<b>1 796 830</b>	<b>906 438</b>	<b>12%</b>
<b>Current payments</b>	<b>452 179</b>	<b>165 013</b>	<b>378 517</b>	<b>84%</b>	<b>447 020</b>	<b>171 224</b>	<b>4%</b>
Compensation of employees	226 445	106 378	217 473	96%	244 418	112 056	5%
Goods and Services	225 734	58 635	161 044	71%	202 602	59 168	1%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>1 318 785</b>	<b>641 669</b>	<b>1 340 009</b>	<b>102%</b>	<b>1 332 425</b>	<b>725 461</b>	<b>13%</b>
Departmental agencies and accounts	1 126 445	592 260	1 143 145	101%	1 105 816	608 884	
Households	525	316	5 859	1116%	1 861	924	2
<b>Payments for capital assets</b>	<b>11 938</b>	<b>3 695</b>	<b>15 378</b>	<b>129%</b>	<b>17 385</b>	<b>9 753</b>	<b>164%</b>
Buildings and other fixed structures							
Machinery and equipment	11 938	3 695	8 363	70%	17 385	9 753	164%
Software and other intangible assets			7 015				
<b>Payments for financial assets</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>100%</b>			
<b>Total</b>	<b>1 782 911</b>	<b>810 385</b>	<b>1 733 913</b>	<b>97%</b>	<b>1 796 830</b>	<b>906 438</b>	<b>12%</b>

### Expenditure trends for 2021/22

The total expenditure as at end of the 2021/22 financial year amounted to 97 per cent of the adjusted budget of R1.8 billion. The underspending of R48.9 million is attributed to vacant positions, delays in finalizing the MOU/SLA between the department and The Development Bank of Southern Africa (DBSA) for the Lanseria Smart City Phase 1 implementation and the late signing of the SLA for the Furniture Manufacturing Hub.

Furthermore, the Impact Evaluation for a supermarket store and the Partnership Management System were not implemented due to the delays in finalizing the revised terms of reference on the two projects.

Capital assets also contributed to the underspending as there were delays in the delivery of computer equipment.

### Preliminary expenditure trends for the first half of 2022/23

#### Programme 1: Administration

The expenditure totals R111 million against the main appropriation budget of R272 million by the end of September. The underspending is attributed to the high rate of vacant posts at SMS level as well as the delayed implementation of projects as per the approved procurement plan.

#### Programme 2: Integrated Economic Development Services

An amount of R172 million is transferred to GEP at the end of the 2nd quarter. Transfers are made according to the cash flow projections provided by the entity.

#### Programme 3: Trade and Sector Development

The expenditure under Programme 3 amounts to R384 million against the budget of R743 million. An amount of R67.6 million is transferred to GTA, R34.5 million to Cradle of Humankind and R22.9 million to Dinokeng as at the end of the second quarter. In addition, GGDA receives R259 million as at September 2022.

**Programme 4: Business Regulation and Governance**

Programme 4 incurred expenditure amounting to R74 million against its initial allocated budget of R147 million at the end of the second quarter. The underspending relates to delays in filling vacant positions and the programme projecting the implementation of most projects during the third and fourth quarter of the financial year.

**Programme 5: Economic Planning**

At the end of quarter 2, the programme recorded expenditure of R162.9 million against its original budget of R605 million. During the financial year, a decision was taken to process payments in tranches to incubators to ensure that payments are made as per deliverables stipulated in the SLA's. Furthermore, infrastructure payments to the Tshwane Automotive Special Economic Zone (TASEZ) were made as per invoices submitted for the completion of work done. The programme has projected the second tranche of payments during the third and fourth quarters.

**6. Departmental Receipts**

TABLE 3.13 DEPARTMENTAL RECEIPTS

Department	2021/22 Audited Outcome				2021/22 Preliminary Receipts		
	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021 -Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
<b>R thousand</b>							
<b>Tax receipts</b>	<b>1 162 937</b>	<b>431 546</b>	<b>891 817</b>	<b>(57)%</b>	<b>1 149 187</b>	<b>627 213</b>	<b>0%</b>
Casino taxes	740 384	279 543	672 986	(9)%	515 009	450 752	0%
Horse racing taxes	422 553	152 003	218 831	(48)%	563 563	162 779	0%
Sales of goods and services other than capital assets	506	(43 145)	237	(53)%	250	(48 935)	13%
Interest, dividends and rent on land	3 523	159	466	(87)%	3 734	1 247	684%
Sales of capital assets			90	0%			0%
Financial transactions in assets and liabilities	381	403	1 080	183%	260	84	0%
<b>Total</b>	<b>1 167 347</b>	<b>388 963</b>	<b>893 690</b>	<b>(23)%</b>	<b>1 153 431</b>	<b>579 609</b>	<b>49.0%</b>

**Revenue trends for the first half of the 2022/23 financial year**

The table above shows the contribution of each revenue source towards the total revenue generated from April to September 2022.

The revenue collected by the Department as at the end September 2022 is R580 million against a total revenue appropriation of R1.1 billion.

Analysis of collection by revenue type indicates following:

Tax receipts (Casino, Horse racing taxes and Bookmakers) - The collection under tax receipts as of 30 September 2022/23 financial year is R627 million. Horse racing taxes and Bookmaker’s revenue collected by Gauteng Gambling Board (GGB) on behalf of the Department.

The department had sales of capital assets amounting to R41 000 for the period under review.

Interest, dividends and rent on land – the bulk of the interest that gets generated are derived from the trust account of the GGB. The total interest collected as of 30 September 2022 amounted to R1.2 million.

Financial transactions in assets and liabilities – This category is mainly used for the recording of other types of receipts (such as overpayments of salaries, revenue that relates to previous financial years as well as the repayment of debts by employees and ex-employees such as contractual debts arising from bursaries). The Department has collected R84 000 to as at 30 September 2022 against the budget of R260 000 which equated to 33 per cent collection for the period under review.

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

### 7.1 Changes to transfers and subsidies

TABLE 3.14 CHANGES TO TRANSFERS TO PUBLIC ENTITIES

R Thousand	Special Adjusted Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2</b>	<b>212 805</b>			<b>11 071</b>			<b>11 071</b>	<b>223 876</b>
Gauteng Economic Propeller (GEP)	212 805			11 071			11 071	223 876
<b>Programme 3</b>	<b>743 983</b>			<b>24 030</b>		<b>20 000</b>	<b>44 030</b>	<b>768 013</b>
Cradle Of Humankind	57 523			210			210	57 733
Gauteng Tourism Authority (GTA)	112 667			3 770			3 770	116 437
Dinokeng	38 228			(450)			(450)	37 778
Gauteng Growth & Dev Agency	535 565			20 500		20 000	40 500	556 065
<b>Programme 4</b>	<b>85 719</b>			<b>11 708</b>			<b>11 708</b>	<b>93 927</b>
4. Liquor Regulation	85 327			(6 000)			(6 000)	79 327
5. Gauteng Gambling Board	392			14 208			14 208	14 600
<b>Programme 5</b>	<b>445 498</b>	<b>(260 750)</b>				<b>40 000</b>	<b>(220 750)</b>	<b>224 748</b>
Public corporations and private enterprises	445 498	(260 750)				40 000	(220 750)	224 748
<b>Total changes in conditional Name of transfer payments</b>	<b>1 488 005</b>	<b>(260 750)</b>		<b>46 809</b>		<b>60 000</b>	<b>(153 941)</b>	<b>1 310 564</b>

Transfers and subsidies decrease by a net amount of R153 million. The net decrease is mainly from the surrender of R260 million to the Provincial Revenue Fund due to infrastructure cuts implemented for the Tshwane SEZ Expansion of Bulk Infrastructure and Construction of Central Hub Building.

#### Gauteng Enterprise Propeller

Through virements and shifts, the entity received R11 million for GEP's operational requirements.

#### Gauteng Tourism Authority

GTA's budget is adjusted upwards by R3.8 million resulting to an adjusted budget of R116 million. The adjustments include the following: R3.2 million is allocated towards the COE budget to Tourism supply;

R2.1 million is received from Cradle of Humankind for the administration and management of Ga Rankuwa Hotel schools' goods and services procurement; R1.2 million is redirected to the Department of Economic Development (DED) Inclusive Economy sub-programme for the BBB-EE implementation; and R268 000 is allocated to GGB towards the War room upkeep.

#### Gauteng Growth and Development Agency

The GGDA redirected funds amounting to R9.9 million to Inclusive Economy for the BBB-EE implementation. Furthermore, funds amounting to R30.5 million are allocated to the entity to fund the Project Management Unit (PMU) to drive the Western Corridor/ N12 SEZ programme, the Lanseria Smart City, the TIH CoE requirement, and augment the GGDA for funding the TIH strategic priorities as well as the Conhill Creative sector. An amount of R20 million is granted as additional funding to the GIDZ a subsidiary under the GGDA towards the completion of Jewellery Manufacturing Precinct Top Structure.

#### Gauteng Gambling Board

All entities within DED shifted funds to GGB towards the War room upkeep that is administered and managed by the entity. The total budget increased by R14.2 million for the 2022/23 financial year.

#### Cradle of Humankind

Cradle of Humankind

The transfer reflects a net increase of R210 000 resulting to an adjusted budget of R57.7 million. The adjustments are as follows: R2.1 million is redirected to GTA for the administration and management of the Ga Rankuwa Hotel school goods and services requirements;

R3.3 million is redirected to the entity to augment the shortfall in budget for Signature projects; and R990 000 is allocated towards the upkeep of the War Room which is administered and managed by GGB.

#### Dinokeng and Gauteng Liquor Board

An amount of R450 000 and R6 million is shifted from Dinokeng and GLB respectively to GGB towards the budget for the War room upkeep.

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

The Tshwane SEZ received additional funding of R40 million to augment their operational budget for electricity supply (diesel).

### **7.2 Changes to conditional grants**

No changes.

### **7.3 Changes to infrastructure**

Refer to the 2022 Adjusted Estimates of Capital Expenditure (AECE).



# VOTE 4

## HEALTH

R thousand	2022/23			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	59 426 398	61 351 417		1 925 019
of which:				
Current payments	54 811 436	56 829 971		2 018 535
Transfers and subsidies	1 706 932	1 727 049		20 117
Payments for capital assets	2 908 030	2 794 397	(113 633)	
Payment for financial assets				
Executive authority	MEC for Health and Wellness			
Accounting officer	Head of Department			

### 1. Vision and Mission

#### Vision

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

#### Mission

The Gauteng Department of Health defines its mission as follows:

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

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

No changes.



### 3. Summary of Adjusted Estimates of Departmental Expenditure 2022/23

TABLE 4.1 DEPARTMENT OF HEALTH

Programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Administration	1 444 146		12 000				12 000	1 456 146
2. District Health Services	20 341 822		389 518	(258 362)	614 173		745 329	21 087 151
3. Emergency Medical Services	1 629 684		62 019		103 397		165 416	1 795 100
4. Provincial Hospital Services	10 986 544		224 254	(66 361)	142 021		299 914	11 286 458
5. Central Hospital services	21 068 239		442 431	334 723	133 491		910 645	21 978 884
6. Health Sciences & Training	1 106 493			(23 053)	7 223		(15 830)	1 090 663
7. Health Care Support Services	412 718		500	13 053	6 695		20 248	432 966
8. Health Facilities Management	2 436 752	(214 703)				2 000	(212 703)	2 224 049
<b>Total for programmes</b>	<b>59 426 398</b>	<b>(214 703)</b>	<b>1 130 722</b>		<b>1 007 000</b>	<b>2 000</b>	<b>1 925 019</b>	<b>61 351 417</b>
<b>Economic classification</b>								
<b>R thousand</b>								
<b>Current payments</b>	<b>54 811 436</b>		<b>770 860</b>	<b>238 675</b>	<b>1 007 000</b>	<b>2 000</b>	<b>2 018 535</b>	<b>56 829 971</b>
Compensation of employees	35 743 691				1 007 000		1 007 000	36 750 691
Salaries & wages	31 452 363			50 796	1 007 000		1 057 796	32 510 159
Social contribution	4 291 328			(50 796)			(50 796)	4 240 532
Goods and services	19 067 745		770 860	238 675		2 000	1 011 535	20 079 280
<b>Transfers and subsidies</b>	<b>1 706 932</b>		<b>34 867</b>	<b>(14 750)</b>			<b>20 117</b>	<b>1 727 049</b>
Provinces and municipalities	490 515		26 649				26 649	517 164
Departmental agencies and accounts	25 819							25 819
Higher education institutions	17 092			(13 053)			(13 053)	4 039
Non-profit institutions	719 860		8 218				8 218	728 078
Households	453 646			(1 697)			(1 697)	451 949
<b>Payments for capital assets</b>	<b>2 908 030</b>	<b>(214 703)</b>	<b>324 995</b>	<b>(223 925)</b>			<b>(113 633)</b>	<b>2 794 397</b>
Buildings and other fixed structures	1 335 920	(214 703)		(184 783)			(399 486)	936 434
Machinery and equipment	1 572 110		324 995	(39 142)			285 853	1 857 963
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>59 426 398</b>	<b>(214 703)</b>	<b>1 130 722</b>		<b>1 007 000</b>	<b>2 000</b>	<b>1 925 019</b>	<b>61 351 417</b>

The appropriation of the Gauteng Department of Health is adjusted upward by a net amount of R1.9 billion to an adjusted appropriation of R61.4 billion. The net increase of R1.9 billion is attributable to roll-over of R1.1 billion, additional funding of R1.007 billion for improvement in conditions of service and R2 million for the assessment of alternative water and energy supply at health institutions and a surrender of R214.7 million to the provincial revenue fund.

The surrender of R214.7 million to the provincial revenue fund is due to delays in the implementation of occupational health and safety infrastructure projects which were funded through the equitable share.

A total amount of R1.1 billion is rolled over from the preceding financial year of which R627.6 million is derived from equitable share and R503 million from conditional grants. Of the total amount of R503 million rolled from conditional grants, R257 million is from the District Health Programmes Grant, under the Comprehensive HIV, AIDS component to fund the prior year's commitments on the procurement of medicine and R224.7 million is from the National Tertiary Services Grant for commitments on the procurement of medical and allied equipment. The remaining amount of R21.3 million is a rollover from the Training Component of the Human Resources and Training Grant, also to accommodate the prior year's commitments on the procurement of medical and allied equipment. The equitable share rollover of R627.6 million is allocated to cover commitments on laboratory services, medicine, contracted mental health service providers (advisory services) and fleet services. It also includes funds set aside to cover commitments on transfers to municipalities and machinery and equipment which were not paid by the end of 2021/22 financial year. The rollover allocations to municipalities are made to accommodate commitments on the HIV/AIDS cash subsidy transfer to the Sedibeng District municipality and Tshwane Metropolitan municipality. Furthermore, rollovers were approved to fund commitments made by non-profit institutions benefitting from the nutrition programme.

The department receives an additional R1.007 billion from national for improvement in condition of services to implement the provisional 3 per cent wage for public servants and R2 million from the province to fund an alternative water and energy supply assessment at the health institutions.

The adjustment budget is also largely informed by the outcome of both the mid-year budget and performance assessment as well as the revised spending projections for the second half of the financial year which culminated in the internal reprioritisation of the budget to address emerging budget risks. In particular, funds are shifted to cover unforeseen shortfalls within multiple infrastructure projects that are progressing well, and to respond to the hospital fire incident at the Charlotte Maxeke Johannesburg Academic Hospital. Funds are also shifted within the programmes and items to prioritise the health and wellness of the people in the province in line with the provincial elevated priorities.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

##### Programme 1: Administration

TABLE 4.2 PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Office of The MEC	24 693							24 693
2. Management	1 419 453		12 000				12 000	1 431 453
<b>Total for programme</b>	<b>1 444 146</b>		<b>12 000</b>				<b>12 000</b>	<b>1 456 146</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
<b>R thousand</b>		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>1 431 053</b>							<b>1 431 053</b>
Compensation of employees	559 963							559 963
Salaries & wages	496 865							496 865
Social contribution	63 098							63 098
Goods and services	871 090							871 090
<b>Transfers and subsidies</b>	<b>3 595</b>							<b>3 595</b>
Provinces and municipalities								
Households	3 595							3 595
<b>Payments for capital assets</b>	<b>9 498</b>		<b>12 000</b>				<b>12 000</b>	<b>21 498</b>
Buildings and other fixed structures								
Machinery and equipment	9 498		12 000				12 000	21 498
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>1 444 146</b>		<b>12 000</b>				<b>12 000</b>	<b>1 456 146</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(2 000)</b>		<b>2 000</b>
Goods and services	Shifting of funds due to slow spending on certain items within the programme.	(2 000)	Realignment of the budget between sub-programmes to accommodate increased expenditure on the remuneration of the Mental Health Review Board Members.	2 000
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(2 000)</b>		<b>2 000</b>

**Roll-overs: R12 million**

A total of R12 million is a rollover of equitable share to fund commitments on the procurement of machinery and equipment.

**Virements and shifts**

Funds are shifted within the item, goods and services to offset the current increased expenditure on the remuneration of mental health review board members.

**Programme 2: District Health Services**

TABLE 4.4 PROGRAMME 2: DISTRICT HEALTH SERVICES

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. District Management	1 191 267			(136 382)			(136 382)	1 054 885
2. Community Health Clinics	2 724 179		34 621	16 311	81 315		132 247	2 856 426
3. Community Health Centres	2 436 121		30 000	10 047	3 695		43 742	2 479 863
4. Community Based Services	2 521 215		10 000	1 456	210 000		221 456	2 742 671
5. HIV And AIDS	6 530 874		283 679		71 921		355 600	6 886 474
6. Nutrition	72 117		8 218				8 218	80 335
7. Coroner Services	329 631			(7 431)	13 520		6 089	335 720
8. District Hospitals	4 536 418		23 000	(142 363)	233 722		114 359	4 650 777
<b>Total for programme</b>	<b>20 341 822</b>		<b>389 518</b>	<b>(258 362)</b>	<b>614 173</b>		<b>745 329</b>	<b>21 087 151</b>
<b>Economic classification</b>								
<b>R thousand</b>								
<b>Current payments</b>	<b>19 087 097</b>		<b>354 651</b>	<b>(263 687)</b>	<b>614 173</b>		<b>705 137</b>	<b>19 792 234</b>
Compensation of employees	11 335 683			(258 362)	614 173		355 811	11 691 494
Salaries & wages	9 795 103			(252 595)	614 173		361 578	10 156 681
Social contribution	1 540 580			(5 767)			(5 767)	1 534 813
Goods and services	7 751 414		354 651	(5 325)			349 326	8 100 740
<b>Transfers and subsidies</b>	<b>942 120</b>		<b>34 867</b>	<b>200</b>			<b>35 067</b>	<b>977 187</b>
Provinces and municipalities	490 515		26 649				26 649	517 164
Non-profit institutions	420 860		8 218				8 218	429 078
Households	30 745			200			200	30 945
<b>Payments for capital assets</b>	<b>312 605</b>			<b>5 125</b>			<b>5 125</b>	<b>317 730</b>
Buildings and other fixed structures								
Machinery and equipment	312 605			5 125			5 125	317 730
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>20 341 822</b>		<b>389 518</b>	<b>(258 362)</b>	<b>614 173</b>		<b>745 329</b>	<b>21 087 151</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(365 525)</b>		<b>101 838</b>
Compensation of employees	Realignment of compensation of employees' budget with expenditure and reallocation of COVID-19 compensation of employees budget to the revised list of benefitting hospitals.	(303 270)	Realignment of compensation of employees' budget with expenditure.	44 908
Goods and services	Funds are shifted between sub-programmes, mainly within the property payments item.	(62 255)	Funds are reprioritised to defray excess expenditure between sub-programmes mainly on operating leases and medical supplies.	56 930
<b>Transfers and subsidies</b>				<b>200</b>
Households			Realignment of budget as funds are shifted within Community Health Centres.	200
<b>Payments for capital assets</b>				<b>5 125</b>
Machinery and equipment			Realignment of budget within sub-programmes.	5 125
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(365 525)</b>		<b>107 163</b>

**Roll-overs: R389.5 million**

A total of R389.5 million is rolled over to fund the payment of the previous year's commitments, of which R77.6 million is for laboratory services, R277 million for medicine, R26.6 million for transfers to municipalities and R8.2 million for transfers to non-profit institutions. The allocation to municipalities are made to accommodate commitments made on the HIV/AIDS subsidy transfer to the Sedibeng District municipality and the Tshwane Metropolitan municipality. The allocations to non-profit institutions are made to fund commitments made by non-profit institutions that are benefitting from the nutrition programme.

**Virements and shifts**

The programme's budget is reprioritised by shifting funds within the sub-programmes to alleviate spending pressures. In this regard R200 000 is shifted to households to fund increased payments on leave gratuity and R5.1 million to machinery and equipment due to the procurement of assets in line with the revised procurement plan.

An amount of R258.3 million is virement of funds from compensation of employees in this programme of which R47.1 million is from the Human Resources and Training grant and is allocated to the correct hospitals' business plans and R211.2 million is also a reallocation of the COVID-19 budget to the revised list of benefitting hospitals which have increased service demands in Programme 5: Central Hospital Services.

**Additional Funding: National: R614.2 million**

An additional amount of R614.2 million is allocated towards improvement in conditions of service specifically the provisional 3 per cent wage increase for public servants.

**Programme 3: Emergency Medical Services**

**TABLE 4.6: PROGRAMME 3: EMERGENCY MEDICALS SERVICES**

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Emergency Transport	1 352 912		62 019	30 000	56 988		149 007	1 501 919
2. Planned Patient Transport	276 772			(30 000)	46 409		16 409	293 181
<b>Total for programme</b>	<b>1 629 684</b>		<b>62 019</b>		<b>103 397</b>		<b>165 416</b>	<b>1 795 100</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>1 383 193</b>		<b>14 764</b>		<b>103 397</b>		<b>118 161</b>	<b>1 501 354</b>
Compensation of employees	900 147				103 397		103 397	1 003 544
Salaries & wages	649 481				103 397		103 397	752 878
Social contribution	250 666							250 666
Goods and services	483 046		14 764				14 764	497 810
<b>Transfers and subsidies</b>	<b>3 805</b>							<b>3 805</b>
Provinces and municipalities								
Households	3 805							3 805
<b>Payments for capital assets</b>	<b>242 686</b>		<b>47 255</b>				<b>47 255</b>	<b>289 941</b>
Buildings and other fixed structures								
Machinery and equipment	242 686		47 255				47 255	289 941
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>1 629 684</b>		<b>62 019</b>		<b>103 397</b>		<b>165 416</b>	<b>1 795 100</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(30 000)</b>		<b>30 000</b>
Goods and services	Funds are reprioritised from fleet services due to slow spending.	(30 000)	Funds shift to augment property payments and contractors items.	30 000
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(30 000)</b>		<b>30 000</b>

**Roll-overs: R62 million**

A total of R62 million is rolled over towards the payment of the previous year’s commitments, of which R14.8 million is for fleet services and R47.2 million for emergency services vehicles.

**Virements and shifts**

An amount of R30 million is shifted from the Planned Patient Transport sub-programme mainly from fleet services and transport to the Emergency Transport sub-programme to alleviate excess expenditure within the items, property payments, contractors, medical supplies, and consumable supplies.

**Additional Funding: National: R103.4 million**

An additional amount of R103.4 million is allocated towards improvement in conditions of service specifically the implementation of the provisional 3 per cent wage increase for public servants. Of the total amount, R56.9 million is allocated to the Emergency Transport sub-programme and R46.4 million to the Planned Patient Transport sub-programme.

## Programme 4: Provincial Hospital Services

TABLE 4.8: PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. General Hospitals	7 960 518		144 831	(49 979)	50 000		144 852	8 105 370
2. Tuberculosis Hospitals	372 917			(831)			(831)	372 086
3. Psychiatric/Mental Hospitals	1 894 381		67 606	(16 465)	74 995		126 136	2 020 517
4. Dental Training Hospitals	649 930		11 817	914	13 990		26 721	676 651
5. Other Specialised Hospitals	108 798				3 036		3 036	111 834
<b>Total for programme</b>	<b>10 986 544</b>		<b>224 254</b>	<b>(66 361)</b>	<b>142 021</b>		<b>299 914</b>	<b>11 286 458</b>
<b>Economic classification</b>								
<b>R thousand</b>								
<b>Current payments</b>	<b>10 822 675</b>		<b>199 117</b>	<b>(63 894)</b>	<b>142 021</b>		<b>277 244</b>	<b>11 099 919</b>
Compensation of employees	8 111 578			(66 361)	142 021		75 660	8 187 238
Salaries & wages	7 151 514			(60 979)	142 021		81 042	7 232 556
Social contribution	960 064			(5 382)			(5 382)	954 682
Goods and services	2 711 097		199 117	2 467			201 584	2 912 681
<b>Transfers and subsidies</b>	<b>17 864</b>							<b>17 864</b>
Households	17 864							17 864
<b>Payments for capital assets</b>	<b>146 005</b>		<b>25 137</b>	<b>(2 467)</b>			<b>22 670</b>	<b>168 675</b>
Machinery and equipment	146 005		25 137	(2 467)			22 670	168 675
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>10 986 544</b>		<b>224 254</b>	<b>(66 361)</b>	<b>142 021</b>		<b>299 914</b>	<b>11 286 458</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(127 479)</b>		<b>63 585</b>
Compensation of employees	Realignment of compensation of employees' budget with expenditure and reallocation of COVID-19 compensation of employee's budget to the revised list of benefitting hospitals with increased service demands.	(89 657)	Realignment of compensation of employees' budget with expenditure and reallocation of COVID-19 compensation of employees' budget to the revised list of benefitting hospitals with increased service demands.	23 296
Goods and services	Shifting of funds due to slow spending on certain items within the programme to defray excess expenditure within the same programme.	(37 822)	Realignment of the budget between sub-programmes to accommodate increased expenditure due to payment of accruals.	40 289
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>		<b>(3 067)</b>		<b>600</b>
Machinery and equipment	Realignment of budget within TB sub-programmes.	(3 067)	Realignment of budget within sub-programmes.	600
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(130 546)</b>		<b>64 185</b>

### Rollovers: R224.2 million

An amount of R224.2 million is rolled over towards the payment of the previous year's commitments on laboratory services, medicine, business and advisory services and equipment. Of the R224.2 million, an amount of R209.6 is from equitable share, R8.3 million is from the Human Resource and Training grant to fund commitments on machinery and equipment and R6.3 million is from the National Tertiary Services grant to fund commitments on machinery and equipment.

### Virements and shifts

The programme budget decreases by R66.3 million within compensation of employees to accommodate a revised list of benefitting hospitals in Programme 5: Central Hospital Services with increased service demands on COVID-19. Further shifts are made within compensation of employee under the Human Resource and Training Grant to fund the general hospitals.

Funds are shifted within the programme to defray excess expenditure mainly within the non-negotiable items, namely, food & food supplies, medical supplies, other supplies, and property payments.

**Additional Funding: National: R 142 million**

An additional allocation of R142 million is allocated towards improvement in conditions of service specifically the implementation of the provisional 3 per cent wage increase within the Provincial Hospital Services programme.

**Programme 5: Central Hospital Services**

TABLE 4.10 PROGRAMME 5: CENTRAL HOSPITAL SERVICES

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Central Hospitals	16 255 479		310 173	254 683	82 667		647 523	16 903 002
2. Provincial Tertiary Hospital Services	4 812 760		132 258	80 040	50 824		263 122	5 075 882
<b>Total for programme</b>	<b>21 068 239</b>		<b>442 431</b>	<b>334 723</b>	<b>133 491</b>		<b>910 645</b>	<b>21 978 884</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>19 902 956</b>		<b>202 328</b>	<b>347 423</b>	<b>133 491</b>		<b>683 242</b>	<b>20 586 198</b>
Compensation of employees	13 940 507			334 723	133 491		468 214	14 408 721
Salaries & wages	12 579 499			374 370	133 491		507 861	13 087 360
Social contribution	1 361 008			(39 647)			(39 647)	1 321 361
Goods and services	5 962 449		202 328	12 700			215 028	6 177 477
<b>Transfers and subsidies</b>	<b>349 344</b>							<b>349 344</b>
Non-profit institutions	299 000							299 000
Households	50 344							50 344
<b>Payments for capital assets</b>	<b>815 939</b>		<b>240 103</b>	<b>(12 700)</b>			<b>227 403</b>	<b>1 043 342</b>
Machinery and equipment	815 939		240 103	(12 700)			227 403	1 043 342
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>21 068 239</b>		<b>442 431</b>	<b>334 723</b>	<b>133 491</b>		<b>910 645</b>	<b>21 978 884</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(200 717)</b>		<b>548 140</b>
Compensation of employees	Realignment of compensation of employees' budget with expenditure.	(39 647)	Realignment of compensation of employees' budget with expenditure and reallocation of COVID-19 compensation of employees' budget to the revised list of benefitting hospitals with increased service demands.	374 370
Goods and services	Shifting of funds within programme from slow spending items toward funding non-negotiable item.	(161 070)	Funds are reprioritised from slow spending items to defray excess expenditure mainly within medical supplies and consumable supplies items.	173 770
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>		<b>(12 700)</b>		
Machinery and equipment	Realignment of budget within sub-programmes.	(12 700)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(213 417)</b>		<b>548 140</b>

### Roll-overs: R442.4 million

An amount of R442.4 million is rolled-over of which R211.1 million is towards commitments on laboratory services, medicine, medical and allied equipment that were made in the previous financial year, R218.3 million from the National Tertiary Services grant and R12.9 million from the Training component of the Human Resource and Training grant for commitments on the procurement of medical and allied equipment.

### Virements and shifts

The programme budget increases by R334.7 million due to the reallocation of COVID-19 funds to the revised list of benefitting hospitals that have increased service demands. Shifting of budget within the sub-programmes is also made to defray excess expenditure under medical supplies and consumable supplies.

### Additional Funding: National: R133.4 million

An amount of R133.4 million is allocated to this programme for improvement in conditions of services specifically the 3 per cent provisional wage increase for public servants of which the central hospitals and tertiary hospitals services receive an additional R82.6 million and R50.8 million respectively.

## Programme 6: Health Sciences and Training

TABLE 4.12 PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Nurse Training Colleges	652 396			(23 053)			(23 053)	629 343
2. EMS Training Colleges	43 397				6 904		6 904	50 301
3. Bursaries	321 123							321 123
4. Other Training	89 577				319		319	89 896
<b>Total for programme</b>	<b>1 106 493</b>			<b>(23 053)</b>	<b>7 223</b>		<b>(15 830)</b>	<b>1 090 663</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
R thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>707 620</b>			<b>(10 203)</b>	<b>7 223</b>		<b>(2 980)</b>	<b>704 640</b>
Compensation of employees	619 075			(10 000)	7 223		(2 777)	616 298
Salaries & wages	545 204			(10 000)	7 223		(2 777)	542 427
Social contribution	73 871							73 871
Goods and services	88 545			(203)			(203)	88 342
<b>Transfers and subsidies</b>	<b>389 623</b>			<b>(14 950)</b>			<b>(14 950)</b>	<b>374 673</b>
Departmental agencies and accounts	25 819							25 819
Higher education institutions	17 092			(13 053)			(13 053)	4 039
Households	346 712			(1 897)			(1 897)	344 815
<b>Payments for capital assets</b>	<b>9 250</b>			<b>2 100</b>			<b>2 100</b>	<b>11 350</b>
Machinery and equipment	9 250			2 100			2 100	11 350
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>1 106 493</b>			<b>(23 053)</b>	<b>7 223</b>		<b>(15 830)</b>	<b>1 090 663</b>



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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(17 346)</b>		<b>7 143</b>
Compensation of employees	Reprioritisation of funds due to slow spending within Nursing training colleges.	(10 000)		
Goods and services	Shifting of budget due to slow spending items to alleviate excess expenditure within programme with excess expenditure.	(7 346)	Funds are reprioritised from slow spending items to defray excess expenditure within the programme.	7 143
<b>Transfers and subsidies</b>		<b>(14 950)</b>		
Higher education institutions	Reprioritisation and virement of funds as a result of fewer students enrolled in the programme.	(13 053)		
Households	Budget reallocation within nursing training colleges Sub-Programme since the item is sufficiently funded.	(1 897)		
<b>Payments for capital assets</b>				<b>2 100</b>
Machinery and equipment			Funds are reprioritised towards accelerated wellness priority programme for the healthy lifestyle awareness campaign.	2 100
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(32 296)</b>		<b>9 243</b>

**Virements and shifts**

An amount of R23 million is shifted out of the programme from slow spending items within the Nurse Training Colleges sub-programme to alleviate excess expenditure in Programme 7: Health Care Support Services. R1.8 million is reprioritised from households within nursing training colleges Sub-Programme since the item is sufficiently funded. A further shifting of funds within the programme is informed by the reprioritisation of funds to align spending with budget within the goods and services items.

**Additional Funding: National: R7.2 million**

An additional amount of R7.2 million is allocated towards improvement in conditions of service specifically the provisional 3 per cent wage increase for public servants.

**Programme 7: Health Care Support Services**

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

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Laundries	300 971		500	13 053	3 870		17 423	318 394
2. Food Supply Services	111 746				2 825		2 825	114 571
3. Medicine Trading Account	1							1
<b>Total for programme</b>	<b>412 718</b>		<b>500</b>	<b>13 053</b>	<b>6 695</b>		<b>20 248</b>	<b>432 966</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
R thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>410 010</b>			<b>12 753</b>	<b>6 695</b>		<b>19 448</b>	<b>429 458</b>
Compensation of employees	216 725				6 695		6 695	223 420
Salaries & wages	179 572				6 695		6 695	186 267
Social contribution	37 153							37 153
Goods and services	193 285			12 753			12 753	206 038
<b>Transfers and subsidies</b>	<b>581</b>							<b>581</b>
Households	581							581
<b>Payments for capital assets</b>	<b>2 127</b>		<b>500</b>	<b>300</b>			<b>800</b>	<b>2 927</b>
Machinery and equipment	2 127		500	300			800	2 927
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>412 718</b>		<b>500</b>	<b>13 053</b>	<b>6 695</b>		<b>20 248</b>	<b>432 966</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(1 700)</b>		<b>14 453</b>
Goods and services	Realignment of budget within sub-programmes.	(1 700)	Reprioritisation of budget to cover short-fall identified within consumable supplies, inventory: other supplies and property payment items.	14 453
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>				<b>300</b>
Machinery and equipment			Funds are shifted to alleviate expenditure incurred due to accruals within laundries.	300
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(1 700)</b>		<b>14 753</b>

**Roll-overs: R500 000**

An amount of R500 000 is rolled-over towards payment of previous year commitments machinery and equipment.

**Virements and shifts**

The programme is allocated an additional R13 million through a virement of funds from Programme 6: Health Sciences and Training to the Laundries sub-programme to defray excess expenditure incurred on other supplies, consumable supplies and property payments. An amount of R1.7 million is shifted within the programme to defray excess expenditure on medical supplies and property payments.

**Additional Funding: National: R6.6 million**

An additional amount of R6.6 million is allocated to this programme towards improvement in conditions of service and the implementation of the provisional 3 per cent wage increase for public servants.

**Programme 8: Health Facilities Management**

TABLE 4.16: PROGRAMME: HEALTH FACILITIES MANAGEMENT

Sub-programmes	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
1. Community Health Facilities	419 817			(33 764)		(33 764)	386 053
2. Emergency Medical Rescue Services	27 242			(2 642)		(2 642)	24 600
3. District Hospital Services	355 696	(29 703)		(134 756)		(164 459)	191 237
4. Provincial Hospital Services	496 104	(185 000)		20 954		(164 046)	332 058
5. Central Hospital Services	628 259			50 030		50 030	678 289
6. Other Facilities	509 634			100 178	2 000	102 178	611 812
<b>Total for programme</b>	<b>2 436 752</b>	<b>(214 703)</b>			<b>2 000</b>	<b>(212 703)</b>	<b>2 224 049</b>

Economic classification	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
<b>Current payments</b>	<b>1 066 832</b>			<b>216 283</b>		<b>2 000</b>	<b>1 285 115</b>
Compensation of employees	60 013						60 013
Salaries & wages	55 125						55 125
Social contribution	4 888						4 888
Goods and services	1 006 819			216 283		2 000	1 225 102
<b>Transfers and subsidies</b>							
<b>Payments for capital assets</b>	<b>1 369 920</b>	<b>(214 703)</b>		<b>(216 283)</b>		<b>(430 986)</b>	<b>938 934</b>
Buildings and other fixed structures	1 335 920	(214 703)		(184 783)		(399 486)	936 434
Machinery and equipment	34 000			(31 500)		(31 500)	2 500
<b>Payments for financial assets</b>							
Thefts & Losses							
<b>Total economic classification</b>	<b>2 436 752</b>	<b>(214 703)</b>			<b>2 000</b>	<b>(212 703)</b>	<b>2 224 049</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				<b>216 283</b>
Goods and services			Funds shift to cover spending pressures and to augment maintenance of institutions.	216 283
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>		<b>(320 804)</b>		<b>104 521</b>
Buildings and other fixed structures	Realignment of infrastructure budget based on a critical review of progress made and an assessment of what can be delivered during the remainder of the financial year.	(289 304)	Reprioritisation of budget to cover shortfall in multiple projects that are progressing well and Charlotte Maxeke Fire projects.	104 521
Machinery and equipment	Realignment of infrastructure budget based on a critical review of progress made and an assessment of what can be delivered during the remainder of the financial year.	(31 500)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(320 804)</b>		<b>320 804</b>

**Surrender: R214.7 million**

An amount of R214.7 million is surrendered to the provincial revenue fund due to slow implementation of the Occupational Health and Safety infrastructure projects that were funded through the equitable share as a result contractual differences on suppliers agreements.

**Virements and shifts**

Realignment of infrastructure budget within the programme based on a critical review of progress made and an assessment of what can be delivered during the remainder of the financial year. Furthermore, a reprioritisation of budget was made to cover shortfall in multiple projects that are progressing well, and to respond to the Charlotte Maxeke fire incident.

**Additional funding: Provincial: R2 million**

An additional amount of R2 million is allocated to this programme for an assessment of alternative water and energy supply for health institutions.

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

**TABLE 4.18: EXPENDITURE 2020/21 AND PRELIMINARY EXPENDITURE 2021/22**

Department	2021/22				2022/23		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021 -Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
1. Administration	2 405 845	983 277	2 173 192	90%	1 456 146	956 184	(3)%
2. District Health Services	18 896 930	9 770 383	19 251 444	102%	21 087 151	9 805 911	0%
3. Emergency Medical Services	1 586 670	545 838	1 431 692	90%	1 795 100	952 848	75%
4. Provincial Hospital Services	9 945 440	5 514 677	10 697 214	108%	11 286 458	5 726 777	4%
5. Central Hospital Services	19 676 222	10 405 768	20 331 657	103%	21 978 884	11 429 338	10%
6. Health Sciences And Training	979 639	330 508	706 868	72%	1 090 663	343 523	4%
7. Health Care Support Services	385 264	188 634	388 833	101%	432 966	230 343	22%
8. Health Facilities Management	4 959 493	1 122 516	2 068 235	42%	2 224 049	884 226	(21)%
<b>Total for programmes</b>	<b>58 835 503</b>	<b>28 861 601</b>	<b>57 049 135</b>	<b>97%</b>	<b>61 351 417</b>	<b>30 329 150</b>	<b>5%</b>

Department	2021/22				2022/23		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021 - Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
<b>Current payments</b>	<b>52 072 208</b>	<b>27 213 737</b>	<b>53 337 344</b>	<b>102%</b>	<b>56 829 971</b>	<b>28 558 344</b>	<b>12%</b>
Compensation of employees	31 776 201	17 440 782	35 463 853	112%	36 750 691	17 874 642	2%
Goods and Services	20 296 007	9 772 025	17 872 343	88%	20 079 280	10 683 702	9%
Interest and rent on land		930	1 148				
<b>Transfers and subsidies</b>	<b>1 635 229</b>	<b>653 678</b>	<b>1 687 029</b>	<b>103%</b>	<b>1 727 049</b>	<b>792 266</b>	<b>(368 869)%</b>
Provinces and municipalities	520 489	89 418	441 595	85%	517 164	131 390	47%
Departmental agencies and accounts	23 352	(7)	24 636	105%	25 819	25 819	(368 943)%
Higher education institutions	15 459	7 063	7 867	51%	4 039	1 176	
Non-profit institutions	723 627	336 702	630 704	87%	728 078	389 010	16%
Households	352 302	220 502	582 227	165%	451 949	244 871	11%
<b>Payments for capital assets</b>	<b>5 128 066</b>	<b>994 186</b>	<b>2 023 090</b>	<b>39%</b>	<b>2 794 397</b>	<b>976 891</b>	<b>(2)%</b>
Buildings and other fixed structures	3 119 183	551 131	735 593	24%	936 434	288 215	(48)%
Machinery and equipment	2 008 883	443 055	1 287 090	64%	1 857 963	688 631	55%
Land and sub-soil assets							
Software and other intangible assets			407			45	
<b>Payments for financial assets</b>			<b>1 672</b>			<b>1 649</b>	
<b>Total economic classification</b>	<b>58 835 503</b>	<b>28 861 601</b>	<b>57 049 135</b>	<b>97%</b>	<b>61 351 417</b>	<b>30 329 150</b>	<b>5%</b>

### Expenditure trends for 2021/22

The department's total expenditure for the 2021/22 financial year amounted to R57 billion which translates to 97 per cent of the total budget of R58.8 billion. Total expenditure for the first half of the 2022/23 financial year is 5 percent more than the same period of the previous 2021/22 financial year.

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

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

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

An underspending in payments for capital assets was due to the revised procurement plans, non-delivery of procured equipment before the end of the financial year and delays in the procurement processes due to the COVID-19 pandemic and probity audit.

### Expenditure trends for the first half of 2022/2023

The department spent R30.3 billion in the first half of 2022/2023 compared to R28.8 billion in the first half of 2021/2022. This is mainly due to the payment of previous financial year's accruals and increased medico-legal claims.

#### Programme 1: Administration

The programme has incurred expenditure amounting to R956.1 against the budget of R1.4 billion in the first half of 2022/23. The overspending relates to payment of personal protective equipment (PPE) commitments made in the previous financial year and the payment of medico-legal claims that has been centralised to the programme.

#### Programme 2: District Health Services

Spending under this programme is R9.8 billion at the end of the first half which is slightly higher than the R9.7 billion spent in the first half of the 2021/2022 financial year due to the payment of accruals and increased costs of non-negotiable items that are above inflation.

**Programme 3: Emergency Medical Services**

The total expenditure for the first six months of the current financial year amounts to R952.8 million which is higher than the R545.8 million spent in the same period of 2021/22 financial year due to payment of previous year’s commitment within machinery and equipment.

**Programme 4: Provincial Hospital Services**

During the period under review, the spending in this programme increased from R5.5 billion in 2021/2022 financial year to R5.7 billion in the first six-month of 2022/2023 financial year. The increased spending is due to payment of accruals.

**Programme 5: Central Hospital Services**

The overall change in expenditure for the first six months of the financial year increased by 10 per cent from R10.4 billion in 2021/22 to R11.1 billion. The increased spending is due to payment of previous year accruals mainly within consumable supplies and medical supplies.

**Programme 6: Health Sciences and Training**

The mid-term expenditure for this programme amounted to R343.5 million which is more when compared to the same period of the previous financial year which amounted to R330.5 million.

**Programme 7: Health Care Support**

The 2022/23 second half expenditure in this programme is at R230.3 million which is more than the R188.6 million spent in the 2021/22 financial year. This high expenditure is attributed to the high cost of consumable supplies and an increase in expenditure on fuel, oil and gas.

**Programme 8: Health Facilities Management**

Expenditure in this programme is less by 21 per cent when compared to the second half of the previous financial year due to projects that are progressing slower than anticipated.

**6. Departmental Receipts**

TABLE 4.19: DEPARTMENTAL RECEIPTS

Department	2021/22 Audited Outcome				2022/23 Preliminary Receipts		
	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021 -Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
<b>R thousand</b>							
Tax receipts							
Sales of goods and services other than capital assets	482 278	210 251	443 707	(8.0)%	501 570	177 602	(15.53)%
Of which Health patient fees	386 478	163 884	343 680	0.0%	401 937	130 745	(20.22)%
Transfers received		4	15	0.0%		3	0.00%
Fines, penalties and forfeits	72	13	23	(68.1)%	75	18	38.46%
Interest, dividends and rent on land	1 645	62	306	(81.4)%	1 710	427	588.71%
Sales of capital assets		4 601	9 212	0.0%		5 080	10.41%
Financial transactions in assets and liabilities	36 005	33 605	49 291	36.9%	37 445	34 166	1.67%
<b>Total receipts</b>	<b>520 000</b>	<b>248 536</b>	<b>502 554</b>	<b>(120.6)%</b>	<b>540 800</b>	<b>217 296</b>	<b>(12.57)%</b>

**Revenue trends for the first half of the 2022/23 financial year.**

The estimated actual revenue to be collected by the end of the 2022/23 financial year amounts to R540.8 million, this remains the same as the main appropriation for own revenue.

The under collection is due to slow payment from the Road Accident Fund (RAF) because of new claims submission requirements implemented by RAF. It is anticipated that revenue will increase during the remainder of the financial year.

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

### 7.1 Changes to transfers and subsidies

TABLE 4.20: CHANGES TO TRANSFERS AND SUBSIDIES

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>1. Administration</b>	<b>3 595</b>							<b>3 595</b>
HouseHolds	3 595							3 595
<b>2. District Health Services</b>	<b>942 120</b>		<b>34 867</b>	<b>200</b>			<b>35 067</b>	<b>977 187</b>
Provincial and Local Government	490 515		26 649				26 649	517 164
Non-Profit Institutions	420 860		8 218				8 218	429 078
HouseHolds	30 745			200			200	30 945
<b>3. Emergency Medical Services</b>	<b>3 805</b>							<b>3 805</b>
HouseHolds	3 805							3 805
<b>4. Provincial Hospital Services</b>	<b>17 864</b>							<b>17 864</b>
HouseHolds	17 864							17 864
<b>5. Central Hospital Services</b>	<b>349 344</b>							<b>349 344</b>
Non-Profit Institutions	299 000							299 000
HouseHolds	50 344							50 344
<b>6. Health Sciences &amp; Training</b>	<b>389 623</b>			<b>(14 950)</b>			<b>(14 950)</b>	<b>374 673</b>
HouseHolds	346 712			(1 897)			(1 897)	344 815
Departmental Agencies & Accounts	25 819							25 819
Higher Education & Training Instit	17 092			(13 053)			(13 053)	4 039
<b>7. Health Care Support Services</b>	<b>581</b>							<b>581</b>
HouseHolds	581							581
<b>Total changes in transfers and subsidies payments</b>	<b>1 706 932</b>		<b>34 867</b>	<b>(14 750)</b>			<b>20 117</b>	<b>1 727 049</b>

#### Roll-overs: R34.8 million

An amount of R26.6 million is allocated to municipalities for commitments on the HIV/AIDS subsidy transfer to the Sedibeng District municipality and Tshwane Metropolitan municipality. Furthermore, R8.3 million rollover was approved to fund commitments made by non-profit institutions benefitting from the nutrition programme.

#### Virements and shifts

A total amount of R13 million is reprioritised from higher education and training institutions from Programme 6: Health Sciences and Training due to less students participating in the programme to cover excess expenditure in Programme 7: Health Care Support Services. An amount of R1.9 million from households is shifted within the Nursing training colleges Sub-Programme due to slow spending.

## 7.2. Changes to conditional grants

TABLE 4.21: CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>2. District Health Services</b>	<b>6 451 487</b>		<b>257 030</b>	<b>(47 139)</b>		<b>209 891</b>	<b>6 661 378</b>
Human Resources & Training Grant: Statutory Human Resources Component	47 139			(47 139)		(47 139)	
Social sector EPWP Integrated Incentive Grant for Provinces	17 980						17 980
National Health Insurance Grant	90 399						90 399
District Health Programmes Grant: Comprehensive HIV& AIDS Component	5 300 707		257 030			257 030	5 557 737
District Health Programmes Grant: District Health Component	995 262						995 262
<b>4. Provincial Hospital Services</b>	<b>597 947</b>		<b>14 637</b>	<b>17 000</b>		<b>31 637</b>	<b>629 584</b>
National Tertiary Services Grant	33 188		6 317			6 317	39 505
Human Resources & Training Grant: Statutory Human Resources Component	300 000			17 000		17 000	317 000
Human Resources & Training Grant: Training Component	264 759		8 320			8 320	273 079
<b>5. Central Hospital Services</b>	<b>6 311 029</b>		<b>231 375</b>	<b>30 139</b>		<b>261 514</b>	<b>6 572 543</b>
National Tertiary Services Grant	5 050 698		218 390			218 390	5 269 088
Human Resources & Training Grant: Statutory Human Resources Component	520 000			30 139		30 139	550 139
Human Resources & Training Grant: Training Component	740 331		12 985			12 985	753 316
<b>8. Health Facilities Management</b>	<b>1 061 219</b>						<b>1 061 219</b>
Health Facility Revitalisation Grant	1 058 859						1 058 859
EPWP Integrated Grant for Provinces	2 360						2 360
<b>Total changes in conditional grants</b>	<b>6 451 487</b>		<b>503 042</b>			<b>503 042</b>	<b>14 924 724</b>

### Roll-overs: R503 million

An amount of R257 million is rolled over to fund commitments on medicine within the Comprehensive HIV, AIDS Component of the District Health Programmes grant. Furthermore, R224.7 million is rolled over from the National Tertiary Services Grant and R21.3 million from the Training component of the Human Resource and Training grant towards payment of commitments on the procurement of medical and allied equipment in the previous financial year.

### Virements and shifts

A total of R47.1 million is shifted within the Statutory Human Resources Component Human Resource and Training grant as a result of budget reallocation to the correct hospitals business plans.

## 7.3 Changes to infrastructure

Refer to 2022 Adjusted Estimates of Capital Expenditure (AECE).

# VOTE 5

## EDUCATION

R thousand	2022/23			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>59 736 014</b>	<b>59 989 655</b>		<b>253 641</b>
<b>of which:</b>				
Current payments	50 693 008	50 153 980	(539 028)	
Transfers and subsidies	7 807 135	8 633 794		826 659
Payments for capital assets	1 235 871	1 201 881	(33 990)	
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Education and Youth Development</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 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 2022/23

Table 5.1 DEPARTMENT OF EDUCATION

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	5 012 416			(258 775)			(258 775)	4 753 641
2. Public Ordinary School Education	42 324 236		16 718	219 578			236 296	42 560 532
3. Independent School Subsidies	1 026 848			72 700			72 700	1 099 548
4. Public Special School Education	4 893 160			(6 576)			(6 576)	4 886 584
5. Early Childhood Development	1 979 374		23 366	(5 950)			17 416	1 996 790
6. Infrastructure Development	1 735 527			5 485		85 000	90 485	1 826 012
7. Examination and Education Related Services	2 764 453		128 557	(26 462)			102 095	2 866 548
<b>Total for Programmes</b>	<b>59 736 014</b>		<b>168 641</b>			<b>85 000</b>	<b>253 641</b>	<b>59 989 655</b>

Economic classification	R thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation	
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National			Additional Funding: Provincial
<b>Current payments</b>		<b>50 693 008</b>		<b>16 718</b>	<b>(640 746)</b>		<b>85 000</b>	<b>(539 028)</b>	<b>50 153 980</b>
Compensation of employees		42 286 616			(123 996)			(123 996)	42 162 620
Salaries & wages		36 648 491			(130 814)			(130 814)	36 517 677
Social contributions		5 638 125			6 818			6 818	5 644 943
Goods and services		8 406 392		16 718	(516 750)		85 000	(415 032)	7 991 360
Interest and rent on land									
<b>Transfers and subsidies</b>		<b>7 807 135</b>		<b>151 923</b>	<b>674 736</b>			<b>826 659</b>	<b>8 633 794</b>
Departmental agencies and accounts		112 360			6 576			6 576	118 936
Non-profit institutions		7 208 075		146 380	522 160			668 540	7 876 615
Households		486 700		5 543	146 000			151 543	638 243
<b>Payments for capital assets</b>		<b>1 235 871</b>			<b>(33 990)</b>			<b>(33 990)</b>	<b>1 201 881</b>
Buildings and other fixed structures		963 686			4 450			4 450	968 136
Machinery and equipment		233 769			(37 440)			(37 440)	196 329
Land and sub-soil assets		24 000							24 000
Software and other intangible assets		14 416			(1 000)			(1 000)	13 416
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>59 736 014</b>		<b>168 641</b>			<b>85 000</b>	<b>253 641</b>	<b>59 989 655</b>

The appropriation of the department increases by an amount of R253.6 million from R59.7 billion to an adjusted appropriation of R59.9 billion for the 2022/23 financial year.

The adjustments include the appropriation of an approved national rollover of R23.3 million for the ECD Employee Stimulus Relief Fund to settle outstanding payment batches which were delayed due to the finalisation of verification process. The adjustment also includes the provincial rollover of R145.2 million to settle commitments from the previous financial year of which R16.7 million is for school furniture, R123 million is for the Presidential Youth Employment Initiative (PYEI) programme, and R5.5 million is for the GCRA youth bursaries programme.

An amount of R85 million is allocated to address the maintenance needs of school infrastructure. The increase in the allocation assists the department to attend to dilapidated roofing in schools that are leaking due to minor structural defects, to replace doors and windows that are broken, and to address electrical challenges related to cabling and components, plumbing and water provision. All these interventions will ensure a conducive environment for teaching and learning.

The department continues to strive for excellence and optimal use of resources in terms of providing quality education. In response to the elevated provincial priorities, the department reprioritised the budget to increase the allocation of the Secondary School Improvement Programme (SSIP) which will improve grade 12 results, to invest in school infrastructure, to absorb budget pressure in municipal services at schools, scholar transport, subsidies to independent schools and bursaries to the youth amongst others. Furthermore, funds are reprioritised within and between programmes from items with slow spending to absorb some of the key spending pressures in other items and to cater for accruals within the current budget allocation.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

### Programme 1: Administration

TABLE 5.2: PROGRAMME ADMINISTRATION

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the MEC	5 868							5 868
2. Corporate Services	2 830 689			(130 009)			(130 009)	2 700 680
3. Education Management	2 060 276			(122 950)			(122 950)	1 937 326
4. Human Resource Development	88 606			(2 594)			(2 594)	86 012
5. Edu Management Information System (Emis)	26 977			(3 222)			(3 222)	23 755
<b>Total for Programmes</b>	<b>5 012 416</b>			<b>(258 775)</b>			<b>(258 775)</b>	<b>4 753 641</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
R thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>4 943 453</b>			<b>(260 469)</b>			<b>(260 469)</b>	<b>4 682 984</b>
Compensation of employees	4 028 099			(245 000)			(245 000)	3 783 099
Salaries & wages	3 459 836			(245 000)			(245 000)	3 214 836
Social contributions	568 263							568 263
Goods and services	915 354			(15 469)			(15 469)	899 885
<b>Transfers and subsidies</b>	<b>7 458</b>							<b>7 458</b>
Provinces and municipalities								
Higher education institutions								
Households	7 378							7 378
<b>Payments for capital assets</b>	<b>61 505</b>			<b>1 694</b>			<b>1 694</b>	<b>63 199</b>
Machinery and equipment	47 089			2 694			2 694	49 783
Software and other intangible assets	14 416			(1 000)			(1 000)	13 416
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>5 012 416</b>			<b>(258 775)</b>			<b>(258 775)</b>	<b>4 753 641</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(305 000)</b>		<b>44 531</b>
Compensation of employees	Due to vacant posts not filled, funds are shifted to offset CoE pressure in Programme 2: Public Ordinary Schools.	(245 000)		
Goods and services	Expenditure for utilities is categorised under property payments, hence, funds shifted to the correct item.  Savings realised from the project of assessing the quality of education with neighbouring countries as the project has been stopped. Services related to asset register license called BAUD will not be utilised as there was no service level agreement.  Savings realised on the procurement of printers and cartridge toners as a shared labour-saving devices (photocopy machines) is used instead of desktop printers. In addition, stationery was procured in bulk in the previous financial year and communication costs are lower than expected. Furthermore, savings realised on travel costs and on the use of GG vehicles as some training sessions were done virtually.	(60 000)	Correct allocation of the budget for water and electricity from operating lease to property payments. Provision for furniture for the newly appointed employees and interns, for catering at the Compulsory Induction Programme which is conducted by the National School of Government and attended by all level 1-12 newly appointed employees and for the printing of the teacher's training manuals.  In addition, funds allocated for hiring of venues for strategic planning sessions and for MEC event for matriculants. Provision for the procurement of consumable items such as laptop bags, extension cords, tools of trade etc. for district offices.	44 531
Interest and rent on land				
<b>Transfers and subsidies</b>				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(2 174)</b>		<b>3 868</b>
Buildings and other fixed structures				
Machinery and equipment	Funds allocated to procure fixed security equipment and machinery will no longer be used as equipment and machinery are leased through the contracted security company.	(1 174)	Provision for laptops issued to senior management officials as the existing ones are out of warranty and for desktops issued to interns as there is no stock available	3 868
Heritage assets				
Land and sub-soil assets				
Software and other intangible assets	Funds allocated for Education Facilities Management System (EFMS) software will not be utilised given that department will access the system via the Department of Basic Education (DBE) at no cost.	(1 000)		
Payments for financial assets				
<b>Total economic classification</b>		<b>(307 174)</b>		<b>48 399</b>

**Virements and shifts**

The programme released a total of R259 millions of which R245 million is shifted from compensation of employees to address a shortfall in compensation of employees within Programme 2: Public Ordinary School Education. The remaining R14 million is reprioritised to cover a shortfall on transfers or subsidies to independent schools in Programme 3: Independent Schools. Provision is made for independent schools that were initially not funded as these were under administration but were later approved for funding.

Total shifts of budget within the programme amounts to R48.3 million which is mainly done to correctly classify the budget for expenditure related to the rental of buildings such as water and electricity and operating leases. Funds also shifted to procure laptops for senior management officials, desktops and furniture for newly appointed employees and interns, and to supplement the budget for the Compulsory Induction Programme for level 1-12 new staff members which is conducted by the National School of Government. In addition, funds are allocated for hiring venues to coordinate strategic planning sessions and host MEC events including award ceremonies for matriculants and the opening of new schools. Other budgets are reprioritised from line items where the budget will not be utilised due to the suspension of certain departmental projects such as the assessment of the quality of education with neighbouring countries

## Programme 2: Public Ordinary School Education

TABLE 5.4: PROGRAMME 2: PUBLIC ORDINARY SCHOOL

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Public Primary Schools	22 846 492		12 078	120 947			133 025	22 979 517
2. Public Secondary School	18 170 249		4 640	103 848			108 488	18 278 737
3. Human Resource Development	175 483			(4 299)			(4 299)	171 184
4. School Sport, Culture and Media Services	40 433			(918)			(918)	39 515
6. Conditional Grants	1 091 579							1 091 579
<b>Total for Programmes</b>	<b>42 324 236</b>		<b>16 718</b>	<b>219 578</b>			<b>236 296</b>	<b>42 560 532</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>38 804 069</b>		<b>16 718</b>	<b>(95 485)</b>			<b>(78 767)</b>	<b>38 725 302</b>
Compensation of employees	33 080 470			242 222			242 222	33 322 692
Salaries & wages	28 562 041			242 932			242 932	28 804 973
Social contributions	4 518 429			(710)			(710)	4 517 719
Goods and services	5 723 599		16 718	(337 707)			(320 989)	5 402 610
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>3 510 305</b>			<b>304 942</b>			<b>304 942</b>	<b>3 815 247</b>
Non-profit institutions	3 362 170			304 942			304 942	3 667 112
Households	148 135							148 135
<b>Payments for capital assets</b>	<b>9 862</b>			<b>10 121</b>			<b>10 121</b>	<b>19 983</b>
Buildings and other fixed structures				17 085			17 085	17 085
Machinery and equipment	9 862			(6 964)			(6 964)	2 898
Software and other intangible assets								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>42 324 236</b>		<b>16 718</b>	<b>219 578</b>			<b>236 296</b>	<b>42 560 532</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(882 458)</b>		<b>786 973</b>
Compensation of employees	The officials who were on contract as admin staff for head office/ districts under the HIV/AIDS grant were absorbed permanently by the department. Realignment of the CoE budget hence, shifting funds from social contributions to salaries and wages within the school nutrition programme.	(4 093)	Provision for the shortfall on compensation of educators and payment of the contracted Cuban specialists.	246 315
Goods and services	Procurement of PPE is suspended following the relaxation of COVID-19 protocols, savings shifted to fund other priorities. Disaggregation of ICT budget from LTSM to other ICT related items and a saving is realised on LTSM related to school funding norms and standards.  The budget for payment of stipends for bus conductors shifted from goods and services to transfers to schools as schools will make payments. The School Nutrition grant budget is reprioritised to make provision for the building of kitchens at schools. The foundation phase training will be conducted by Matthew Goniwe School of Leadership and Governance, funds shifted from goods and services to transfers. The installation of energy and water saving devices at schools will not take place as planned due to delay on tender process.	(878 365)	ICT budget disaggregated from LTSM to communication for connectivity, computer services for installation of data lines, contractors for retrieval, repair, warranty, onsite support, and maintenance of school devices and to inventory: other supplies for the procurement of LED boards, teacher laptops and a mobile classroom solution. Provision made to supplement the budget for municipal services at schools and scholar transport. Funds allocated for the printing of primary school resources such as reading books, wall charts etc due to increase in enrolments.	540 658
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>304 942</b>

Economic classification	Motivation	From	Motivation	To
Non-profit institutions			Reclassification of funds from operating payments to NPI for school monitors and bus conductors. Funds are reprioritised to Sci-Bono Discovery Centre for implementation of 2022 Secondary School Improvement Programme (SSIP), and to schools to fund the building of brick-and-mortar classrooms to address pressure in school admission. Funds are shifted towards Matthew Goniwe School of Leadership and Governance for training of officials who provide support to learners at schools on HIV/AIDS.	304 942
Households				
<b>Payments for capital assets</b>		<b>(6 964)</b>		<b>17 085</b>
Buildings and other fixed structures			Provision for the building of kitchens at schools as part of the school nutrition programme.	17 085
Machinery and equipment	Budget allocated to procure computers for scholar transport monitors will not be utilised as tablets were provided by the office IT directorate.	(6 964)		
<b>Total economic classification</b>		<b>(889 422)</b>		<b>1 109 000</b>

### Rollovers: R16.7 million

A total amount of R16.7 million is rolled over from the previous financial year to address school furniture needs and ensure that teaching and learning takes places in all public ordinary schools.

### Virements and shifts

A virement of R219.5 million is received within this programme mainly to address a shortfall on the compensation of educators. Total shifts amounting to R1.1 billion are affected within the programme. Funds for ICT in schools are distributed from LTSM to communication for connectivity, computer services for installation of data lines, contractors for retrieval, repair, warranty, onsite support, and maintenance of school devices and to inventory: other supplies for the procurement of LED boards, teacher laptops and mobile classroom solution.

Furthermore, funds previously allocated to personal protective equipment (PPE) are reprioritised to the Sci-Bono Discovery Centre for the implementation of the 2022 Secondary School Improvement Programme (SSIP) and to transfers to schools for the building of additional brick-and-mortar classrooms to address pressure in school admission.

Other movements were made to supplement the budget for municipal services in public schools and scholar transport because of an increase in rates and fuel prices. Funds also allocated for printing of primary school resources such as reading books, wall charts etc. due to an increase in enrolments. In addition, funds are shifted to the Matthew Goniwe School of Leadership and Governance for training of officials who provide support to learners at schools on HIV/AIDS.

### Programme 3: Independent School Subsidies

TABLE 5.6: PROGRAMME 3: INDEPENDENT SCHOOL SUBSIDIES

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Primary Phase	615 386			42 000			42 000	657 386
2. Secondary Phase	411 462			30 700			30 700	442 162
<b>Total for Programmes</b>	<b>1 026 848</b>			<b>72 700</b>			<b>72 700</b>	<b>1 099 548</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	10 000			1 700			1 700	11 700
Compensation of employees								
Goods and services	10 000			1 700			1 700	11 700
Interest and rent on land								
<b>Transfers and subsidies</b>	1 016 848			71 000			71 000	1 087 848
Provinces and municipalities								
Non-profit institutions	1 016 848			71 000			71 000	1 087 848
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	1 026 848			72 700			72 700	1 099 548

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				1 700
Compensation of employees				
Goods and services			Provision made to conduct a pre-feasibility study for the possible licencing of independent schools.	1 700
Interest and rent on land				
<b>Transfers and subsidies</b>				71 000
Public corporations and private enterprises				
Non-profit institutions			Provision made for schools that qualified for funding after the budget was finalised.	71 000
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
<b>Total economic classification</b>				72 700

### Virements and shifts

The programme receives an amount of R72.7 million of which R71 million will address the current shortfall in transfers to independent schools as some schools were initially not funded as these were under administration and others did not meet the qualifying criteria such as the provincial matric pass rate but were later approved for funding. The remaining amount of R1.7 million is received to conduct a pre-feasibility study for the possible licencing of independent schools.

### Programme 4: Public Special Education

TABLE 5.8: PROGRAMME 4: PUBLIC SPECIAL SCHOOL EDUCATION

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Schools	4 852 639			(6 576)			(6 576)	4 846 063
2. Human Resource Development	2 666							2 666
3. School Sport, Culture and Media Services	2 705							2 705
4. Conditional Grants	35 150							35 150
<b>Total for Programmes</b>	4 893 160			(6 576)			(6 576)	4 886 584

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>3 870 944</b>			(7 038)			(7 038)	<b>3 863 906</b>
Compensation of employees	3 836 931			(6 576)			(6 576)	3 830 355
Salaries & wages	3 321 801			(6 576)			(6 576)	3 315 225
Social contributions	515 130							515 130
Goods and services	34 013			(462)			(462)	33 551
<b>Transfers and subsidies</b>	<b>1 022 216</b>							<b>1 022 216</b>
Non-profit institutions	1 017 727							1 017 727
Households	4 489							4 489
<b>Payments for capital assets</b>				462			462	<b>462</b>
Buildings and other fixed structures								
Machinery and equipment				462			462	462
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>4 893 160</b>			<b>(6 576)</b>			<b>(6 576)</b>	<b>4 886 584</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(9 561)</b>		<b>2 523</b>
Compensation of employees	Due to vacant posts not filled, funds re-prioritised to address the shortfall in the skills development levy.	(6 576)		
Goods and services	Savings realised as the Department of Sport, Arts, Culture and Recreation assisted with the purchase of sporting consumables. Funds re-prioritised within the Learners with Profound Intellectual Disability (LPID) grant to align the budget with business plan.	(2 985)	Funds needed to cover accruals incurred on training given to educators of learners with special education needs (LSEN), sports administration, catering, and the hiring of a stadium during the Provincial LSEN athletics competition.	2 523
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
<b>Payments for capital assets</b>				<b>462</b>
Buildings and other fixed structures				
Machinery and equipment			Provision made to procure office equipment for learners within the Profound Intellectual Disability (LPID) grant to align with business plan.	462
Heritage assets				
Payments for financial assets				
<b>Total economic classification</b>		<b>(9 561)</b>		<b>2 985</b>

**Virements and shifts**

The budget of this programme decreases by R6.5 million as spending trends indicate a possible underspending of the budget. This amount is shifted to Programme 7: Examination and Education Related Services, to address the shortfall in the skills development levy.

Shifting of funds within the programme amount to R2.9 million mainly to align the budget and expenditure with the final conditional grant business plan and to cover accruals incurred during the Provincial LSEN athletics competition.

## Programme 5: Early Childhood Development

### 5.10: PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Grade R In Public Schools	1 242 028							1 242 028
2. Grade R In Early Childhood Development Centres	23 844							23 844
3. Pre-Grade R In Early Childhood Development Centres	459 910			(465)			(465)	459 445
4. Human Resource Development	20 877							20 877
5. Conditional Grants	232 715		23 366	(5 485)			17 881	250 596
<b>Total for Programmes</b>	<b>1 979 374</b>		<b>23 366</b>	<b>(5 950)</b>			<b>17 416</b>	<b>1 996 790</b>

Economic classification	R thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Current payments</b>		<b>1 185 336</b>			<b>14 906</b>		<b>14 906</b>	<b>1 200 242</b>
Compensation of employees		833 063			(820)		(820)	832 243
Salaries & wages		816 813			(758)		(758)	816 055
Social contributions		16 250			(62)		(62)	16 188
Goods and services		352 273			15 726		15 726	367 999
<b>Transfers and subsidies</b>		<b>789 542</b>		<b>23 366</b>	<b>(17 477)</b>		<b>5 889</b>	<b>795 431</b>
Non-profit institutions		789 542		23 366	(17 477)		5 889	795 431
Households								
<b>Payments for capital assets</b>		<b>4 496</b>			<b>(3 379)</b>		<b>(3 379)</b>	<b>1 117</b>
Buildings and other fixed structures								
Machinery and equipment		4 496			(3 379)		(3 379)	1 117
<b>Payments for financial assets</b>								
<b>Total economic classification</b>		<b>1 979 374</b>		<b>23 366</b>	<b>(5 950)</b>		<b>17 416</b>	<b>1 996 790</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(22 723)</b>		<b>37 629</b>
Compensation of employees	As per approved conditional grant business plan, funds for ECD grant administration of the maintenance of prototype ECD centres is shifted to Programme 6: Infrastructure Development.	(820)		
Goods and services	Funds allocated for maintenance of ECD centres for compliance with norms and standards were reprioritised to fund ECD institute activities as provision is already made in Programme 6: Infrastructure Development. As per approved conditional grant business plan, funds for maintenance of prototype ECD centres are shifted to Programme 6: Infrastructure Development.	(21 903)	Provision is made to supplement the budget to procure textbooks for ECD in schools and to provide curriculum support to ECD centres for children aged from 0-4 years and to provide for the management of and handling fees of LTSM. Provision is also made for increased operational costs such as traveling costs for social workers who monitor ECD centres and the ECD registration process and for copying and printing charges due to an increase in staff members after the transfer of function.	37 629
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(17 477)</b>		
Provinces and municipalities				
Public corporations and private enterprises				
Non-profit institutions	Funds allocated for transfers to schools for the procurement of textbooks is shifted to goods and services as the department will procure on behalf of schools that do not qualify as Section 21 schools.	(17 477)		
Households				
<b>Payments for capital assets</b>		<b>(3 379)</b>		



Economic classification	Motivation	From	Motivation	To
Buildings and other fixed structures	The current stock of laptops, printers, desktop printers, etc is still in good condition. Therefore, funds are reprioritised to fund operational costs under goods and services.	(3 379)		
Machinery and equipment				
Heritage assets				
Specialised military assets				
Payments for financial assets				
<b>Total economic classification</b>		<b>(43 579)</b>		<b>37 629</b>

**Rollovers: R23.3 million**

An amount of R23.3 million allocated for the ECD Employee Stimulus Relief Fund under the Early Childhood Development grant was approved by national as a rollover from the previous financial year to allow the department to settle outstanding payment batches which were delayed due to the finalisation of verification process.

**Virements and shifts**

An amount of R5.4 million is redirected to Programme 6: Infrastructure Development for the maintenance of Early Childhood Development centres and to comply with the directive from the Department of Basic Education, while savings realised from funds allocated for training of ECD stakeholders and for telephone usage amounting to R465 000 are redirected to address a shortfall in Programme 3: Independent Schools.

Funds for transfers to schools for the procurement of LTSM are shifted to goods and services to procure on behalf of schools that do not meet the requirements of being a Section 21 school and funds allocated to procure assets such as printers are shifted to goods and services to provide curriculum support to ECD centres.

**Programme 6: Infrastructure Development**

TABLE 5.12: PROGRAMME 6: INFRASTRUCTURE DEVELOPMENT

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	70 675			12 274			12 274	82 949
2. Public Ordinary Schools	1 476 415			(13 596)		85 000	71 404	1 547 819
3. Special Schools	40 500			128 677			128 677	169 177
4. Early Childhood Development	147 937			(121 870)			(121 870)	26 067
<b>Total for Programmes</b>	<b>1 735 527</b>			<b>5 485</b>		<b>85 000</b>	<b>90 485</b>	<b>1 826 012</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>747 841</b>			<b>12 120</b>		<b>85 000</b>	<b>97 120</b>	<b>844 961</b>
Compensation of employees	51 750			(2 201)			(2 201)	49 549
Salaries & wages	45 634			(2 201)			(2 201)	43 433
	13 937			7 590			7 590	21 527
Social contributions	6 116							6 116
Goods and services	696 091			14 321		85 000	99 321	795 412
<b>Transfers and subsidies</b>				<b>6 000</b>			<b>6 000</b>	<b>6 000</b>
<b>Payments for capital assets</b>	<b>987 686</b>			<b>(12 635)</b>			<b>(12 635)</b>	<b>975 051</b>
Buildings and other fixed structures	963 686			(12 635)			(12 635)	951 051
Land and sub-soil assets	24 000							24 000
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>1 735 527</b>			<b>5 485</b>		<b>85 000</b>	<b>90 485</b>	<b>1 826 012</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(107 322)</b>		<b>119 442</b>
Compensation of employees	Movement is because of aligning ECE and EPRE.	(3 401)	Movement is because of aligning ECE and EPRE.	1 200
Goods and services	Reclassification of budget allocated to the delivery of water, chemical and septic tank from property payments to contractors. Other movements are because of aligning ECE and EPRE.	(103 921)	Provision for delivery of septic and chemical toilets and for payment of consultants to advice department on various asbestos schools. Provision is also made for delivery of basic services to schools such as water delivery for schools with limited access to municipal services. Virement of ECD prototype maintenance budget from Programme 5: Early Childhood Development.  Furthermore, movement are a result of aligning ECE and EPRE.	118 242
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>6 000</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions			Education Development Trust receives funding to support and advice on school infrastructure related matters in the Province.	6 000
Households				
<b>Payments for capital assets</b>		<b>(124 912)</b>		<b>112 277</b>
Buildings and other fixed structures	Under performance of the new and replacement category due to termination of some projects has affected spending. Movement.	(124 912)	Accelerated implementation of the Grade 10 Smart Classrooms programme have resulted in the need for more funds for this programme. Movement is also a result of aligning ECE and EPRE.	112 277
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets			0	
Software and other intangible assets				
Payments for financial assets				
<b>Total economic classification</b>		<b>(232 234)</b>		<b>237 719</b>

### Virements and shifts

This programme received an amount of R5.4 million for the maintenance of Early Childhood Development centres to comply with the directive from the Department of Basic Education.

Shifting of funds within the programme is mainly due to the alignment of the 2022/23 Estimated of Capital Expenditure (project list) with the 2023 Estimates of Provincial Revenue and Expenditure to make provision for the delivery of septic and chemical toilets and water to schools with limited access to municipal services. Funds are also made available for the accelerated implementation of the Grade 10 Smart Classrooms Programme. Furthermore, the budget is reclassified to transfers to make provision for Education Development Trust.

### Additional funding: Provincial R85 million

An amount of R85 million is allocated to address maintenance needs of school infrastructure. The increase in the infrastructure allocation will assist the department to attend to dilapidated roofing in schools that are leaking and minor structural defects, to replace doors and windows that are broken, and to address electrical challenges related to cabling and components, plumbing and water provision. All these interventions will ensure a conducive environment for teaching and learning.

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

**TABLE 5.14: PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES**

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Payments to Seta	112 280			6 576			6 576	118 856
2. Professional Services	430 309			(36 242)			(36 242)	394 067
3. Special Projects	1 652 029		128 557				128 557	1 780 586
4. External Examinations	559 487			3 204			3 204	562 691
5. Conditional Grants	10 348							10 348
<b>Total for Programmes</b>	<b>2 764 453</b>		<b>128 557</b>	<b>(26 462)</b>			<b>102 095</b>	<b>2 866 548</b>

Economic classification	R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>1 131 365</b>			<b>(306 480)</b>			<b>(306 480)</b>	<b>824 885</b>
Compensation of employees		456 303			(111 621)			(111 621)	344 682
Salaries & wages		442 366			(119 211)			(119 211)	323 155
Goods and services		675 062			(194 859)			(194 859)	480 203
<b>Transfers and subsidies</b>		<b>1 460 766</b>		<b>128 557</b>	<b>310 271</b>			<b>438 828</b>	<b>1 899 594</b>
Departmental agencies and accounts		112 280			6 576			6 576	118 856
Non-profit institutions		1 021 788		123 014	157 695			280 709	1 302 497
Households		326 698		5 543	146 000			151 543	478 241
<b>Payments for capital assets</b>		<b>172 322</b>			<b>(30 253)</b>			<b>(30 253)</b>	<b>142 069</b>
Buildings and other fixed structures									
Machinery and equipment		172 322			(30 253)			(30 253)	142 069
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>2 764 453</b>		<b>128 557</b>	<b>(26 462)</b>			<b>102 095</b>	<b>2 866 548</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(384 257)</b>		<b>77 777</b>
Compensation of employees	Funds for payment of stipends to patrolers and EPWP workers are transferred to schools as schools will make payment to the workers.	(162 986)	Provision made for compensation of exams moderators and markers, invigilators, quality assurers, etc for Dec/Jan examination. Payment of UIF for school patrolers, EPWP workers and PYEI assistants based in schools.	51 365
Goods and services	Funds allocated for payments of stipends to Youth Brigades are reprioritised to bursaries for youth. Savings realised as number of employees on the bursary programme are less than budgeted for. Funds for software licenses are being paid by the Information Technology Directorate.  Funds allocated for Dignity Packs for learners will not be utilised as the service will be provided by Department of Social Development. The training of teacher assistant's intake of cohort 1 and 2 will attend phase 3 training, and the training will not be extensive as they have already been trained in phase 1 and 2. Savings realised on travel claims as some monitoring and support will be provided to schools online. Under examination services, a departmental venue will be used to store exams stocks and materials	(221 271)	Provision made to procure cell phones with airtime and data bundles for all GET, FET & ECD senior education specialists who are field workers. Provision made for procurement of cartridges for printing machines and printing papers for examination services. Funds allocated for hiring of trucks to transport exam scripts from nodal points to offices where it is stored until distribution to marking venues.	26 412
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(4 450)</b>		<b>314 721</b>
Provinces and municipalities				
Departmental agencies and accounts			Provision is made for skills development levy.	6 576
Higher education institutions				

Economic classification	Motivation	From	Motivation	To
Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions	Funds allocated for Presidential Youth Employment Initiative are reclassified to compensation of Employees to cater for the UIF contributions of the youth under the programme.	(4 450)	Provision is made for funds to be transferred to schools for the salaries of EPWP workers & Patrollers.	162 145
Households			Funds are shifted to bursaries for youth.	146 000
<b>Payments for capital assets</b>		<b>(31 253)</b>		<b>1 000</b>
Buildings and other fixed structures Machinery and equipment	Tender for the photocopy machines used to print question papers was finalised after the budget was concluded, the cost is less than budgeted for. Funds are shifted to other priorities.	(31 253)	Funds are shifted to procure additional furniture.	1 000
Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets Payments for financial assets				
<b>Total economic classification</b>		<b>(419 960)</b>		<b>393 498</b>

### Rollovers: R128.5 million

A rollover amount of R128.5 million is allocated to this programme. Out of this amount, R123 million is for transfers to schools by the Gauteng City Region Academy (GCRA) to pay stipends to the education assistants and general school assistants placed in schools under the Presidential Youth Employment Initiative (PYEI). The remaining R5.5 million is for bursaries awarded to youth to fulfil GCRA mandate in the bursary programme.

### Virements and shifts

An amount of R162 million is shifted from compensation of employees to non-profit institutions for the payment of stipends to patrollers and EPWP workers while R4.4 million is moved to social contributions to cater for the payment of the UIF contributions of the youth placed in the Presidential Youth Employment Initiative. An amount of R120 million earmarked for the payment of stipends to the Youth Brigade is reprioritised to cover a shortfall in bursaries for the youth.

Other movements within goods and services are mainly to align with the revised operational plans and to fund activities related to psycho-social support services, school monitoring and learner support services. Funds are reprioritised for online admission advocacy, the procurement of cartridges for printing machines and the printing papers for examination services, the hiring of trucks to transport exam scripts from nodal points to Juba offices, the hiring of generators for the period of capturing of marks due to constant power cuts and the procurement of cell phones including airtime and data bundles for all GET, FET & ECD senior education specialists who are field workers to enable them to conduct onsite and online monitoring and support across the province and report on progress.

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

TABLE 5.16: EXPENDITURE 2019/20 AND PRELIMINARY EXPENDITURE 2020/21: EDUCATION

Department	2021/22				2022/23		
	Adjusted appropriation	Expenditure Outcome		Apr 2021 - Mar 2022 as a % of adjusted appropriation	Preliminary expenditure		
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Adjusted appropriation		Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept	
<b>R thousand</b>							
1. Administration	4 461 537	2 448 098	3 954 218	89%	4 753 641	1 968 946	(20)%
2. Public Ordinary School Education	40 508 439	18 908 696	41 426 707	102%	42 560 532	20 083 982	6%
3. Independent School Subsidies	980 518	622 476	923 712	94%	1 099 548	821 657	32%
4. Public Special School Education	4 484 983	2 005 403	3 973 061	89%	4 886 584	2 099 600	5%
5. Early Childhood Development	1 464 353	513 005	1 325 267	91%	1 996 790	680 836	33%
6. Infrastructure Development	1 619 208	531 358	1 635 795	101%	1 826 012	795 012	50%
7. Examination and Education Related Services	3 159 235	1 236 052	2 972 017	94%	2 866 548	1 621 413	31%
<b>Total</b>	<b>56 678 273</b>	<b>26 265 088</b>	<b>56 210 777</b>	<b>99%</b>	<b>59 989 655</b>	<b>28 071 446</b>	<b>7%</b>
<b>Current payments</b>	<b>47 789 574</b>	<b>22 137 236</b>	<b>47 447 323</b>	<b>99%</b>	<b>50 153 980</b>	<b>22 959 294</b>	<b>4%</b>
Compensation of employees	40 278 469	19 832 632	40 258 503	100%	42 162 620	20 157 372	2%
Goods and Services	7 511 102	2 304 602	7 188 661	96%	7 991 360	2 801 805	22%
Interest and rent on land	3	2	159	5300%		117	5750%
<b>Transfers and subsidies</b>	<b>7 602 882</b>	<b>3 766 567</b>	<b>7 512 523</b>	<b>99%</b>	<b>8 633 794</b>	<b>4 719 364</b>	<b>25%</b>
Provinces and municipalities							
Departmental agencies and accounts	110 708	109 678	109 678	99%	118 936	112 280	2%
Non-profit institutions	6 848 021	3 166 173	6 724 263	98%	7 876 615	4 201 413	33%
Households	644 153	490 716	678 582	105%	638 243	405 671	(17)%
<b>Payments for capital assets</b>	<b>1 285 817</b>	<b>359 563</b>	<b>1 230 598</b>	<b>96%</b>	<b>1 201 881</b>	<b>387 046</b>	<b>8%</b>
Buildings and other fixed structures	1 045 897	331 443	1 040 445	99%	968 136	303 798	(8)%
Machinery and equipment	207 791	20 588	161 542	78%	196 329	58 990	187%
Land and sub-soil assets	16 000		14 362	90%	24 000	20 028	
Software and other intangible assets	16 129	7 532	14 249	88%	13 416	4 230	
<b>Payments for financial assets</b>		<b>1 722</b>	<b>20 333</b>			<b>5 742</b>	<b>233%</b>
<b>Total</b>	<b>56 678 273</b>	<b>26 265 088</b>	<b>56 210 777</b>	<b>99%</b>	<b>59 989 655</b>	<b>28 071 446</b>	<b>7%</b>

### Expenditure trends for 2021/22

The department spent R56.2 billion against a budget of R56.6 billion which is 99% of the adjusted appropriation. The underspending is mainly because of vacant posts which could not be filled by year end, delays on the delivery of school furniture, late receipt of Presidential Youth Employment Initiative funding, delay on planned infrastructure projects including ICT, and GCRA bursaries which could not be processed prior to system closure. Furthermore, the department had initially planned to buy a software called Education Facilities Management System (EFMS) for managing various projects. However, the system was subsequently procured by National Department of Basic Education (DBE) through State Information Technology Agency (SITA). Access will be provided to the department at no cost.

### Preliminary expenditure trends for the first half of 2022/23

#### Programme 1: Administration

Total expenditure for the first six months of 2022/23 financial year amounts to R1.9 billion. This spending is 20 per cent less than the comparative figure from the 2021/22 financial year of R2.4 billion. The decrease is attributed to procurement processes which were put on hold due to the then pending court case regarding the invalidity of the Preferential Procurement Regulations, 2017 and the delay of payment for office rental building due to certain service providers that were not tax compliant (tax certificate expired) but were compliant in 2021/22 financial year. Furthermore, the decrease is also affected by most ICT projects and the department is only waiting for the bill from the stakeholder.

### Programme 2: Public Ordinary Schools

The department spent R20 billion as at the end of September 2022 compared to R18.9 billion in the same period of 2021/22. During 2021/22 financial year, some of the activities were put on hold or cancelled due to Covid -19 restrictions. In 2022/23 the department is spending as per the projections because of relaxation of Covid-19 protocols, which resulted in higher expenditure as compared to 2021/22.

### Programme 3: Independent Schools

Spending in the first half of 2022/23 amounts to R822 million compared to R622 million spent in the same period of the 2021/22 financial year. An increase of 32% is due to some independent schools which did not qualify for subsidies based on the outcome of the audit during the 2021/22 financial year and were approved for funding in the current financial year.

### Programme 4: Public Special Schools

Expenditure in this programme is R2 billion for 2021/22 compared to R2 billion in 2021/22. This is in line with the spending norms.

### Programme 5: Early Childhood Development

The department spent R680 million as at the end of September 2022 compared to R513 million in the same period in 2021/22 financial year. This is an increase of 25 per cent compared to the same period in 2021/22. The increase is mainly attributed to the function shift from Department of Social Development which raised the programme spending during 2022/23 financial year and the conversion of remuneration for ECD practitioners who obtained a diploma as per the agreement with labour parties.

### Programme 6: Infrastructure Development

The department has spent R795 million as at the end of September 2022/23 compared to R531 million spent in the same period of the 2021/22 financial year. The current spending is in line with the planned spending trend compared to the previous financial year.

### Programme 7: Examination and Education Related Services

The department spent R1.6 billion in this programme by the end of second quarter of 2022/23 compared to R1.2 billion spent in the same period in 2021/22. The increase is due to the payment of stipends of Education assistants under the Presidential Youth Employment Initiative, and the guidelines outlined that the programme should run for 5 months hence a significant spending on transfers in the first two quarters. The increase is also attributed to the transfers to institutions for bursaries.

## 6. Departmental Receipt

TABLE 5.17: DEPARTMENTAL RECEIPTS

Department	2021/22				2022/23		
	Adjusted appropriation	Audited Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Preliminary Receipts		
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Adjusted appropriation		Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept	
<b>R thousand</b>							
Tax receipts							
Sales of goods and services other than capital assets	33 124	16 228	34 154	3%	34 714	16 885	4%
Of which Health patient fees				0%			0%
Transfers received				0%	0		0%
Fines, penalties, and forfeits	94	38	108	15%	99	69	82%
Interest, dividends and rent on land	248	109	563	127%	260	471	332%
Sales of capital assets			114	0%	0		0%
Financial transactions in assets and liabilities	3 820	12 473	26 017	581%	4 003	24 415	96%
<b>Total Receipts</b>	<b>37 286</b>	<b>28 848</b>	<b>60 956</b>	<b>63%</b>	<b>39 076</b>	<b>41 840</b>	<b>45%</b>

### Revenue trends for the first half of 2022/23

The table above shows the contribution of each revenue source towards the total revenue generated at the end of second quarter of the 2022/23 financial year. The estimated actual revenue to be collected by the end of the 2022/23 financial year amount to R39 million.

The total revenue collected for the first half of 2022/23 amounts to R41.8 million or 107 percent of the expected collection for the 2022/23 financial year. There is an increase of R13 million when comparing the first half of 2022/23 and 2021/22 financial year. This is attributed to the high collection under financial transaction in assets and liabilities due to salary reversals for previous year's salary over-payments.

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

### 7.1 Changes to transfers and subsidies

TABLE 5.18: SUMMARY OF CHANGES TO TRANSFER AND SUBSIDIES

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>1. Administration</b>	<b>7 458</b>							<b>7 458</b>
Households	7 378							7 378
Departmental agencies and accounts	80							80
<b>2. Public Ordinary School Education</b>	<b>3 510 305</b>			<b>304 942</b>			<b>304 942</b>	<b>3 815 247</b>
Households	148 135							148 135
Public Ordinary Schools	2 964 002			238 854			238 854	3 202 856
Sci Bono	248 991			61 971			61 971	310 962
Matthew Goniwe	149 177			4 117			4 117	153 294
Name of transfer payment 7								
<b>3. Independent Schools Subsidies</b>	<b>1 016 848</b>			<b>71 000</b>			<b>71 000</b>	<b>1 087 848</b>
Independent Schools	1 016 848			71 000			71 000	1 087 848
<b>4. Public Special School Education</b>	<b>1 022 216</b>							<b>1 022 216</b>
Households	4 489							4 489
Matthew Goniwe School of Leadership	2 666							2 666
Special Schools	1 015 061							1 015 061
<b>5. Early Childhood Development</b>	<b>789 542</b>		<b>23 366</b>	<b>(17 477)</b>			<b>5 889</b>	<b>795 431</b>
Households								
Matthew Goniwe School of Leadership	59 150							59 150
Grade R in Public Schools	203 362			(13 665)			(13 665)	189 697
Pre-Grade R in Early Childhood Development Centres			23 366	(3 812)			19 554	546 584
<b>Programme 6</b>				<b>6 000</b>			<b>6 000</b>	<b>6 000</b>
Gauteng Education Development Trust				6 000			6 000	6 000
<b>Programme 7</b>	<b>1 460 766</b>		<b>128 557</b>	<b>310 271</b>			<b>438 828</b>	<b>1 899 594</b>
Households	326 698		5 543	146 000			151 543	478 241
SETA	112 280			6 576			6 576	118 856
Dept Agencies and Accounts								
Matthew Goniwe School of Leadership	87 198			2 299			2 299	89 497
Transfers to Schools	934 590		123 014	155 396			278 410	1 213 000
<b>Total changes in transfers and subsidies payments</b>	<b>7 807 135</b>		<b>151 923</b>	<b>674 736</b>			<b>826 659</b>	<b>8 633 794</b>

#### Rollovers: R151.9 million

An amount of R151.9 million is rolled over from the previous financial year. Of this amount, R123 million is rolled over to pay stipends to Education Assistants and General Assistants placed in schools under the Presidential Youth Employment Initiative and R5.5 million is rolled over to cover bursaries for youth. In addition, an amount of R23 million is a conditional grant rollover for ECD Employee Stimulus Relief Fund to settle outstanding payment batches which were delayed due to the finalisation of verification process.

#### Virements and shifts

Transfers and subsidies increase by a net amount of R668.7 million.

Transfers to Public Ordinary Schools increases by an amount of R394.2 million. An amount of R238.8 million is reclassified from goods and services to NPI for school monitors, bus conductors and for building of brick-and-mortar classrooms to address pressure in school admission. R155.4 million is reprioritised from compensation of employees to transfers to schools for payments to patrollers and EPWP workers.

Transfers to Sci-Bono Discovery Centre increases by R61.9 million for the implementation of 2022 Secondary School Improvement Programme (SSIP).

An increase of R6.4 million in transfers to Matthew Goniwe School of Leadership and Governance is for training of officials who provide support to learners at schools on HIV/AIDS and the reclassification of funds from goods and services to non-profit institutions.

Transfers to independent schools increases by a net amount of R71 million and provision is made for schools that were initially not funded as they were under administration, and some did not meet the provincial matric pass rate but were later approved for funding.

Transfers to Grade R in Schools decreases by R17.4 million, of which R13.6 million is shifted to goods and services to procure on behalf of the schools that do not qualify as section 21 schools and R3.8 million is shifted to align with the Early Childhood Development conditional grant business plan.

An increase of R146 million in households is for funding bursaries awarded to the youth to fulfil GCRA mandate in the bursary programme and ensure that services are delivered. Transfers to SETA increases by R6.6 million for the payment of the skills development levy.

## 7.2 Changes to conditional grants

TABLE 5.19: SUMMARY OF CHANGES TO CONDITONAL GRANTS

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>2. Public Ordinary School Education</b>	<b>1 091 579</b>							<b>1 091 579</b>
HIV and AIDS (Life Skills Education) Grant	37 311							37 311
National School Nutrition Programme Grant	993 367							993 367
Maths, Science & Technology Grant	60 901							60 901
<b>4. Public Special School Education</b>	<b>35 150</b>							<b>35 150</b>
Learners with Profound Intellectual Disabilities Grant	35 150							35 150
<b>5. Early Childhood Development</b>	<b>232 715</b>		<b>23 366</b>	<b>(5 485)</b>			<b>17 881</b>	<b>250 596</b>
Early Childhood Development Grants	232 715		23 366	(5 485)			17 881	250 596
<b>6. Infrastructure Development</b>	<b>1 686 845</b>			<b>5 485</b>			<b>5 485</b>	<b>1 692 330</b>
Education Infrastructure Grant	1 686 845							1 686 845
Early Childhood Development Grants				5 485			5 485	5 485
<b>7. Examination and Education Related Services</b>	<b>10 348</b>							<b>7 979</b>
Epwp Intergrade Grant for Prov	2 733							2 733
EPWP Incentive Grant	7 615							7 615
<b>Total changes in conditional grants</b>	<b>3 056 637</b>		<b>23 366</b>				<b>23 366</b>	<b>3 077 634</b>

### Rollovers: R23.4 million

An amount of R23.4 million is rolled over for ECD Employee Stimulus Relief Fund to settle outstanding payment batches which were delayed due to the finalisation of verification process.

### Virements and shifts

Funds amounting to R5.4 million allocated to the ECD grant for maintenance of prototype ECD centres are moved to Programme 6: Infrastructure Development to align with the approved conditional grant business plan.

## 7.3 Changes to infrastructure

Refer to the 2022 Adjusted Estimates of Capital Expenditure (AECE).





# VOTE 6

## SOCIAL DEVELOPMENT

R thousand	2022/23			
	Main Appropriation	Adjusted Appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>5 537 037</b>	<b>5 537 037</b>		
<b>of which:</b>				
Current payments	3 182 260	3 056 287	(125 973)	
Transfers and subsidies	2 248 163	2 376 017		127 854
Payments for capital assets	106 614	104 590	(2 024)	
Payment for financial assets		143		143
<b>Executive authority</b>	<b>MEC for Social Development, Agriculture, Rural Development and Environment</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

A Caring and Self-reliant Society.

#### Mission

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

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

No changes

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2022/23

TABLE 6.1: DEPARTMENT OF SOCIAL DEVELOPMENT

Programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Administration	753 676			33 398			33 398	787 074
2. Social Welfare Services	1 050 381			(42 655)			(42 655)	1 007 726
3. Children and Families	2 151 038			(217 924)			(217 924)	1 933 114
4. Restorative Services	760 038			195 382			195 382	955 420
5. Development and Research	821 904			31 799			31 799	853 703
<b>Total for programmes</b>	<b>5 537 037</b>							<b>5 537 037</b>
<b>Economic classification</b>								
	Main Appropriation	Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial	Total Adjustments	Adjusted Appropriation
<b>R thousand</b>								
<b>Current payments</b>	<b>3 182 260</b>			<b>(125 973)</b>			<b>(125 973)</b>	<b>3 056 287</b>
Compensation of employees	2 031 878			45 300			45 300	2 077 178
Salaries & wages	1 736 178			35 464			35 464	1 771 642
Social contribution	295 700			9 836			9 836	305 536
Goods and services	1 150 382			(171 273)			(171 273)	979 109
<b>Transfers and subsidies</b>	<b>2 248 163</b>			<b>127 854</b>			<b>127 854</b>	<b>2 376 017</b>
Departmental agencies and accounts	80			(25)			(25)	55
Non-profit institutions	2 240 870			125 955			125 955	2 366 825
Households	7 213			1 924			1 924	9 137
<b>Payments for capital assets</b>	<b>106 614</b>			<b>(2 024)</b>			<b>(2 024)</b>	<b>104 590</b>
Buildings and other fixed structures	78 387			(2 466)			(2 466)	75 921
Machinery and equipment	28 227							28 227
Software and other intangible assets				442			442	442
<b>Payments for financial assets</b>				<b>143</b>			<b>143</b>	<b>143</b>
Thefts & Losses				143			143	143
<b>Total economic classification</b>	<b>5 537 037</b>							<b>5 537 037</b>

The overall budget of the department remains constant at R5.5 billion as there is no increase or decrease of the main appropriation. However, the department reprioritized the allocated budget by shifting funds from areas where there is marked underspending and allocating these to priorities areas.

Funds are mainly shifted from Programme 3: Children and Families as the school uniform allocation will not be spent due to delays in the finalisation of procurement processes and uncommitted funds are also shifted within non-profit institutions. These funds are shifted to Programme 4: Restorative Services to fund the expansion of the substance abuse interventions and poverty alleviation programmes..

An amount of R45.3 million is reprioritised to compensation of employees to fund contract posts to address challenges experienced regarding capacity constraints in several functional areas and to cover the anticipated shortfall on personnel budget in Programme 4: Restorative Services.

An amount of R171.3 million is reprioritised from goods and services, mainly from dignity packs and school uniform to fund amongst others the expansion of substance abuse interventions and the upscaling of poverty alleviation programmes .

The budget for non-profit institutions is increased by R125.9 million to augment the budget for substance abuse programmes which will be expanded across the Province and poverty alleviation, women and youth development programmes. The increase will ensure that the department is able to provide a viable and cost-effective service to those who abuse or are dependent on substances and their families.

Transfers to households increases by R1.9 million to fund the payment of leave gratuity to former officials and the payment of injury on duty claims.

An amount of R442 000 is allocated to software and other intangible assets to procure the AutoCAD software application to assist the department with the preparation of design plans.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

### Programme 1: Administration

TABLE 6.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Office of The MEC	8 152			692			692	8 844
2. Corporate Management Services	386 274			3 567			3 567	389 841
3. District Management	359 250			29 139			29 139	388 389
<b>Total for programme</b>	<b>753 676</b>			<b>33 398</b>			<b>33 398</b>	<b>787 074</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>721 315</b>			<b>37 656</b>			<b>37 656</b>	<b>758 971</b>
Compensation of employees	345 201			14 522			14 522	359 723
Salaries & wages	295 157			11 482			11 482	306 639
Social contribution	50 044			3 040			3 040	53 084
Goods and services	376 114			23 134			23 134	399 248
<b>Transfers and subsidies</b>	<b>4 906</b>			<b>101</b>			<b>101</b>	<b>5 007</b>
Departmental agencies and accounts	80			(25)			(25)	55
Households	4 826			126			126	4 952
<b>Payments for capital assets</b>	<b>27 455</b>			<b>(4 392)</b>			<b>(4 392)</b>	<b>23 063</b>
Machinery and equipment	27 455			(4 834)			(4 834)	22 621
Software and other intangible assets				442			442	442
<b>Payments for financial assets</b>				<b>33</b>			<b>33</b>	<b>33</b>
Thefts & Losses				33			33	33
<b>Total economic classification</b>	<b>753 676</b>			<b>33 398</b>			<b>33 398</b>	<b>787 074</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(16 124)</b>		<b>53 780</b>
Compensation of employees	Savings realised and funds are reprioritised.	(518)	Funds are reprioritised to align budget to expenditure.	15 040
Goods and services	Re-alignment of EPWP conditional grant budget and allocation for leases of office buildings is reprioritised. Funds for Employee Assistance Programme and probity auditors will also not be spent in full.	(15 606)	Funds shift to cover shortfall on municipal services, increased fuel on leased Government Garage vehicles and pressure on cell phone expenditure as more mobile phones were issued to officials to continue to render services during COVID-19 restrictions.	38 740
<b>Transfers and subsidies</b>		<b>(330)</b>		<b>431</b>
Departmental agencies and accounts	Saving realised on annual licenses for departmental television sets at Institutions are reprioritised.	(25)		
Non-profit institutions				
Households	Budget for leave gratuity at the Regions is reprioritised.	(305)	Funds are shifted to cover spending pressure on the payment of leave gratuity to former employees.	431
<b>Payments for capital assets</b>		<b>(6 543)</b>		<b>2 151</b>

Economic classification	Motivation	From	Motivation	To
Buildings and other fixed structures Machinery and equipment	Funds are shifted to other programmes to offset expenditure incurred on the procurement of assets. The budget for the procurement of assets is centralised to the Corporate Management sub-programme as a cost control measure.	(6 543)	Funds shift to cover expenditure incurred on assets procured for officials at the Regions and Office of the MEC. The budget for assets is centralised in Corporate Management sub-programme as a cost control measure.	1 709
Software and other intangible assets			Funds are shifted to cover the procurement of AUTOCAD software.	442
<b>Payments for financial assets</b>			Funds shift to cover expenditure for irrecoverable debt written-off.	<b>33</b>
<b>Total economic classification</b>		<b>(22 997)</b>		<b>56 395</b>

The budget for the programme is adjusted upwards from the main appropriation of R754 million to the adjusted appropriation of R787 million, which represent a net increase of R33.4 million.

### Virements and shifts

An amount of R14.5 million is reprioritised from compensation of employees in other programmes to align expenditure to budget.

The goods and services budget increases by R23.1 million to cover the shortfall on fleet services and municipal services at Regional offices, Service Points and Head Office. Fuel increases and escalating cost on municipal services necessitated the increase in the budget for goods and services. Reprioritisation of funds within goods and services is also done through shifting of funds from slow spending items to cover unforeseen expenditure not originally budgeted for in the beginning of the financial year.

Transfers to households is increased by R126 000 to offset expenditure incurred on leave gratuity payments to former officials and on the payment of injury on duty claims.

An amount of R4.8 million is reprioritised from machinery and equipment to defray expenditure incurred on assets procured in other programmes. The budget for the procurement of assets is centralised in this programme as a cost control measure. An amount of R442 000 is allocated to software and intangible assets to procure AutoCAD software, which is used for architectural design of infrastructure projects.

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

## Programme 2: Social Welfare Services

TABLE 6.4: PROGRAMME 2: SOCIAL WELFARE SERVICES

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Management and Support	5 987			336			336	6 323
2. Care and Services to Older Persons	397 849			(15 790)			(15 790)	382 059
3. Services to Persons with Disabilities	182 897			(13 995)			(13 995)	168 902
4. HIV And AIDS	463 648			(13 206)			(13 206)	450 442
<b>Total for programme</b>	<b>1 050 381</b>			<b>(42 655)</b>			<b>(42 655)</b>	<b>1 007 726</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>148 110</b>			<b>(972)</b>			<b>(972)</b>	<b>147 138</b>
Compensation of employees	80 218			(2 000)			(2 000)	78 218
Salaries & wages	66 538			(1 200)			(1 200)	65 338
Social contribution	13 680			(800)			(800)	12 880
Goods and services	67 892			1 028			1 028	68 920
<b>Transfers and subsidies</b>	<b>884 371</b>			<b>(42 216)</b>			<b>(42 216)</b>	<b>842 155</b>
Non-profit institutions	883 683			(42 216)			(42 216)	841 467
Households	688							688
<b>Payments for capital assets</b>	<b>17 900</b>			<b>524</b>			<b>524</b>	<b>18 424</b>
Buildings and other fixed structures	17 900			(750)			(750)	17 150
Machinery and equipment				1 274			1 274	1 274
<b>Payments for financial assets</b>				<b>9</b>			<b>9</b>	<b>9</b>
Thefts & Losses				9			9	9
<b>Total economic classification</b>	<b>1 050 381</b>			<b>(42 655)</b>			<b>(42 655)</b>	<b>1 007 726</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(15 687)</b>		<b>14 715</b>
Compensation of employees	Savings realised due to unfilled vacant posts by end of second quarter are re-prioritised.	(2 000)		
Goods and services	Budget for food parcels distributed at Antiretroviral Treatment Clinics will not be spent in full as the awarded contracts to service providers cost less than the allocated budget.	(13 687)	Funds shift to cover the shortfall on municipal services, procurement of clothing, toiletries and disposable nappies for beneficiaries at Institutions.	14 715
<b>Transfers and subsidies</b>		<b>(47 945)</b>		<b>5 729</b>
Non-profit institutions	Allocation for Older Persons and Persons with Disabilities programmes will not be spent in full due to non-compliance of some NPOs and late signing of service level agreements.	(47 945)	Funds shift to NPOs rendering Expanded Public Works Programme as there is anticipated shortfall in the payment of stipends to volunteers.	5 729
<b>Payments for capital assets</b>		<b>(11 500)</b>		<b>12 024</b>
Buildings and other fixed structures	Funds allocated for refurbishment of Bekkersdal Social Integrated facility and Mohlakeng residential facility are re-prioritised.	(11 500)	Funds shift to cater for refurbishment of Khutsong and Boipatong integrated facilities as well as Sharpeville ECD and Old Age Home.	10 750
Machinery and equipment			Funds shift to cover expenditure incurred on assets. The budget for assets is centralised in Programme 1: Administration as a cost control measure.	1 274
<b>Payments for financial assets</b>			Funds shift to cover expenditure for irrecoverable debt written-off.	<b>9</b>
<b>Total economic classification</b>		<b>(75 132)</b>		<b>32 477</b>

### Virements and shifts

The programme budget decreases by R42.6 million, which is mainly attributable to the reprioritisation of uncommitted funds from non-profit institutions. However, the overall goods and services' budget increases slightly to augment allocations for fleet services and municipal services due to escalating costs.

An amount of R42.2 million not committed by end of the second quarter is reprioritised from non-profit institutions to elevated priorities such as substance abuse. Funds remained uncommitted as some of the previously funded organisations in this programme are either suspended or service level agreements were not signed by the end of the second quarter.

The programme receives an allocation of R1.3 million on machinery and equipment to offset the expenditure incurred on procurement of tools of trade for the officials. The budget for assets is centralised in Programme 1: Administration as a cost control measure and funds are shifted to this programme to align the budget with the expenditure.

**Programme 3: Children and Families**

**TABLE 6.6: PROGRAMME 3: CHILDREN AND FAMILIES**

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Management and Support	12 330			166			166	12 496
2. Care and Services To Families	265 773			(2 975)			(2 975)	262 798
3. Child Care and Protection	863 704			14 040			14 040	877 744
4. ECD And Partial Care	9 000			(1 760)			(1 760)	7 240
5. Child and Youth Care Centres	717 646			(27 809)			(27 809)	689 837
6. Community-Based Care Services for Children	282 585			(199 586)			(199 586)	82 999
<b>Total for programme</b>	<b>2 151 038</b>			<b>(217 924)</b>			<b>(217 924)</b>	<b>1 933 114</b>
<b>Economic classification</b>	<b>Main Appropriation</b>	<b>2022/23 Adjustments</b>					<b>Total Adjustments</b>	<b>Adjusted Appropriation</b>
<b>R thousand</b>		<b>Function Shifts, Surrenders and Suspensions</b>	<b>Roll-overs</b>	<b>Virements and Shifts</b>	<b>Additional Funding: National</b>	<b>Additional Funding: Provincial</b>		
<b>Current payments</b>	<b>1 522 160</b>			<b>(172 379)</b>			<b>(172 379)</b>	<b>1 349 781</b>
Compensation of employees	1 157 411			(20 000)			(20 000)	1 137 411
Salaries & wages	995 823			(20 000)			(20 000)	975 823
Social contribution	161 588							161 588
Goods and services	364 749			(152 379)			(152 379)	212 370
<b>Transfers and subsidies</b>	<b>573 919</b>			<b>(39 681)</b>			<b>(39 681)</b>	<b>534 238</b>
Non-profit institutions	572 718			(40 808)			(40 808)	531 910
Households	1 201			1 127			1 127	2 328
<b>Payments for capital assets</b>	<b>54 959</b>			<b>(5 948)</b>			<b>(5 948)</b>	<b>49 011</b>
Buildings and other fixed structures	54 187			(8 747)			(8 747)	45 440
Machinery and equipment	772			2 799			2 799	3 571
<b>Payments for financial assets</b>				<b>84</b>			<b>84</b>	<b>84</b>
Thefts & Losses				84			84	84
<b>Total economic classification</b>	<b>2 151 038</b>			<b>(217 924)</b>			<b>(217 924)</b>	<b>1 933 114</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(201 154)</b>		<b>28 775</b>
Compensation of employees	Funds reprioritised from allocation for vacant posts unspent by end of second quarter.	(20 000)		
Goods and services	The budget for school uniform will not be spent in the current financial year due to delays experienced with the finalisation of procurement processes.	(181 154)	Funds shift to cover spending pressures on municipal services, g-Fleet payments and outsourced services at Institutions. Funds are also shifted for maintenance of buildings.	28 775
<b>Transfers and subsidies</b>		<b>(47 234)</b>		<b>7 553</b>
Non-profit institutions	NPI allocation not fully committed due to non-compliance on funding requirements by some previously funded organisations and uncommitted funds are reprioritised.	(47 234)	Funds shift to cover expansion of Homeless programme.	6 426
Households			Funds shift to cover payments of leave gratuity for officials who retired or resigned from the public sector.	1 127
<b>Payments for capital assets</b>		<b>(21 600)</b>		<b>15 652</b>
Buildings and other fixed structures	An assessment of infrastructure projects revealed that some refurbishment and upgrade projects allocations will not be spent in full by end of the financial year and funds are reprioritised.	(21 600)	Funds shift to augment the refurbishment and upgrade of departmental facilities and Social Integrated Facilities constructed by the department.	12 853
Machinery and equipment			Funds shift to cover expenditure incurred on assets. The budget for assets is centralised in Programme 1: Administration as a cost control measure.	2 799
<b>Payments for financial assets</b>			Funds shift to cover expenditure for irrecoverable debt written-off.	<b>84</b>
<b>Total economic classification</b>		<b>(269 988)</b>		<b>52 064</b>

### Virements and Shifts

The programme's budget is revised downwards from R2.1 billion to an adjusted appropriation of R1.9 billion which represents a net decrease of R217.9 million.

A total amount of R20 million is reprioritised from the budget for compensation of employees' which was unspent by end of second quarter due to vacant posts.

The budget for goods and services is reduced by R152.4 million, with funds mainly shifting from the school uniform allocation. In particular, the budget for school uniform will not be spent in the current financial year as the evaluation process to appoint suitable service providers will commence in December 2022 and only concluded in February 2023. The funds are therefore reprioritised to other identified priorities within the department.

Transfers to non-profit institutions is reduced by R40.8 million as some of the previously funded organisations were suspended due to non-compliance with funding requirements and in other cases service level agreements were not signed by end of the second quarter. These uncommitted funds are reprioritised to fund the elevated priorities of the province and other areas where spending pressures are evident.

Transfers to households is increased to cover the payment of leave gratuity to officials who retired or resigned from the department and to also offset expenditure incurred on injury on duty claims paid from this programme.

The buildings and other fixed structures' allocation is reduced by R8.7 million as the assessment of the refurbishment, upgrading and new construction projects revealed that the full allocation will not be spent by the end of the financial year. The affected infrastructure projects include the construction of the Bantubonke Early Childhood Development Centre, the upgrading of the Walter Sisulu Child and Youth Care Centre (CYCC) and the refurbishment of the Don Mattera, Emmasdal, Garankuwa Rearabilwe and JW Luckoff CYCCs.

The budget for machinery and equipment is increased by R2.8 million to cover expenditure incurred on the procurement of assets. The budget for assets is centralised in Programme 1: Administration as a cost control measure.



**Programme 4: Restorative Services**

**TABLE 6.8: PROGRAMME 4: RESTORATIVE SERVICES**

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Management and Support	1 638							1 638
2. Crime Prevention and Support	151 848			26 308			26 308	178 156
3. Victim Empowerment	179 546			(138)			(138)	179 408
4. Substance Abuse, Prevention and Rehabilitation	427 006			169 212			169 212	596 218
<b>Total for programme</b>	<b>760 038</b>			<b>195 382</b>			<b>195 382</b>	<b>955 420</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>243 742</b>			<b>30 379</b>			<b>30 379</b>	<b>274 121</b>
Compensation of employees	156 243			22 612			22 612	178 855
Salaries & wages	131 573			19 032			19 032	150 605
Social contribution	24 670			3 580			3 580	28 250
Goods and services	87 499			7 767			7 767	95 266
<b>Transfers and subsidies</b>	<b>509 996</b>			<b>157 707</b>			<b>157 707</b>	<b>667 703</b>
Non-profit institutions	509 813			157 511			157 511	667 324
Households	183			196			196	379
<b>Payments for capital assets</b>	<b>6 300</b>			<b>7 296</b>			<b>7 296</b>	<b>13 596</b>
Buildings and other fixed structures	6 300			7 031			7 031	13 331
Machinery and equipment				265			265	265
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>760 038</b>			<b>195 382</b>			<b>195 382</b>	<b>955 420</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(5 534)</b>		<b>35 913</b>
Compensation of employees	Funds are reprioritised to align budget to expenditure.	(3 866)	Funds shift to cover anticipated shortfall on salary bill at Soshanguve Secure Care Centre.	26 478
Goods and services	Funds reprioritised from some maintenance projects and slow spending items such as stationery, travel and subsistence.	(1 668)	Funds are shifted to cover spending pressures on municipal services and outsourced services at Institutions. Funds also shifted for maintenance of buildings.	9 435
<b>Transfers and subsidies</b>		<b>(8 911)</b>		<b>166 618</b>
Non-profit institutions	Funds not committed by the end of second quarter are reprioritised.	(8 911)	Funds are shifted for the expansion of substance abuse programme.	166 422
Households			Funds shift to cover payments of leave gratuity for officials that retired or resigned from the public sector.	196
<b>Payments for capital assets</b>		<b>(2 150)</b>		<b>9 446</b>
Buildings and other fixed structures	Funds allocated for the refurbishment and upgrade of Ratanda shelter, Sebokeng and Soshanguve in-patient treatment centres will not be spent in full and are reprioritised.	(2 150)	Funds shift to augment the construction of Soshanguve and Tembisa in-patient treatment centres. Funds also shifted for the refurbishment of Dr. Fabian & Florence Ribeiro Treatment Centre.	9 181
Machinery and equipment			Funds shift to cover expenditure incurred on assets. The budget for assets is centralised in Programme 1: Administration as a cost control measure.	265
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(16 595)</b>		<b>211 977</b>

**Virements and shifts**

The programme budget increases by R195.4 million from the main appropriation of R760 million to the adjusted appropriation of R955 million.

An additional amount of R22.6 million is allocated to compensation of employees to augment the budget for the Soshanguve Secure Care Centre as more staff were appointed since the retrieval of services from the Mogale Secure Care Centre. Funds are also shifted to align the budget with expenditure in accordance with the warm bodies and the post-filling plan.

The goods and services budget increases by R7.8 million, mainly to cover the shortfall on municipal services and contractual obligations in institutions after the costing review process. The allocation for fleet services is also increased to fund spending pressure due to escalating fuel costs.

Transfers to non-profit institutions increases by R157.5 million to upscale substance abuse interventions in the province. This additional allocation will ensure that the Anti-substance Abuse programme is well resourced, with fully trained professionals, support staff and volunteers. Essentially, the programme will be able to provide a viable and cost-effective service to those who abuse or are dependent on substances and their families, which will liberate our streets from the proliferation of alcohol and drugs.

Buildings and other fixed structures increase by R7 million to augment the allocations for infrastructure projects such as the construction of the Soshanguve, Soweto and Tembisa In-patient Treatment Centres and the refurbishment of the Dr. Fabian and Florence Ribeiro Treatment Centre. An assessment was done, and all these projects are ahead of schedule and require additional funds to continue with implementation in the current financial year.

An amount of R265 000 is allocated to machinery and equipment to offset the expenditure incurred on the procurement of assets. The budget for the procurement of assets is centralised in Programme1: Administration as part of the cost control measures implemented in the department.

**Programme 5: Development and Research**

TABLE 6.10: PROGRAMME 5: DEVELOPMENT AND RESEARCH

Sub-programmes	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
1. Management and Support	6 705			463		463	7 168
2. Community Mobilisation	27 151			22 709		22 709	49 860
3. Institutional Capacity and Support for NPOs	189 013			13 018		13 018	202 031
4. Poverty Alleviation and Sustainable Livelihoods	555 944			(40 050)		(40 050)	515 894
5. Community Based Research and Planning	7 711			15		15	7 726
6. Youth Development	22 562			18 090		18 090	40 652
7. Woman Development	7 580			17 321		17 321	24 901
8. Population Policy Promotion	5 238			233		233	5 471
<b>Total for programme</b>	<b>821 904</b>			<b>31 799</b>		<b>31 799</b>	<b>853 703</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>546 933</b>			<b>(20 657)</b>			<b>(20 657)</b>	<b>526 276</b>
Compensation of employees	292 805			30 166			30 166	322 971
Salaries & wages	247 087			26 150			26 150	273 237
Social contribution	45 718			4 016			4 016	49 734
Goods and services	254 128			(50 823)			(50 823)	203 305
<b>Transfers and subsidies</b>	<b>274 971</b>			<b>51 943</b>			<b>51 943</b>	<b>326 914</b>
Non-profit institutions	274 656			51 468			51 468	326 124
Households	315			475			475	790
<b>Payments for capital assets</b>				<b>496</b>			<b>496</b>	<b>496</b>
Machinery and equipment				496			496	496
<b>Payments for financial assets</b>				<b>17</b>			<b>17</b>	<b>17</b>
Thefts & Losses				17			17	17
<b>Total economic classification</b>	<b>821 904</b>			<b>31 799</b>			<b>31 799</b>	<b>853 703</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(86 189)</b>		<b>65 532</b>
Compensation of employees	Funds reprioritised within personnel allocation to align budget to expenditure.	(9 000)	Budget increased to fund contract posts to address challenges experienced with capacity constraint in several functional areas.	39 166
Goods and services	Dignity packs allocation will not be spent in full due to delays in the finalisation of procurement processes.	(77 189)	Funds are shifted for the expansion of food parcels programme and to also fund shortfall on cell phones and departmental events.	26 366
<b>Transfers and subsidies</b>		<b>(42 673)</b>		<b>94 616</b>
Non-profit institutions	Reprioritisation of funds for transfer payments to NPOs not committed by end of second quarter.	(42 673)	Funds shift to cover the expansion of food relief programmes, economic opportunities creation and actualisation of Centre of excellence concept document outcomes to service the beneficiaries of the programme.	94 141
Households			Funds shift to cover payments of leave gratuity for former officials.	475
<b>Payments for capital assets</b>				<b>496</b>
Machinery and equipment			Funds shift to defray expenditure incurred on the procurement of assets. The budget for procurement of assets is centralised to Programme 1: Administration as a cost control measure.	496
<b>Payments for financial assets</b>				<b>17</b>
Thefts & Losses			Funds shift to cover expenditure incurred for the irrecoverable debt from former employees.	17
<b>Total economic classification</b>		<b>(128 862)</b>		<b>160 661</b>

### Virements and Shifts

The budget increases from R822 million to R853.7 million as a net additional amount of R31.8 million is shifted to the programme. Compensation of employees’ budget is increased by R30.1 million to fund contract posts for the remaining four months of the current financial year. These stimulus posts, which includes Community Development Practitioners, Assistant Community Development Practitioners and Monitoring and Evaluation officials will be appointed to address challenges experienced regarding capacity constraints in several functional areas. Funds are also shifted to align the budget with the expenditure in Regional Offices.

The goods and services budget decrease by R50.8 million, mainly due to the dignity packs allocation which will not be spent in full due to the late finalisation of the procurement processes. The department has however, been granted approval to deviate from the tender process for a period of six months effective from September 2022 up to February 2023. Consequently, the new suppliers will start in March 2023 for a period of 24 months and the anticipated surplus from the dignity packs allocation is redirected to fund the elevated priorities and other spending pressures.

Transfers to non-profit institutions is increased by R51.5 million to augment the food relief programme, create economic opportunities and actualise the outcomes of the Centre of Excellence concept. The programmes to be upscaled to reach more beneficiaries through the additional allocation includes the Welfare to Work, youth and women development programmes. The programme receives an amount of R496 000 to offset expenditure incurred on the procurement of assets as the budget is centralised in Programme 1: Administration as a cost control measure.

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

TABLE 6.12: EXPENDITURE 2020/21 AND PRELIMINARY EXPENDITURE 2021/22: SOCIAL DEVELOPMENT

Department	2021/22				2022/23		
	Adjusted appropriation	Expenditure Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Preliminary expenditure	
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Apr 2022 - Sept 2022			% change 21/22 - 22/23 Apr-Sept	
<b>R thousand</b>							
1. Administration	742 701	347 816	767 712	103%	787 074	362 092	4%
2. Social Welfare Services	1 004 532	497 104	1 004 045	100%	1 007 726	483 767	(3)%
3. Children and Families	2 738 596	1 263 735	2 589 094	95%	1 933 114	921 905	(27)%
4. Restorative Services	794 644	392 743	794 349	100%	955 420	374 682	(5)%
5. Development and Research	868 084	370 598	870 366	100%	853 703	339 497	(8)%
<b>Total for programmes</b>	<b>6 148 557</b>	<b>2 871 996</b>	<b>6 025 566</b>	<b>98%</b>	<b>5 537 037</b>	<b>2 481 943</b>	<b>(14)%</b>
<b>Current payments</b>	<b>3 318 501</b>	<b>1 480 006</b>	<b>3 158 211</b>	<b>95%</b>	<b>3 056 287</b>	<b>1 377 915</b>	<b>(7)%</b>
Compensation of employees	2 071 104	963 471	2 028 216	98%	2 077 178	1 005 230	4%
Goods and Services	1 247 397	516 535	1 129 995	91%	979 109	372 685	(28)%
<b>Transfers and subsidies</b>	<b>2 713 611</b>	<b>1 342 561</b>	<b>2 734 798</b>	<b>101%</b>	<b>2 376 017</b>	<b>1 071 247</b>	<b>(63)%</b>
Departmental agencies and accounts	3 144	74	1 969	63%	55	56	(24)%
Non-profit institutions	2 700 639	1 334 495	2 717 156	101%	2 366 825	1 064 697	(20)%
Households	9 828	7 992	13 311	135%	9 137	6 494	(19)%
<b>Payments for capital assets</b>	<b>116 317</b>	<b>49 300</b>	<b>131 916</b>	<b>113%</b>	<b>104 590</b>	<b>32 638</b>	<b>(34)%</b>
Buildings and other fixed structures	94 281	39 362	93 080	99%	75 921	23 067	(41)%
Machinery and equipment	21 536	9 938	38 836	180%	28 227	9 129	(8)%
Software and other intangible assets	500				442	442	
<b>Payments for financial assets</b>	<b>128</b>	<b>129</b>	<b>641</b>		<b>143</b>	<b>143</b>	
<b>Total economic classification</b>	<b>6 148 557</b>	<b>2 871 996</b>	<b>6 025 566</b>	<b>98%</b>	<b>5 537 037</b>	<b>2 481 943</b>	<b>(14)%</b>

### Expenditure trends for 2021/22

In the 2021/22 financial year the department spent 98 per cent of the allocated budget and the reasons for deviation for each programme are as follows:

#### Programme 1: Administration

The programme exceeded the adjusted budget by 3 per cent due to the once-off reinstatement cost paid to the landlord upon expiry of the lease agreement in order to return the building to its original form. The programme also experienced spending pressure on leased government garage vehicles because of rising fuel prices.

#### Programme 3: Children and Families

The additional allocation received in the adjustment budget to appoint Social Workers on a four-month contract was not spent in full by the end of the financial year. There was also an underspending on the allocated budget for the ECD Employment Stimulus Relief Fund due to rejections caused by unverified bank accounts, ECD centres registered as companies, partnerships and other forms of businesses other than non-profit organisations.

### Preliminary expenditure trends for the first half of 2022/23

The department spent R2.8 billion in the second quarter of the 2021/22 financial year as compared to R2.4 billion in the second quarter of the 2022/23 financial year. Slow spending in the current financial year is affected by delays in the finalisation of procurement processes for dignity packs, school uniform and food parcels.

Expenditure in the current financial year is also affected by the slow implementation of infrastructure projects in the first six months of the financial year. The implementation of new infrastructure projects will accelerate from third quarter of the financial year and expenditure will improve once invoices for work completed are submitted.

**Programme 1: Administration**

The programme’s spending pattern improved in the current financial year in comparison with the previous financial year. The programme spent R362 million in the second quarter of the financial year compared to R348 million in the same period of the previous financial year. The increase in expenditure is attributable to escalating cost on municipal services for Regional Offices and Service Points and the increase in the monthly bill for leased vehicles affected by the fuel price increase.

Compensation of employees’ expenditure in the current financial year increased because several vacant posts in this programme were filled in the first six months of the financial year as compared to previous financial year.

**Programme 2: Social Welfare Services**

Total expenditure in this programme decreased from R497 million in 2021/22 to R484 million in 2022/23 financial year representing 3 per cent decline. Spending is affected by the slow implementation of infrastructure projects which will be accelerated in the third quarter once invoices for work completed are submitted. Expenditure on transfer payments to non-profit institutions in the current financial year is also less than what was spent in the previous financial year due to non-compliance with the funding requirements by some of the organisations.

**Programme 3: Children and Families**

The expenditure decreased by 27 per cent in the second quarter of the current financial year as compared to the same period in the previous financial year. The slow spending in the current financial year is mainly attributable to marked lower spending on school uniform which is currently at R906 000, significantly less when compared with the R50.9 million spent in the previous financial year during the same period. Spending on refurbishment and upgrading projects was affected by the moratorium implemented in the department since the beginning of the financial year.

Spending in the previous financial year also included Early Childhood Development (ECD) expenditure, of which the function has been transferred to the Gauteng Department of Education.

**Programme 4: Restorative Services**

The programme spent R375 million in the second quarter of the financial year compared to R393 million during the same period in the previous financial year, which represents 5 per cent decline in expenditure. The reduction in expenditure is attributed to the retrieval of services from Mogale Secure Care Centre. The secure care services are now rendered at two departmental institutions, and this has significantly reduced expenditure on this programme.

**Programme 5: Development and Research**

The expenditure in this programme decreased by 8 per cent in the second quarter of the current financial year in comparison with the previous financial year. The expenditure on dignity packs in the current financial year only commenced from September 2022 whereas in the previous financial year spending commenced from the beginning of the financial year.

**6. Departmental Receipts**

TABLE 6.13: DEPARTMENTAL RECEIPTS

Department	2021/22				2022/23		
	Adjusted appropriation	Audited Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Preliminary Receipts	
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Apr 2022 - Sept 2022			% change 21/22 - 22/23 Apr-Sept	
Sales of goods and services other than capital assets	3 289	1 632	3 274	(0.5)%	3 447	1 590	(2.6)%
Transfers received							
Fines, penalties and forfeits				0.0%			
Interest, dividends and rent on land	33	1	68	106.1%	35	22	2100.0%
Sales of capital assets							
Financial transactions in assets and liabilities	4 591	3 324	13 458	193.1%	719	3 119	(6.2)%
<b>Total receipts</b>	<b>7 913</b>	<b>4 957</b>	<b>16 800</b>	<b>112.3%</b>	<b>4 201</b>	<b>4 731</b>	<b>(4.6)%</b>

**Revenue trends for the first half of the 2022/23 financial year**

The revenue estimates have decreased from R7.9 million in the previous financial year to R4.2 million in the current financial year. The reason for the decrease in revenue estimates is due to a decrease in receipts from domestic services in the current financial year and fairly unpredictable recoveries of unspent funds from non-profit organisations.

The amount of revenue collected as at the end of September 2022 is R4.7 million, which represents a decrease of 5 percent when compared with the amount collected in the same period in the 2021/22 financial year.

The amount collected for the sales of goods and services is R1.5 million, which includes receipts for garnishee orders, parking fees from employees and boarding fees from officials who occupy official residence at the departmental institutions. Financial transactions in assets and liabilities contributed an amount of R3.1 million to the revenue collected as at the end of September 2022, and this is due to recoveries of unspent funds from non-profit organisations.

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

### 7.1 Changes in transfers and subsidies

TABLE 6.14: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Administration</b>	<b>4 906</b>			<b>101</b>		<b>101</b>	<b>5 007</b>
Departmental agencies and accounts	80			(25)		(25)	55
Households	4 826			126		126	4 952
<b>Social Welfare Services</b>	<b>884 371</b>			<b>(42 216)</b>		<b>(42 216)</b>	<b>842 155</b>
Non-profit institutions	883 683			(42 216)		(42 216)	841 467
Households	688						688
<b>Children And Families</b>	<b>573 919</b>			<b>(39 681)</b>		<b>(39 681)</b>	<b>534 238</b>
Non-profit institutions	572 718			(40 808)		(40 808)	531 910
Households	1 201			1 127		1 127	2 328
<b>Restorative Services</b>	<b>509 996</b>			<b>157 707</b>		<b>157 707</b>	<b>667 703</b>
Non-profit institutions	509 813			157 511		157 511	667 324
Households	183			196		196	379
<b>Development And Research</b>	<b>274 971</b>			<b>51 943</b>		<b>51 943</b>	<b>326 914</b>
Non-profit institutions	274 656			51 468		51 468	326 124
Households	315			475		475	790
<b>Total changes in transfers and subsidies payments</b>	<b>2 248 163</b>			<b>127 854</b>		<b>127 854</b>	<b>2 376 017</b>

### Virements and shifts

#### Programme 1: Administration

An additional amount of R126 000 is allocated to households to offset expenditure on leave gratuity payments to former officials and injury on duty claims. Several leave gratuity payments were processed in the first two quarters of the financial year.

#### Programme 2: Social Welfare Service

An amount of R42.2 million not committed on non-profit institutions by end of second quarter is shifted and redirected to elevated priorities such as substance abuse.

Funds remained uncommitted as some of the previously funded organisations in this programme were either suspended or the service level agreement was not signed by end of the second quarter. The budget for non-profit institutions is reduced from the Services to Older Persons, Services to Persons with Disabilities and HIV and AIDS sub-programmes.

#### Programme 3: Children and Families

The non-profit institutions budget is reduced by R40.8 million as some of the organisations were suspended due non-compliance to funding requirements and in other cases service level agreements were not signed by end of second quarter. These uncommitted funds are therefore redirected to other priorities with spending pressures such as youth development programmes.

Transfers to households is allocated an additional R1.1 million to offset expenditure on leave gratuity paid to officials who retired or resigned from the department. The additional budget will also offset expenditure from the payment of injury on duty claims.

**Programme 4: Restorative Services**

The non-profit institutions budget increase by R157.5 million to upscale substance abuse interventions in the province. The additional allocation will ensure that the Anti-substance Abuse programme is well resourced and can provide a viable and cost-effective service to those who abuse or are dependent on substances and their families, which will liberate GPG streets from the proliferation of alcohol and drugs.

R196 000 is shifted to households to fund the payment of leave gratuity to officials who retired or resigned from the public sector.

**Programme 5: Development and Research**

Non-profit institutions budget is increased by R51.5 million to augment the food relief programme, create economic opportunities and actualise the outcomes of the Centre of Excellence concept. The programmes to be upscaled through the additional budget includes Welfare to Work, youth and women development programmes.

**7.2 Changes to conditional grants**

No changes.

**7.3 Changes in Infrastructure**

Refer to 2022 Adjusted Estimates of Capital Expenditure (AECE).

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

R thousand	2022/23			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	610 789	610 789		
of which:				
Current payments	578 964	581 243		2 279
Transfers and subsidies	25 633	26 633		1 000
Payments for capital assets	6 192	2 692	(3 500)	
Payment for financial assets		221		221
<b>Executive authority</b>	<b>MEC for Cooperative Governance and Traditional Affairs, e-Government, Research and Development</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

**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 2022/23

TABLE 7.1: DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	163 198							163 198
2. Local Governance	289 310							289 310
3. Development and Planning	137 933							137 933
4. Traditional Institutional Development	20 348							20 348
<b>Total for Programmes</b>	<b>610 789</b>							<b>610 789</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>578 964</b>			<b>2 279</b>			<b>2 279</b>	<b>581 243</b>
Compensation of employees		380 488							380 488
Salaries & wages		325 476			(100)		(100)		325 376
Social contribution		55 012			100		100		55 112
Goods and services		198 476			2 279		2 279		200 755
Transfers and subsidies		25 633			1 000		1 000		26 633
Provinces and municipalities		24 606							24 606
Households		1 027			1 000		1 000		2 027
Payments for capital assets		6 192			(3 500)		(3 500)		2 692
Machinery and equipment		6 192			(3 500)		(3 500)		2 692
Payments for financial assets					221		221		221
<b>Total economic classification</b>		<b>610 789</b>							<b>610 789</b>

The department’s budget baseline remained unchanged during the adjustment budget of 2022/23 financial year. The department identified savings mainly from non-core items, operational items, and scaled down programmes / activities i.e. procuring of office furniture and equipment to replace redundant ones and to cater for new employees and building partitioning and cabling were drastically delayed by the effects of the department not being able to secure permanent office space. The department reprioritized funds from those affected slow spending items towards areas identified with cost pressure.

Adjustments are reflected in all economic classification items. Shifts in compensation of employees provide for the aligning of salary-related payments and non-salary related payments within programmes. The department’s budget for machinery and equipment decreased by R3.5 million due to delays in the procurement of office furniture because of the unavailability of permanent office space. Goods and services budget is adjusted upwards by R2.2 million to cover the shortfall in payment of outstanding Microsoft license fees.

Household’s budget increases by R1 million to provide for leave gratuity payments to officials who have left public sector. Payment for financial assets increased by R221 000 to cover theft and losses incurred by the department.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

### Programme 1: Administration

TABLE 7.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the MEC	4 132			1 359			1 359	4 132
2. Corporate Services	159 066			(1 359)			(1 359)	159 066
<b>Total for Programmes</b>	<b>163 198</b>							<b>163 198</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Current payments	155 979			2 279			2 279	158 258	
Compensation of employees	96 659							96 659	
Salaries & wages	84 983			(100)			(100)	84 883	
Social contribution	11 676			100			1000	11 776	
Goods and services	59 320			2 279			2 279	61 599	
Transfers and subsidies	1 027			1 000			1 000	2 027	
Provinces and municipalities									
Households	1 027			1 000			1 000	2 027	
Payments for capital assets	6 192			(3 500)			(3 500)	2 692	
Machinery and equipment	6 192			(3 500)			(3 500)	2 692	
Payments for financial assets				221			221	221	
Thefts & Losses				221			221	221	
<b>Total economic classification</b>	<b>163 198</b>			<b>3 200</b>			<b>3 200</b>	<b>163 198</b>	

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

Economic classification	Motivation	From	Motivation	To
Current payments		(13 516)		15 795
Compensation of employees	Realignment of the budget to where expenditure is incurred.	(945)	Realignment of the budget to where expenditure is incurred.	945
Goods and services	Savings realised due to meetings being held virtually; remote working; minimal use of outsourced services; realignment of the budget with the structure; savings on promotional materials; training held virtually; realignment of the budget on lower-level items; and minimal use of consultants.	(12 571)	Provision for branding materials for the planning house; payment of administrators at Emfuleni LM; MEC's international trip to Morocco; provision for voice and data costs; Microsoft licenses; litigation costs; procurement of graphic designs and video editing services; probity auditors; petrol and g-fleet costs; first aid kits; printing cartridges; printing equipment; utility bills; travel claims; and storage costs.	14 850
Transfers and subsidies				1 000
Households			To cater for leave gratuity payments to officials who have left the public sector.	1 000
Payments for capital assets		(4 100)		600
Machinery and equipment	Delays in procurement of office furniture due to non-availability of office space.	(4 100)	Re-alignment of the budget on lower-level items.	600
<b>Total economic classification</b>		<b>(17 616)</b>		<b>17 395</b>

### Virements and shifts

Shifting of funds within compensation of employees is to fund lower-level items spending pressure as well as the alignment of sub-programme budget within the existing approved organisational structure. Funds are shifted within goods and services from non-core items to make provision for payment of litigation costs, administrators at Emfuleni Local Municipality, travel claims as well as overspending on G-fleet and Vodacom.

The programme reallocated an amount of R3.5 million from machinery and equipment. R2.2 million is redirected to goods and services to supplement expenditure for Microsoft license; R1 million to household to cover leave gratuity payments to officials who have left public sector; and payment for financial assets is allocated R221 000 to cover theft and losses incurred by the department.

**Programme 2: Local Governance**

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

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Municipal Administration	18 482							18 482
2. Municipal Finance	23 544							23 544
3. Public Participation	208 329							208 329
4. Capacity Development	21 962							21 962
5. Municipal Performance Monitoring, Reporting and Evaluation	16 993							16 993
<b>Total for Programmes</b>	<b>289 310</b>							<b>289 310</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Current payments	288 810							288 810	
Compensation of employees	210 630							210 630	
Salaries & wages	177 013							177 013	
Social contribution	33 617							33 617	
Goods and services	78 180							78 180	
Transfers and subsidies	500							500	
Provinces and municipalities	500							500	
Households									
Payments for capital assets									
Machinery and equipment									
Payments for financial assets									
Thefts & Losses									
<b>Total economic classification</b>	<b>289 310</b>							<b>289 310</b>	

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

Economic classification	Motivation	From	Motivation	To
Current payments		(7 748)		7 748
Compensation of employees	Realignment of the budget to where expenditure is incurred.	(61)	Realignment of the budget to where expenditure is incurred.	61
Goods and services	Savings are derived from low bursary intake; deferred projects due to prolonged SCM processes; training held virtually; and remote working.	(7 687)	Provision for outreach programmes; webinar series as part of the research agenda; litigation costs; the DDM provincial roadshows branding materials; the community development engagement sessions; and travel claims.	7 687
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				
<b>Total economic classification</b>		<b>(7 748)</b>		<b>7 748</b>

**Virements and shifts**

The budget for the program remains unchanged. R61 000 is shifted within compensation of employees to align expenditure with the structure of the programme. R7.6 million is shifted within goods and services from non-core items such as training and bursaries to cater for expenditure for outreach programmes, DDM provincial roadshows expenditure as well as engagement sessions with communities across the province.

### Programme 3: Development Planning

TABLE 7.6: PROGRAMME 3: DEVELOPMENT PLANNING

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. IDP Coordination	22 927							22 927
2. Disaster Management	68 313							68 313
3. Municipal Infrastructure	38 505							38 505
4. Land Use Management	8 188							8 188
<b>Total for Programmes</b>	<b>137 933</b>							<b>137 933</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Current payments		113 327							113 327
Compensation of employees		58 823							58 823
Salaries & wages		50 973							50 973
Social contribution		7 850							7 850
Goods and services		55 004							55 004
Transfers and subsidies		24 106							24 106
Provinces and municipalities		24 106							24 106
Payments for capital assets									
Machinery and equipment									
Payments for financial assets									
<b>Total economic classification</b>		<b>137 933</b>							<b>137 933</b>

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

PROGRAMME				
Economic classification	Motivation	From	Motivation	To
Current payments		(4 866)		4 866
Compensation of employees	Realignment of the budget to where expenditure is incurred.	(101)	Realignment of the budget to where expenditure is incurred.	101
Goods and services	Minimal use of consultants; deferred projects due to prolonged SCM processes; savings on promotional materials; minimal risk assessment work required for the PDMC; reduced printing of disaster management information booklets; training and meetings held virtually; and minimal use of consultants.	(4 765)	Provision for the video production; the Gauteng Development Spatial Framework review; the 11th world urban forum in Katowice Poland; travel claims; the full-scale stimulation exercise for the Gauteng provincial fire and rescue services; and protective clothing for the provincial disaster management centre.	4 765
Payments for capital assets				
<b>Total economic classification</b>		<b>(4 866)</b>		<b>4 866</b>

#### Virements and shifts

The programme budget remains unchanged with a movement of R101 000 within compensation of employees to fund the lower-level items spending pressures. R4.7 million is reprioritised within goods and services from low spending items to make provision for Gauteng Development Spatial Framework review project (GDSF); Fire & Rescue services' full-scale stimulation exercise; the 11<sup>th</sup> world urban forum in Poland; as well as the procurement of protective clothing for the Provincial Disaster Management Centre (PDMC).

**Programme 4: Traditional Institutional Management**

**TABLE 7.8: PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT**

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjud Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Traditional Institutional Administration	10 549							10 549
2. Traditional Resource Administration	7 439							7 439
3. Rural Development Facilitation	553							553
4. Traditional Land Administration	1 807							1 807
<b>Total for Programmes</b>	<b>20 348</b>							<b>20 348</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
R Thousand								
Current payments	20 348							20 348
Compensation of employees	14 376							14 376
Salaries & wages	12 507							12 507
Social contribution	1 869							1 869
Goods and services	5 972							5 972
Transfers and subsidies								
Payments for capital assets								
Payments for financial assets								
Total economic classification	20 348							20 348

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

Economic classification	Motivation	From	Motivation	To
Current payments		(1 070)		1 070
Compensation of employees	Realignment of the budget to where expenditure is incurred.	(800)	Realignment of the budget to where expenditure is incurred.	800
Goods and services	Less administrative support work required within the traditional institution administration.	(270)	Provision for the ethics risk assessment in the West Rand District Municipality as part of implementation of ethics management programme.	270
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				
<b>Total economic classification</b>		<b>(1 070)</b>		<b>1 070</b>

**Virements and shifts**

Through shifts, the programme reprioritises an amount of R1 million within the items and sub-programmes. R800 000 is shifted within compensation of employees to re-align the budget with where expenditure is incurred between the lower-level items. R270 000 is reprioritised within the programme’s low-spending items in goods and services to cater for the payment of ethics risk assessment performed in the West Rand District Municipality as part of implementation of ethics management programme.

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

TABLE 7.10: EXPENDITURE 2021/22 AND PRELIMINARY EXPENDITURE 2022/23: COOPERATE GOVERNANCE AND TRADITIONAL AFFAIRS

Department	2021/22				2022/23		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021-Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
1. Administration	156 792	78 845	153 552	98%	163 198	81 809	4%
2. Local Governance	292 494	149 153	281 994	96%	289 310	130 183	(13)%
3. Development and Planning	127 856	69 332	127 702	100%	137 933	69 912	1%
4. Traditional Institutional Development	14 930	6 612	13 004	87%	20 348	5 752	(13)%
<b>Total</b>	<b>592 072</b>	<b>303 942</b>	<b>576 252</b>	<b>97%</b>	<b>610 789</b>	<b>287 656</b>	<b>(5)%</b>
Current payments	553 250	283 083	537 493	97%	581 243	266 439	(5)%
Compensation of employees	360 649	172 354	345 143	96%	380 488	166 562	(3)%
Goods and Services	192 601	110 729	192 350	100%	200 755	99 877	(10)%
Interest and rent on land							
Transfers and subsidies	27 311	19 736	27 273	100%	26 633	18 715	(5)%
Provinces and municipalities	25 037	18 509	25 037	100%	24 606	17 303	(7)%
Households	2 274	1 227	2 236	98%	2 027	1 412	15%
Payments for capital assets	11 511	1 123	11 441	99%	2 692	2 282	86%
Machinery and equipment	11 511	1 123	11 441	99%	2 692	2 282	86%
Software and other intangible assets							
Payments for financial assets			45		221	220	100%
<b>Total</b>	<b>592 072</b>	<b>303 942</b>	<b>576 252</b>	<b>97%</b>	<b>610 789</b>	<b>287 656</b>	<b>(5)%</b>

### Expenditure trends 2021/22

The department spent R303 million (or 51 per cent) of the R592 million adjusted appropriation as at 30 September 2021. The annual spending amounted to R576.2 million (or 97 per cent) as of 31 March 2022. The underspending of R15.8 million (or 3 per cent) across all programmes relates to delays in the filling of vacant positions.

### Expenditure trends in the first half of 2022/23

The department spent R287.6 million (or 47 per cent) of the main allocation amounting to R610.7 million during the first six months of the 2022/23 financial year versus R303.9 million spent in the corresponding period during 2021/22 financial year. An amount of R17.3 million was transferred to municipalities to provide support for improvement of functional Fire & Rescue Services response capabilities; update and maintain municipal asset registers in compliance with GRAP 17; and support for municipalities for the integrated Expanded Public Works Programme (EPWP) in relation to creation of job opportunities.

The following projects and items also contributed to the expenditure for the first half of 2022/23 i.e. The payment of litigation costs to the Department of Justice; payment of administrators deployed to Emfuleni local municipality as part of provincial intervention; citizen engagement and social cohesion campaigns relating to voter education; civic awareness sessions; fleet services; and data and airtime communication services due to remote working.

### Programme 1: Administration

The programme expenditure for the first six months amounts to R81.8 million, an increase of R3 million when compared to 2021/22. The increase is due to payments for probity auditors for open tender process; data and airtime communication services as most employees are still working remotely; fleet services; payment for team of administrators deployed to Emfuleni local municipality; payment of litigation costs to department of Justice and household expenditure due to officials who left public sector.

### Programme 2: Local Governance

The programme expenditure amounting to R130.1 million as at the end of the first six months of 2022/23 financial is lower than the R149.1 million spent in 2021/22 financial year during the same period. The main contributing factors to the lower expenditure are low bursary intake; projects that were deferred to the next financial year due to prolonged SCM processes; training held virtually and remote working.

### Programme 3: Development and Planning

The programme expenditure in the second quarter of 2022/23 amounts to R69.9 million which is 1% higher than R69.3 million spent in 2021/22 financial year during the same period. The following projects contributed to the high spending: Gauteng De-

velopment Spatial Framework review project (GDSF); Fire & Rescue services’ full-scale stimulation exercise; 11th world urban forum which was attended in Poland; as well as procurement of protective clothing for the provincial disaster management centre.

**Programme 4: Traditional Institutional Development**

The programme expenditure for 2022/23 second quarter amounts to R5.7 million which is 13 per cent lower compared to the R6.6 million spent in 2021/22 during the same period. The slow spending is mainly attributed to minimal administrative support work required within the traditional institution administration as well as the delays in filling of vacant positions.

**6. Departmental Receipts**

TABLE 7.11: DEPARTMENTAL RECEIPTS

Department	2021/22 Audited Outcome				2022/23 Preliminary Receipts		
	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021-Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
R thousand							
Tax receipts							
Sales of goods and services other than capital assets	170	102	202	19%	213	101	(1)%
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	66	35	54	(18)%	38	11	(69)%
Sales of capital assets							
Financial transactions in assets and liabilities	4 172	4 088	4 124	(1)%	119	17	(100)%
<b>Total</b>	<b>4 408</b>	<b>4 225</b>	<b>4 330</b>	<b>(1)%</b>	<b>370</b>	<b>129</b>	<b>(97)%</b>

**Revenue trends for the first half of 2022/23**

The table above shows the contribution of each revenue source towards the total revenue generated at the end of the second quarter of the 2022/23 financial year. The revenue estimates from the previous year have decreased from R4.4 million to R370 000 in the current financial year. The main source of departmental receipts is sales of goods and services other than capital assets which consists of commission earned on garnishee orders and insurance premiums. The interest revenue contributes the lowest share of the departmental receipts while financial transactions in assets and liabilities is also contributing to the under collection.

The departmental receipts totalling R129 000 as of 30 September 2022 are 97 per cent lower than R4.2 million collected as of 30 September 2021. The main contributing factor to the under collection is that the department does not have a building as such no longer collecting from parking as well as debtors failing to honour their debt agreements.

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

**7.1 Changes to transfers and subsidies**

TABLE 7.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Programme 1	1 027			1 000			1 000	2 027
Household	1 027			1 000			1 000	2 027
Programme 2	500							500
GRAP17	500							500
Programme 3	24 106							24 106
Functional Fire & Rescue Services	22 000							22 000
EPWP	2 106							2 106
<b>Total changes in conditional Name of transfer payments</b>	<b>25 633</b>			<b>1 000</b>			<b>1 000</b>	<b>25 633</b>

**Virements and shifts**

The department reprioritised an amount of R1 million from goods and services in programme 1 to fund the spending pressures on households for the leave gratuity payments to officials who have left public sector.

**7.2 Changes to conditional grants**

No changes.

**7.3 Changes to infrastructure**

Not applicable.





# VOTE 8

## HUMAN SETTLEMENTS

R thousand	2022/23			
	Special Adjusted Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>6 336 392</b>	<b>6 607 739</b>		<b>271 347</b>
<b>of which:</b>				
Current payments	1 036 759	1 049 933		13 174
Transfers and subsidies	4 704 657	5 046 894		342 237
Payments for capital assets	594 976	510 912	(84 064)	
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Human Settlements and Infrastructure Development</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

Integrated Sustainable Human Settlements within a Smart Gauteng City Region.

#### Mission

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

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

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

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2022/23

TABLE 8.1 DEPARTMENT OF HUMAN SETTLEMENTS

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	692 312			(390)			(390)	691 922
2. Housing, Needs, Research & Planning	23 651			(835)			(835)	22 816
3. Housing Development	5 348 142		171 347	(9 275)		100 000	262 072	5 610 214
4. Housing Assets Property Managment	272 287			10 500			10 500	282 787
<b>Total for Programmes</b>	<b>6 336 392</b>		<b>171 347</b>			<b>100 000</b>	<b>271 347</b>	<b>6 607 739</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Current payments</b>		<b>1 036 759</b>			<b>13 174</b>		<b>13 174</b>	<b>1 049 933</b>
Compensation of employees		492 693						492 693
Salaries & wages		434 602			(3 000)		(3 000)	431 602
Social contributions		58 091			3 000		3 000	61 091
Goods and services		544 066			10 680		10 680	554 746
Interest and rent on land					2 494		2 494	2 494
<b>Transfers and subsidies</b>		<b>4 704 657</b>		<b>171 347</b>	<b>70 890</b>		<b>100 000</b>	<b>5 046 894</b>
Provinces and municipalities								
Households		4 704 657		171 347	70 890		100 000	5 046 894
<b>Payments for capital assets</b>		<b>594 976</b>			<b>(84 064)</b>		<b>(84 064)</b>	<b>510 912</b>
Buildings and other fixed structures								
Machinery and equipment		2 177			4 919		4 919	7 096
Land and sub-soil assets		585 176			(81 390)		(81 390)	503 786
Software and other intangible assets		7 623			(7 593)		(7 593)	30
<b>Payments for financial assets</b>								
<b>Total economic classification</b>		<b>6 336 392</b>		<b>171 347</b>			<b>100 000</b>	<b>6 607 739</b>

The departments main appropriation for 2022/23 financial year increases from R6.336 billion to an adjusted appropriation of R6.607 billion due to an approved national treasury roll-over amount of R171.3 million for the HSDG, ISUPG and EPWP to finalise projects that were in progress as at year end of the previous financial year as well as provincial additional funding amounting to R100 million for incomplete projects (RDP Stock). During the adjustment budget process, the department reviewed and revised the budget for operations by identifying cost savings, implementing cost containment measures, and redirecting resources towards essential services. Funds are reprioritised from low-performing activities to core service delivery and areas experiencing budgetary pressures. Savings under goods and services have been reallocated to cover the spending pressures on some items and to fund the departmental priorities and essential operational requirements.

The department reprioritised funds amongst and within the programmes. Through virements, an amount of R16.1million is reprioritised across the programmes: An amount of R3 million is redirected from programme 1: Administration's compensation of employees to programme 3 to realign the budget with the approved organisational structure; an amount of R2.6 million is redirected from programme 2 and programme 3 to programme 1 to relieve budget pressures under property payment; whilst an amount of R10.5 million is redirected from programme 3 to programme 4 due to the reprioritisation of the business plan relating to the HSDG.

Through virement and shifts, the overall budget for goods and services increases by R10.6 million due to the reallocation of funds from transfers and subsidies to goods and services under property maintenance in programme 4 and through shifting of funds from software and other intangible assets under capital assets to operating payments for storage services for records management.

Furthermore, an amount of R81.3 million is shifted from land and subsoil to transfers and subsidies to realign the HSDG with approved adjusted business plan.

## Details of Adjustments to Estimates of Departmental Expenditure 2022/23

### Programme 1: Administration

TABLE 8.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Corporate Services	692 312			(390)			(390)	691 922
<b>Total for Programmes</b>	<b>692 312</b>			<b>(390)</b>			<b>(390)</b>	<b>691 922</b>

Economic classification <sup>1</sup>	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>680 519</b>			<b>2 284</b>			<b>2 284</b>	<b>682 803</b>
Compensation of employees		260 573			(3 000)			(3 000)	257 573
Salaries & wages		228 473			(3 000)			(3 000)	225 473
Social contributions		32 100							32 100
Goods and services		419 946			5 284			5 284	425 230
<b>Transfers and subsidies</b>		<b>1 993</b>							<b>1 993</b>
Provinces and municipalities									
Households		1 993							1 993
<b>Payments for capital assets</b>		<b>9 800</b>			<b>(2 674)</b>			<b>(2 674)</b>	<b>7 126</b>
Machinery and equipment		2 177			4 919			4 919	7 096
Software and other intangible assets		7 623			(7 593)			(7 593)	30
<b>Payments for financial assets</b>									
Thefts & Losses									
<b>Total economic classification</b>		<b>692 312</b>			<b>(390)</b>			<b>(390)</b>	<b>691 922</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(50 330)</b>		<b>52 614</b>
Compensation of employees	Realignment of the budget with the approved structure.	(3 000)		
Goods and services	Underspending is due to remote working, non-availability of office building and the late finalization of procurement specification for records management.	(47 330)	Provision for the MEC's service delivery intervention programme on title deeds restoration and allocation of housing units; audit costs due to the implementation of the probity audit; MEC's community outreach programs; rental housing tribunal board members; legal costs resulting from contractual disputes between service providers and labour related disputes; repairs on trailers; tools of trade for departmental inspectors and protective clothing; printing of departmental newsletters; tariff increases; travelling costs of officials taking part in the MEC's service delivery outreach programmes; and storage services.	52 614
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>		<b>(7 593)</b>		<b>4 919</b>
Machinery and equipment			Increased budget will be used for the procurement of laptops for newly appointed employees and the replacement of out of warranty laptops.	4 919
Software and other intangible assets	Low expenditure due to late finalization of procurement specification for records management.	(7 593)		
<b>Total economic classification</b>		<b>(57 923)</b>		<b>57 533</b>

### Virements and shifts

Underspending amounting to R57.9 million is identified in this programme from compensation of employees, goods and services and payment of capital assets. The underspending is as a result of realignment of the budget with the approved structure, remote working, and non-availability of office building. The funds have been reprioritised within the programme to alleviate items that demonstrate spending pressures.

Through shifts, an amount of R7.6 million is shifted from Software and other intangible assets to Machinery and equipment and operating payments for the procurement of laptops for newly appointed employees, the replacement of out of warranty laptops and storage services for records management respectively.

Through virements, the programme receives an amount of R2.6 million from programme 2 and programme 3 and is allocated under property payments for provision of tariff increases, whilst an amount of R3 million is reallocated from this programmes compensation of employees to programme 3 to realign the budget with the approved structure.

In total, the programme's budget decreases by R390 000 from R692.3 million to R691.9 million due to realignment of the budget for compensation of employees in line with the approved structure.

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

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

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	11 693			(285)			(285)	11 408
2. Policy	6 652			(50)			(50)	6 602
3. Planning	5 306			(500)			(500)	4 806
<b>Total for Programmes</b>	<b>23 651</b>			<b>(835)</b>			<b>(835)</b>	<b>22 816</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>23 651</b>			<b>(835)</b>			<b>(835)</b>	<b>22 816</b>
Compensation of employees		16 215							16 215
Salaries & wages		14 221							14 221
Social contributions		1 994							1 994
Goods and services		7 436			(835)		(835)		6 601
<b>Transfers and subsidies</b>									
Households									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>23 651</b>			<b>(835)</b>		<b>(835)</b>		<b>22 816</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(1 855)</b>		<b>1 020</b>
Compensation of employees				
Goods and services	Workshops held virtually, minimal use of consultants, remote working and delays with procurement processes.	(1 855)	Provision for service delivery outreach programmes.	1 020
Interest and rent on land				
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>				
<b>Total economic classification</b>		<b>(1 855)</b>		<b>1 020</b>

**Virements and shifts**

Through a virement of R835 000, the budget for this programme decreases from R23.6 million to R22.8 million due to the minimal use of consultants. The funds were reprioritised to programme 1 to relieve the budget pressures under property payments and to make provision for tariff increases.

Through shifts, an amount R1 million is redirected to venues and facilities within the programme to make provision for the MEC's service delivery outreach programmes.

## Programme 3: Housing Development

TABLE 8.6: PROGRAMME 3: HOUSING DEVELOPMENT

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	188 192			1 225			1 225	189 417
2. Financial Intervention	219 039		6 660	8 298			14 958	233 997
3. Incremental Interventions	4 940 911		164 687	(18 798)		100 000	245 889	5 186 800
<b>Total for Programmes</b>	<b>5 348 142</b>		<b>171 347</b>	<b>(9 275)</b>		<b>100 000</b>	<b>262 072</b>	<b>5 610 214</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		188 192			1 225			1 225	189 417
Compensation of employees		180 010			3 000			3 000	183 010
Salaries & wages		160 565							160 565
Social contributions		19 445			3 000			3 000	22 445
Goods and services		8 182			(4 269)			(4 269)	3 913
<b>Transfers and subsidies</b>		4 574 774		171 347	70 890		100 000	342 237	4 917 011
Provinces and municipalities									
Households		4 574 774		171 347	70 890		100 000	342 237	4 917 011
<b>Payments for capital assets</b>		585 176			(81 390)			(81 390)	503 786
Buildings and other fixed structures									
Machinery and equipment									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>5 348 142</b>		<b>171 347</b>	<b>(9 275)</b>		<b>100 000</b>	<b>262 072</b>	<b>5 610 214</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(5 692)</b>		<b>4 423</b>
Compensation of employees			Realignment of the budget with the approved structure.	3 000
Goods and services	Discontinuation of outsourced services for admin support and saving on printing and copy charges due to remote working.	(5 692)	Funds are made available to procure tools of trade and protective gear for inspectors, outreach programmes and interest on overdue accounts.	1 423
Interest and rent on land			Provision for interest on over-due accounts.	
<b>Transfers and subsidies</b>				
Households	Realignment of the HSDG budget with the approved business plan.	(18 798)	Realignment of the HSDG budget with the approved business plan.	89 688
<b>Payments for capital assets</b>				
Land and sub-soil assets	Realignment of the HSDG budget with the approved business plan.	(81 390)		
<b>Total economic classification</b>		<b>(105 880)</b>		<b>94 111</b>

### Roll overs: R171.3 million

The department receives approval from national treasury for the roll-over amounting to R171.3 million for the Human Settlements Development Grant (HSDG), Informal Settlements Upgrading Partnership Grant for Provinces (ISUPG) and EPWP Integrated Grant to cater for outstanding invoices and commitments on projects from the previous financial year. The approved roll-over amount is allocated under the transfers and subsidies budget in programme 3: Housing Development within Financial and Incremental Intervention sub-programmes.

**Virements and shifts**

Through virements the budget for this programme is reduced by R10.5 million due to a virement from the Incremental Interventions sub-programme under transfers and subsidies to programme 4: Housing Properties Maintenance under property payments, whereas a virement of R1.8 million to programmes 1 under property payments is processed to provide for tariff increases. The programme receives a virement amount of R3 million from programme 1 under compensation of employees social contribution for the realignment of the budget for compensation of employees in line with the approved structure.

Through a shifts, an amount of R81.4 million was shifted from land and subsoil to transfers and subsidies to realign the HSDG with the approved adjusted business plan and an amount of R8.3 million is shifted from incremental interventions to financial intervention within the programme for the same.

An amount of R3.9 million has been shifted from the agency and support / outsourced services and operating payments due to savings realised from reduced use of outsourced serviced and less printing and copy charges due to remote working and is made available to provide for tools of trade, protective gear for inspectors, MEC's service delivery outreach programmes and interest on overdue accounts.

**Additional funding: Provincial R100 million**

Through provincial additional funding, the programme receives an additional funding amount of R100 million for incomplete projects (RDP Stock).

**Programme 4: Housing Assets and Property Management**

TABLE 8.8: PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	36 677							36 677
2. Sales And Transfer Of Housing Properties	127 890							127 890
3. Housing Properties Maintenance	107 720			10 500			10 500	118 220
<b>Total for Programmes</b>	<b>272 287</b>			<b>10 500</b>				<b>282 787</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>144 397</b>			<b>10 500</b>			<b>10 500</b>	<b>154 897</b>
Compensation of employees		35 895							35 895
Salaries & wages		31 343							31 343
Social contributions		4 552							4 552
Goods and services		108 502			10 500		10 500		119 002
<b>Transfers and subsidies</b>		<b>127 890</b>							<b>127 890</b>
Households		127 890							127 890
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>272 287</b>			<b>10 500</b>			<b>10 500</b>	<b>282 787</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(131)</b>		<b>10 631</b>
Compensation of employees	Workshops held virtually.	(131)	Realignment of the HSDG budget with the approved business plan and provision for outreach programmes.	10 631
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>				
<b>Total economic classification</b>		<b>(131)</b>		<b>10 631</b>

## Virements and shifts

Through a virement of R10.5 million from programme 3, the budget for this programme increases from R272.3million to R282.8 million. The R10.5 million is reprioritised to property maintenance under goods and services following the reprioritisation of the business plan.

In addition, through shifts an amount of R131 000 is reprioritised from the catering item due to workshops being held virtually and is redirected to the venues and facilities item to provide for the MEC's outreach programmes.

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

TABLE 8.10 EXPENDITURE 2020/21 AND PRELIMINARY EXPENDITURE 2021/22: DEPARTMENT OF HUMAN SETTLEMENTS

Department	2021/22				2022/23		
	Adjusted appropriation	Expenditure Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Preliminary expenditure		% change 21/22 - 22/23 Apr-Sept
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Apr 2022 - Sept 2022				
<b>R thousand</b>							
1. Administration	549 871	242 352	524 423	95%	691 922	251 912	4%
2. Housing Needs, Research and Planning	19 890	6 491	13 562	68%	22 816	7 191	11%
3. Housing Development	5 207 392	1 485 688	4 975 272	96%	5 610 214	2 535 505	71%
4. Housing Assets Management Property Management	208 973	37 385	166 193	80%	282 787	80 080	114%
<b>Total</b>	<b>5 986 126</b>	<b>1 771 916</b>	<b>5 679 450</b>	<b>95%</b>	<b>6 607 739</b>	<b>2 874 688</b>	<b>62%</b>
<b>Current payments</b>	<b>874 965</b>	<b>378 682</b>	<b>818 004</b>	<b>93%</b>	<b>1 049 933</b>	<b>422 146</b>	<b>11%</b>
Compensation of employees	468 560	221 514	447 567	96%	492 693	223 119	1%
Goods and Services	406 405	157 168	370 437	91%	554 746	196 533	25%
Interest and rent on land					2 494	2 494	
<b>Transfers and subsidies</b>	<b>4 601 224</b>	<b>1 353 385</b>	<b>3 593 415</b>	<b>78%</b>	<b>5 046 894</b>	<b>2 253 127</b>	<b>66%</b>
Provinces and municipalities							
Households	4 601 224	1 353 385	3 593 415	78%	5 046 894	2 253 127	66%
<b>Payments for capital assets</b>	<b>509 937</b>	<b>39 849</b>	<b>1 267 748</b>	<b>249%</b>	<b>510 912</b>	<b>199 415</b>	<b>400%</b>
Buildings and other fixed structures							
Machinery and equipment	12 708	280	5 055	40%	7 096	355	27%
Software and other intangible assets	3 069		70	2%	30		
<b>Payments for financial assets</b>			<b>283</b>	<b>#DIV/0!</b>			
<b>Total</b>	<b>5 986 126</b>	<b>1 771 916</b>	<b>5 679 450</b>	<b>95%</b>	<b>6 607 739</b>	<b>2 874 688</b>	<b>62%</b>

### Expenditure trend for 2021/22

The total appropriation for the financial year 2021/22 amounted to R5.986 billion. As at the end of the financial year, total expenditure amounted to R5.679 billion. The main driver of expenditure was Programme 3: Housing Development which spent R4.975 billion. In terms of economic classification, goods and services spent R370.4 million of the total goods and services adjusted budget of R406.4 million. Compensation of employee's expenditure amounted to R447.6 million whereas transfers and subsidies spent a total of R3.6 billion of the adjusted budget of R4.6 billion, whilst payment for capital assets spent R1.2 billion.

### Expenditure trends for the first half of 2022/23

As at the end of September 2022, the department's expenditure amounted to R2.874 billion of the R6.607 billion adjusted appropriation. The slow spending is attributed to the delay in approval of the business plan, delays by municipalities signing the MOU's and the delays in the procurement of the office building for the department. Expenditure is anticipated to improve in the next quarters because various projects have been approved and the department has finalised the appointment of PRT and contractors.

### Programme 1: Administration

The expenditure amount of R242.3 million for the 2021/22 financial year increased by R9.6 million when compared to the expenditure amounting to R251.9 million for second quarter of the year under review. The improvement on the expenditure trends is attributed to the relaxed Covid-19 restriction as the department is now able to conduct service delivery outreach programmes.



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

In the year under review, the expenditure trends for the second quarter shows a slight increase when compared to the second quarter actuals for the 2021/22 financial year. Though there is an improvement on expenditure trends as compared to the previous financial year Q2, the program demonstrates slow spending trend in the second quarter when measured against the adjusted budget of R22.8 million. The slow spending on the programme is due to reduced use of consultants and the implementation of cost containment measures.

**Programme 3: Housing Development**

As at the end of second quarter of 2022/23 the programme's expenditure amounts to R2.535 billion which is an increase when compared to the previous financial year's second quarter actuals of R1.486 billion. The expenditure demonstrates a consistent trend however, the programme actuals for the second quarter of 2022/23 financial year is 45 per cent of the R5.610 billion adjusted budget. The slow spending in the 2022/23 financial year is attributed to the delay in the approval of business plan and delays by municipalities signing the MOU's.

**Programme 4: Housing Assets and Property Management**

The expenditure for the second quarter of the 2022/23 financial year has increased by R42.7 million when compared to the previous year's second quarter expenditure of R37.4 million. The programme demonstrates very slow spending trend when measured against the adjusted appropriation. The programme's expenditure for the second quarter of the year under review amounts to 28.4 per cent of the total adjusted appropriation of R282.7 million. The low expenditure is due to the implementation of cost containment measures and non-expenditure owing to remote working because of the delays in the procurement of office building and delays in tracing of beneficiaries for allocation of title deeds.

**6. Departmental Receipts**

Table 8.11 DEPARTMENTAL RECEIPTS

Department	2021/22				2022/23		
	Adjusted appropriation	Audited Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Preliminary Receipts		
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Adjusted appropriation		Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept	
Tax receipts							
Sales of goods and services other than capital assets	300	213	420	40%	321	386	81%
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	473	1	2	(100)%	378		(100)%
Sales of capital assets							
Financial transactions in assets and liabilities	200	260	11 699	5750%	220	2 327	795%
<b>Total</b>	<b>973</b>	<b>474</b>	<b>12 121</b>	<b>1146%</b>	<b>919</b>	<b>2 713</b>	<b>472%</b>

**Revenue trends for the first half of 2022/23**

The table above shows the contribution of each revenue source towards the total revenue generated at the end of the second quarter of the 2022/23 financial year. The revenue estimates have decreased from R973 000 in the previous financial year to R919 000 in the current financial year. Revenue collection in the current financial year as of September 2022 is R2.7 million. The revenue collection is for parking fees, and collection from department's debtors.

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

### 7.1 Changes to transfers and subsidies

TABLE 8.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 1</b>	1 993							1 993
HOUSEHOLD	1 993							1 993
<b>Programme 2</b>								
HOUSEHOLD								
<b>Programme 3</b>	4 574 774		171 347	70 890		100 000	342 237	4 917 011
HOUSEHOLD	4 574 774		17 1347	70 890		100 000	342 237	4 917 011
<b>Programme 4</b>	127 890							127 890
HOUSEHOLD	127 890							127 890
<b>Total changes in conditional Name of transfer payments</b>	<b>4 704 657</b>		<b>171 347</b>	<b>70 890</b>		<b>100 000</b>	<b>242 237</b>	<b>5 046 894</b>

The department receives approval from National Treasury for the roll-over amounting to R171.3 million for Human Settlements Development Grant (HSDG), Informal Settlements Upgrading Partnership Grant for Provinces (ISUPG) and EPWP Integrated Grant to cater for outstanding invoices and commitments on projects from the previous financial year as well as provincial additional funding amounting to R100 million for incomplete projects (RDP Stock). Both the approved roll-over and the additional funding amounts are allocated under the transfers and subsidies budget under programme 3: Housing Development within Financial and Incremental Intervention sub-programmes.

An amount of R81,3 million is reclassified within programme 3: Housing Development from land and subsoil to transfers and subsidies as per the housing sector transactional guide, whilst R8.2 million is reallocated within programme 3 under transfers and subsidies from incremental intervention to financial interventions. An amount of R10.5 million is redirected to property maintenance under programme 4 to realign the HSDG with the approved adjusted business plan.

#### 7.1.1 Changes to transfers to public entities

TABLE 8.13: SUMMARY OF CHANGES TO TRANSFERS TO PUBLIC ENTITIES

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 3</b>	350 824			617 181			617 181	968 005
GAUTENG PARTNERSHIP FUND	350 824			617 181			617 181	968 005
<b>Total changes in conditional Name of transfer payments</b>	<b>350 824</b>			<b>617 181</b>			<b>617 181</b>	<b>968 005</b>

The transfer for the Gauteng partnership fund increases from R350 million to R968 million due to the revised approved business plan. The funds be utilised to provide technical support and augment the province's capacity in implementation of various Mega projects.

#### 7.1.2 Changes to transfers to local government

TABLE 8.14: SUMMARY OF CHANGES TO TRANSFERS TO LOCAL GOVERNMENT

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
CITY OF EKURHULENI	126 235		121 452	(117 529)			3 923	130 158
CITY OF TSHWANE	34 800		43 356	(12 226)			31 130	65 930
MERAFONG CITY	15 000		20 764	62 541			83 305	98 305
RAND WEST CITY	15 000			25 000			25 000	40 000
MOGALE CITY				100 038			100 038	100 038
<b>Total changes in conditional Name of transfer payments</b>	<b>191 035</b>		<b>185 572</b>	<b>57 824</b>			<b>243 396</b>	<b>434 431</b>

Through shifts, an amount of R117.5 million is shifted from the City of Ekurhuleni and an amount of R12.2 million is shifted from City of Tshwane to local municipality. An additional amount of R57.8 million has been allocated to Merafong and Rand West city due to the revised approved business plan.

The department received a rollover approval for R185.6 million for City of Ekurhuleni, City of Tshwane, and Merafong Local municipality to finalise projects that are in progress.

## 7.2 Changes to conditional grants

TABLE 8.15: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R Thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Programme 3</b>	<b>4 905 754</b>		<b>171 347</b>			<b>171 347</b>	<b>5 077 101</b>
Hunan Settlements Development Grant	3 719 673		17 094			17 094	3 736 767
Informal Settlements Upgrading Partnership Grant	1 175 155		153 012			153 012	1 328 167
EPWP Intergrated Grant	10 926		1 241			1 241	12 167
<b>Programme 4</b>	<b>235 610</b>						<b>235 610</b>
Human Settlements Development Grant 2	235 610						235 610
<b>Total changes in conditional grants</b>	<b>5 141 364</b>		<b>171 347</b>			<b>171 347</b>	<b>5 312 711</b>

The department receives approval from National Treasury for the roll-over amounting to R171.3 million for Human Settlements Development Grant (HSDG), Informal Settlements Upgrading Partnership Grant for Provinces (ISUPG) and EPWP Integrated Grant to cater for outstanding invoices and commitments on projects from the previous financial year. The approved roll-over amount is in the transfers and subsidies budget under programme 3: Housing Development within Financial and Incremental Intervention sub-programmes.

## 7.3 Changes to infrastructure

Refer to the 2022 Adjusted Estimates of Capital Expenditure (AECE).

# VOTE 9

## ROADS, TRANSPORT AND LOGISTICS

R thousand	2022/23			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>8 719 282</b>	<b>8 582 136</b>	<b>(137 146)</b>	
of which:				
Current payments	2 272 699	1 995 683	(277 016)	
Transfers and subsidies	5 360 506	5 545 406		184 900
Payments for capital assets	1 086 077	1 041 047	(45 030)	
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Transport and Logistics</b>			
<b>Accounting officer</b>	<b>Head of the Department</b>			

### 1. Vision and Mission

#### Vision

To develop an integrated, sustainable transport infrastructure that promotes accessible, safe and affordable movement of people, goods and services.

#### Mission

To provide an environmentally sustainable road infrastructure and integrated transport system and services that are reliable, accessible, safe, and affordable and which promote socio-economic development in Gauteng.

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

Not applicable.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2022/23

TABLE 9.1: ROADS AND TRANSPORT

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	402 036			26 021			26 021	428 057
2. Transport Infrastructure	2 528 167	(137 146)		(204 999)			(342 145)	2 186 022
3. Transport Operations	2 977 187			(16 852)			(16 852)	2 960 335
4. Transport Regulation	354 326			(4 170)			(4 170)	350 156
5. Gautrain Rapid Rail Link	2 457 566			200 000			200 000	2 657 566
<b>Total for Programmes</b>	<b>8 719 282</b>	<b>(137 146)</b>					<b>(137 146)</b>	<b>8 582 136</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>2 272 699</b>	<b>(61 431)</b>		<b>(215 585)</b>			<b>(277 016)</b>	<b>1 995 683</b>
Compensation of employees	805 263							805 263
Salaries & wages	684 888							684 888
Social contribution	120 375							120 375
Goods and services	1 467 436	(61 431)		(215 705)			(277 136)	1 190 300
Interest and rent on land				120			120	120
<b>Transfers and subsidies</b>	<b>5 360 506</b>			<b>184 900</b>			<b>184 900</b>	<b>5 545 406</b>
Provinces and municipalities	2 310							2 310
Departmental agencies and accounts	2 457 566			200 000			200 000	2 657 566
Public corporations and private enterprises	2 867 915			(15 100)			(15 100)	2 852 815
Non-profit institutions	21 915							21 915
Households	10 800							10 800
<b>Payments for capital assets</b>	<b>1 086 077</b>	<b>(75 715)</b>		<b>30 685</b>			<b>(45 030)</b>	<b>1 041 047</b>
Buildings and other fixed structures	1 051 277	(75 715)		39 885			(35 830)	1 015 447
Machinery and equipment	30 900			(6 300)			(6 300)	24 600
Software and other intangible assets	3 900			(2 900)			(2 900)	1 000
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>8 719 282</b>	<b>(137 146)</b>					<b>(137 146)</b>	<b>8 582 136</b>

The mid-year adjustments budget of the department is informed by the outcome of the performance assessment with the actual and projected spending within the infrastructure portfolio, assessment on the spending trends in relation to the bus subsidies; budget performance assessment of all the other items as indicated in the allocations; and emerging priorities due to the change in the provincial administration.

As part of the mid-year budget review process, funds were reprioritised from underperforming areas to activities that are experiencing budgetary pressures, with the aim of ensuring alignment to the business units' mandate and achieving GGT2030 priorities. The review process has led to funds totalling R137.1 million from infrastructure projects being available for surrender to the Provincial Revenue Fund (PRF) and resultant budget adjustment from R8.7 billion to R8.6 billion. The slow spending resulted from delays in procurement of outsourced routine roads maintenance, poor performance by some of the contractors as well as projects that have been interdicted. The Department requested R200 million be shifted to programme 5, Gautrain Management Agency (GMA), to allow the entity to settle the shortfall in the patronage guarantee.

The department further effected budget shifts within the programmes and virements between programmes to ensure that budget was reallocated from areas that were underspending to items experiencing spending pressure and to provincial priorities.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

### Programme 1: Administration

TABLE 9.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the MEC	14 474							14 474
2. Management Of The Department	22 138			5 348			5 348	27 486
3. Corporate Support	361 810			20 800			20 800	382 610
4. Departmental Strategy	3 614			(127)			(127)	3 487
<b>Total for Programmes</b>	<b>402 036</b>			<b>26 021</b>			<b>26 021</b>	<b>428 057</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation	
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National			Additional Funding: Provincial
<b>Current payments</b>		<b>378 230</b>			<b>19 600</b>		<b>25 600</b>	<b>19 600</b>	<b>397 830</b>
Compensation of employees		208 904							208 904
Salaries & wages		178 045							178 045
Social contribution		30 859							30 859
Goods and services		169 326			19 600			19 600	188 926
<b>Transfers and subsidies</b>		<b>700</b>			<b>2 721</b>			<b>2 721</b>	<b>3 421</b>
Households		700			2 721			2 721	3 421
<b>Payments for capital assets</b>		<b>23 106</b>			<b>3 700</b>			<b>3 700</b>	<b>26 806</b>
Buildings and other fixed structures		1 606			9 700			9 700	11 306
Machinery and equipment		18 500			(4 000)			(4 000)	14 500
Software and other intangible assets		3 000			(2 000)			(2 000)	1 000
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>402 036</b>			<b>26 021</b>			<b>26 021</b>	<b>428 057</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(11 902)</b>		<b>31 502</b>
Compensation of employees				
Goods and services	Reallocation of the budget within the programme to where expenditure is incurred.	(11 902)	Reallocation of the budget within the programme to where expenditure is incurred and to settle legal claims.	31 502
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>2 721</b>
Households			Funds received from PSI (H/H) for employee related benefits due to retirement.	2 721
<b>Payments for capital assets</b>		<b>(6 000)</b>		<b>9 700</b>
Buildings and other fixed structures			Reprioritisation of budget from Roads Infrastructure to Corporate services for the Zwartkop infrastructure project as well as an increase of the budget for the Regional Offices project.	9 700
Machinery and equipment	Low expenditure due to under-utilisation. Funds redirected to TOLABS, computer services and contractors.	(4 000)		
Software and other intangible assets	This item is under-utilised as a result of people working from home.	(2 000)		
<b>Total economic classification</b>		<b>(17 902)</b>		<b>43 923</b>

#### Virements and Shifts

An amount of R11.9 million is shifted from goods and services within corporate services due to implementation of cost containment measure to operating licensing for maintenance of the transport operating licencing administration boards (TOLABS).

Goods and services increase by R31.5 million: of which R15.1 million is from North-West Star allocation to goods and services to make provision for settlement of legal claims in corporate services sub-programme; lastly R16.4 million is for realignment of the budget within the programme.

An amount of R9.7 million is shifted to buildings and other fixed structures to cater for anticipated over expenditure in regional office as well as the Zwartkop infrastructure project.

An amount of R4 million is shifted from machinery due to low expenditure as result underutilisation to cover anticipated over expenditure in computer services. A further amount of R2 million is shifted from software and other intangible assets due to under-utilisation since staff continue to work from home. Funds will be used to cover anticipated over expenditure on stationary. Finally, R2.7 million is shifted to households for employee retirement benefits.

## Programme 2: Transport Infrastructure

TABLE 9.4: PROGRAMME 2: TRANSPORT INFRASTRUCTURE

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Infrastructure Planning	103 027			390			390	103 417
2. Infrastructure Design	88 083	(200)		33 734			33 534	121 617
3. Construction	1 095 519	(75 515)		1 911			(73 604)	1 021 915
4. Maintenance	1 177 252	(61 431)		(251 155)			(312 586)	864 666
5. Programme Support Infrastructure	64 286			10 121			10 121	74 407
<b>Total for Programmes</b>	<b>2 528 167</b>	<b>(137 146)</b>		<b>(204 999)</b>			<b>(342 145)</b>	<b>2 186 022</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Current payments</b>		<b>1 464 846</b>	<b>(61 431)</b>		<b>(234 213)</b>		<b>(295 644)</b>	<b>1 169 202</b>
Compensation of employees		325 207						325 207
Salaries & wages		271 769						271 769
Social contribution		53 438						53 438
Goods and services		1 139 639	(61 431)		(234 333)		(295 764)	843 875
Interest and rent on land					120		120	120
<b>Transfers and subsidies</b>		<b>11 350</b>			<b>(2 721)</b>		<b>(2 721)</b>	<b>8 629</b>
Provinces and municipalities		2 310						2 310
Households		9 040			(2 721)		(2 721)	6 319
<b>Payments for capital assets</b>		<b>1 051 971</b>	<b>(75 715)</b>		<b>31 935</b>		<b>(43 780)</b>	<b>1 008 191</b>
Buildings and other fixed structures		1 049 571	(75 715)		29 735		(45 980)	1 003 591
Machinery and equipment		2 400			2 200		2 200	4 600
<b>Payments for financial assets</b>								
<b>Total economic classification</b>		<b>2 528 167</b>	<b>(137 146)</b>		<b>(204 999)</b>		<b>(342 145)</b>	<b>2 186 022</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(455 178)</b>		<b>220 965</b>
Compensation of employees	Realignment of COE budget between the maintenance and PSI sub-programmes.	(2 070)	Funds sourced from Maintenance sub-programme to cover the anticipated over expenditure on CoE in the PSI sub-programme	2 070
Goods and services	Delay in the implementation of infrastructure projects.	(453 108)	Reallocation of the Maintenance infrastructure budget as well as funds received to cover for the anticipated budget pressures.	218 775
Interest and rent on land			Budget shifted to cover over expenditure as a result of delayed payments.	120
<b>Transfers and subsidies</b>		<b>(3 361)</b>		<b>640</b>
Households	Realignment of the budget within the same economic classification.	(3 361)	Realignment of the budget within the same economic classification but between different sub-programmes to cover the injury on duty payments as well as retirement benefits	640
<b>Payments for capital assets</b>		<b>(419 920)</b>		<b>451 855</b>

Economic classification	Motivation	From	Motivation	To
Buildings and other fixed structures	Delay in the implementation of infrastructure projects.	(419 920)	Reallocation of the budget within infrastructure projects. Details of all the projects are provided in the Adjusted ECE document	449 655
Machinery and equipment			Reallocation of the budget within infrastructure projects in the Maintenance unit as well as a shift within the Planning sub-programme of the TAG budget to allow the procurement of furniture.	2 200
<b>Total economic classification</b>		<b>(878 459)</b>		<b>673 460</b>

### Virements and Shifts

An amount of R453 million is shifted from goods and services in maintenance subprogramme's due to delays in the implementation of infrastructure projects Road infrastructure strategic framework for south Africa (RISFSA projects) as a result in the delays in procurement of outsourced routine roads maintenance; poor performance by the contractor; projects interdicted; and projects terminated. A further R218 million is shifted to goods and services within infrastructure projects to cater for budget pressures and projects which are ready for implementation.

An amount of R419.9 million is shifted from buildings and other fixed structures within infrastructure projects. This shift is to reduce budget of projects not spending. Of this amount R200 million is shifted to Gautrain to supplement the patronage guarantee shortfall. A further, R449.6 million is shifted to buildings and other fixed structures within infrastructure projects. This shift is to align budget with projects which are ready for implementation.

### Surrender: R137.1 million

An amount of R137.1 million is being surrendered to the Provincial Revenue Fund (PRF) due to delays in the implementation of projects. The details of this surrender, including the breakdown of the affected projects are captured in the Adjusted Estimates of Capital Expenditure (AECE) document.

## Programme 3: Transport Operations

TABLE 9.6: PROGRAMME 3: TRANSPORT OPERATIONS

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Public Transport Services	2 945 388			(15 382)			(15 382)	2 930 006
2. Programme Support Operations	31 799			(1 470)			(1 470)	30 329
<b>Total for Programmes</b>	<b>2 977 187</b>			<b>(16 852)</b>			<b>(16 852)</b>	<b>2 960 335</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
R Thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>109 102</b>			<b>(1 752)</b>			<b>(1 752)</b>	<b>107 350</b>
Compensation of employees	63 565							63 565
Salaries & wages	58 652							58 652
Social contribution	4 913							4 913
Goods and services	45 537			(1 752)			(1 752)	43 785
<b>Transfers and subsidies</b>	<b>2 868 085</b>			<b>(15 100)</b>			<b>(15 100)</b>	<b>2 852 985</b>
Public corporations and private enterprises	2 867 915			(15 100)			(15 100)	2 852 815
Households	170							170
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>2 977 187</b>			<b>(16 852)</b>			<b>(16 852)</b>	<b>2 960 335</b>



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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(5 868)</b>		<b>4 116</b>
Goods and services	Implementation of cost containment measures and certain functions being performed internally.	(5 868)	Funds received to cover for the anticipated budget pressures within the goods and services item.	4 116
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(15 100)</b>		
Foreign governments and international organisations				
Public corporations and private enterprises	NW Star allocation is under-utilised due to lack of capacity.	(15 100)		
<b>Payments for capital assets</b>				
<b>Total economic classification</b>		<b>(20 968)</b>		<b>4 116</b>

**Virements and Shifts**

An amount R15.1 million is shifted from private enterprises to programme 1 due to under-utilisation of North West Star allocation. This is due to capacity constraints and penalties levied against the operators in line with the contractual obligations.

An amount of R2.9 million is shifted from programme 2: within Construction sub-programme to fund the budgetary shortfall relating to Digitisation infrastructure project.

Lastly an amount of R4 million is shifted within goods and services because of realignment of the budget with the sub-programmes. Funds are shifted to where expenditure is incurred.

**Programme 4: Transport Regulation**

**TABLE 9.8: PROGRAMME 4: TRANSPORT REGULATION**

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Transport Administration And Licensing	199 412			(7 670)			(7 670)	191 742
2. Operator License And Permits	154 914			3 500			3 500	158 414
<b>Total for Programmes</b>	<b>354 326</b>			<b>(4 170)</b>			<b>(4 170)</b>	<b>350 156</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>320 521</b>			<b>780</b>			<b>780</b>	<b>321 301</b>
Compensation of employees	207 587							207 587
Salaries & wages	176 422							176 422
Social contribution	31 165							31 165
Goods and services	112 934			780			780	113 714
<b>Transfers and subsidies</b>	<b>22 805</b>							<b>22 805</b>
Provinces and municipalities								
Non-profit institutions	21 915							21 915
Households	890							890
<b>Payments for capital assets</b>	<b>11 000</b>			<b>(4 950)</b>			<b>(4 950)</b>	<b>6 050</b>
Buildings and other fixed structures	100			450			450	550
Machinery and equipment	10 000			(4 500)			(4 500)	5 500
Software and other intangible assets	900			(900)			(900)	
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>354 326</b>			<b>(4 170)</b>			<b>(4 170)</b>	<b>350 156</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(3 460)</b>		<b>4 240</b>
Goods and services	Implementation of cost containment measure.	(3 460)	Funds received for legal cost and facilities management to cover the anticipated budget pressures within the programme.	4 240
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>		<b>(7 400)</b>		<b>2 450</b>
Buildings and other fixed structures			Funds received from construction - P122/1 project and facilities Management for maintenance of TOLABS.	450
Machinery and equipment	Delay in implementation of infrastructure projects. Funds shifted to contractors for Temba generator maintenance and to TOLABS machinery and equipment for CCTV cameras and Funds legal services in PSI	(6 500)	Funds received from machinery and equipment of PDLTC - for TOLABS CCTV cameras.	2 000
Software and other intangible assets	This item is under-utilised as a result of people working from home.	(900)		
<b>Total economic classification</b>		<b>(10 860)</b>		<b>6 690</b>

**Virements and Shifts**

An amount of R4.2 million is shifted within goods and services as a result of realignment of the budget with the sub programmes to where expenditure is incurred.

An amount of R6.5 million is shifted to programme 2: Programme Support Infrastructure to cater for litigation costs and fleet services that was experiencing budget pressure.

An amount of R2million is shifted from the PDLTC in transport administration and licensing support sub-programme as result of realignment of budget to cater for maintenance of TOLABS.

**Programme 5: Gautrain**

**TABLE 9.10: PROGRAMME 5: GAUTRAIN**

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Gautrain Rapid Link	2 457 566			200 000			200 000	2 657 566
<b>Total for Programmes</b>	<b>2 457 566</b>			<b>200 000</b>			<b>200 000</b>	<b>2 657 566</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>								
<b>Transfers and subsidies</b>	<b>2 457 566</b>			<b>200 000</b>			<b>200 000</b>	<b>2 657 566</b>
Departmental agencies and accounts	2 457 566			200 000			200 000	2 657 566
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>2 457 566</b>			<b>200 000</b>			<b>200 000</b>	<b>2 657 566</b>

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				
<b>Transfers and subsidies</b>				<b>200 000</b>
Departmental agencies and accounts			Funds received from infrastructure projects due to delays in implementation of projects for settlement of patronage guarantee.	200 000
<b>Payments for capital assets</b>				
<b>Total economic classification</b>				<b>200 000</b>

**TABLE 9.11: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: GAUTRAIN**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				
<b>Transfers and subsidies</b>				<b>200 000</b>
Departmental agencies and accounts			Funds received from infrastructure projects due to delays in implementation of projects for settlement of patronage guarantee.	200 000
<b>Payments for capital assets</b>				
<b>Total economic classification</b>				<b>200 000</b>

### Virements and shifts

An amount of R200 million is shifted from programme 2 infrastructure projects to Gautrain to cater for the shortfall in the Patronage Guarantee (PG) due to drop in passengers as result of reduced use of the service. This passenger drop caused the PG to increase to the limit of the Concessionaire's Demand Forecast (CDF).

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

**TABLE 9.12: EXPENDITURE 2020/21 AND PRELIMINARY EXPENDITURE 2021/22**

Department	2021/22				2022/23		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021 -Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
1. Administration	401 398	164 974	361 499	90%	428 057	182 086	10%
2. Transport Infrastructure	1 808 357	809 951	1 681 772	93%	2 186 022	753 948	(7)%
3. Transport Operations	3 187 285	1 185 894	2 621 494	82%	2 960 335	1 071 409	(10)%
4. Transport Regulation	341 868	115 311	299 682	88%	350 156	128 026	11%
5. Gautrain Rapid Rail Link	2 776 816	1 176 474	2 776 816	100%	2 657 566	1 240 194	5%
<b>Total</b>	<b>8 515 724</b>	<b>3 452 604</b>	<b>7 741 263</b>	<b>91%</b>	<b>8 582 136</b>	<b>3 375 663</b>	<b>(2)%</b>
<b>Current payments</b>	<b>2 154 543</b>	<b>1 014 612</b>	<b>1 901 780</b>	<b>88%</b>	<b>1 995 683</b>	<b>683 768</b>	<b>(33)%</b>
Compensation of employees	776 892	378 993	756 802	97%	805 263	346 002	(9)%
Goods and Services	1 377 651	635 619	1 102 320	80%	1 190 300	337 694	(47)%
Interest and rent on land			42 658	#DIV/0!	120	72	#DIV/0!
<b>Transfers and subsidies</b>	<b>5 845 524</b>	<b>2 307 674</b>	<b>5 333 680</b>	<b>91%</b>	<b>5 545 406</b>	<b>2 280 005</b>	<b>(1)%</b>
Provinces and municipalities	2 200	968	2 086	95%	2 310	799	(17)%
Departmental agencies and accounts	2 776 816	1 176 474	2 776 816	100%	2 657 566	1 240 194	5%
Public corporations & private enterprises	3 036 463	1 127 300	2 464 765	81%	2 852 815	1 034 505	(8)%
Non-profit institutions	19 800		29 600	149%	21 915		
Households	10 245	2 932	60 413	590%	10 800	4 507	54%
<b>Payments for capital assets</b>	<b>515 657</b>	<b>130 318</b>	<b>505 136</b>	<b>98%</b>	<b>1 041 047</b>	<b>411 890</b>	<b>216%</b>
Buildings and other fixed structures	497 096	126 509	492 596	99%	1 015 447	406 427	221%
Machinery and equipment	14 737	3 797	12 540	85%	24 600	5 456	44%
Software and other intangible assets	3 824	12		0%	1 000	7	(42)%
<b>Payments for financial assets</b>			<b>667</b>				<b>#DIV/0!</b>
<b>Total</b>	<b>8 515 724</b>	<b>3 452 604</b>	<b>7 741 263</b>	<b>91%</b>	<b>8 582 136</b>	<b>3 375 663</b>	<b>(2)%</b>

### Expenditure trends for 2021/22

In 2021/22, the department spent a total amount of R7.7 billion (92 per cent) of the adjusted budget. Of the total reported expenditure, an amount of R757 million was spent on compensation of employees comprising of salaries for all department of Roads and Transport. Compensation of employees' expenditure amounted to 97 per cent of the total adjustment budget for the 2021/22 financial year.

Spending on goods and services amounted to R1.1 billion or 80 per cent of the of the adjusted budget for 2021/22. The spending is mainly driven by operational costs, contractual obligations as well as maintenance related to infrastructure projects.

The transfers items are made up of the transfer to the Gautrain Management Agency (GMA), the bus subsidies (both the PTOG and the NW Star allocations), and payments to staff for items such as injury on duty claims and payment of leave gratuity to former employees. This item was the main driver of the total underspending of the Department due to the underspending on

bus subsidies as result of delays in appointment of new bus operators and penalties levied against the operators in line with the contractual obligations.

The underspending within the payments for capital assets item is due to delays in procurement for infrastructure projects finalised towards the end of the financial year and slow progress on active projects as result of external factors.

### **Preliminary expenditure trends for the first half of 2022/23**

The department spent R3.4 billion (39 per cent) of the original allocated budget during the first half of the 2022/23 financial year in comparison to the R3.5 billion that was spent in the same period in 2021/22 financial year, reflecting a decrease of one per cent. Of the total original allocated budget for six months, compensation of employees accounted for R346 million (43 per cent) of the expenditure, whilst goods and services accounted for R338 million (29 per cent) of the expenditure as at the end of quarter two. The slow spending within goods and services expenditure is because of delay in procurement of outsourced routine roads maintenance, delays in creation of purchase orders, poor performance by the contractor, projects interdicted, and projects terminated.

The transfers and subsidies item spent a total of R2.3 billion for the first half of the year. This was higher than the spending for the same period in 2021/22 because the bus subsidies were reduced from 2021/22 due to the lockdown period and the effect it had on the transport sector.

The expenditure on capital assets amounted to R412 million in comparison to R130 million spent in the same period in 2021/22 reflecting an increase of 19 per cent. The increase is due to procurement of laptops, office furniture and software.

The details of the spending per programme were as follows:

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

This programme is responsible for the administrative functions of the Department. The programme has spent R182 million during the first six months of the financial year. The increase in expenditure is largely on goods and services due to MEC's priorities, Commission of Taxi Violence, litigation costs, other administrative events, Arbitration Office (Emoyeni) and Dr Thandi Ndlovu excellence awards.

#### **Programme 2: Transport Infrastructure**

The programme promotes accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth. The programme spent R754 million during the first half of the financial year. This is due to slow delivery of infrastructure projects as result of delay in procurement of outsourced routine roads maintenance, delays in creation of purchase orders, poor performance by the contractor, interdicted projects and terminated projects.

#### **Programme 3: Transport Operations**

The programme plans, regulates and facilitates the provision of integrated land transport services. The programme expenditure for the first half of the year decreased to R1 billion in 2022/23 compared to the R1.1 billion that was spent the same period of the last financial year, equating to a decrease of 5 per cent. The slow spending within this programme is mainly because of Bus subsidies - due to the delay in finalising the new bus tenders.

#### **Programme 4: Transport Regulations**

The programme provides provision of a safe environment through the regulation of traffic on public infrastructure and registration and licensing of vehicles and drivers. The programme spent R128 million in comparison to the R115 million that spent in the same period of the 2021/22 financial year. This increase is due inflationary increases and maintenance of TOLABS.

#### **Programme 5: Gautrain**

The programme provides plan, design and construction of the Rapid Rail Link and ensures efficient management and implementation of the Gautrain. The total transfers to Gautrain as at the end of the second quarter amounts to R1.2 billion in comparison to the R1.2 billion spent in the same period of the 2021/22 financial year.

## 6. Departmental Receipts

TABLE 9.13: DEPARTMENTAL RECEIPTS

Department	2021/22 Audited Outcome				2022/23 Preliminary Receipts		
	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021 - Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
<b>R thousand</b>							
Tax receipts	4 480 127	1 823 097	4 407 797	(2)%	4 695 173	1 904 990	4%
Motor vehicle licences	4 480 127	1 823 097	4 407 797	(2)%	4 695 173	1 904 990	4%
Sales of goods and services other than capital assets	93 485	29 700	62 959	(33)%	97 972	30 706	3%
Interest, dividends and rent on land	75	1	5	(93)%	79	7	600%
Sales of capital assets							
Financial transactions in assets and liabilities	1 865	282	590	(68)%	1 955	1 299	361%
<b>Total</b>	<b>4 575 552</b>	<b>1 853 080</b>	<b>4 471 351</b>	<b>(196)%</b>	<b>4 795 179</b>	<b>1 937 002</b>	<b>969%</b>

### Revenue trends for the first half of the 2022/23 financial year

In the current financial year, the revenue budget remains unchanged at R4.8 billion. The table above indicates the contribution of each revenue source towards the total revenue generated at the end of second quarter of the 2022/23 financial year. The Department improved the revenue collection for the first half of the year when comparing with the previous financial year. The revenue increased from R1.85 billion to R1.93 billion. The revenue collection in 2021/22 was negatively impacted affected by the COVID-19 pandemic lockdown periods that affected the travel patterns and services offered to the public.

The tax receipts item which comprises of motor vehicle license continues to be the biggest revenue collector for the Department and the Province.

Sales of goods and services other than capital assets item collected R30.7 million and it consists of items such as parking fees from employees, sales of security maps and tender documents. This item is steadily increasing in comparison with the previous financial year and the department is expected to collect the amount in full.

Interest, dividends and rent on land contributed an amount of R7 000 is earned during the first six months of the financial year in comparison with R1 000 in the same period of the previous financial year due to interest received on debts.

Financial transactions in assets and liabilities, which reflects the debt repayments from previous financial years, contributed an amount of R1.3 million in the current financial year in comparison with R282 000 in the previous financial year.

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

### 7.1 Changes to transfers and subsidies

TABLE 9.14: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Programme 5	2 457 566			200 000			200 000	2 657 566
GMA	2 457 566			200 000			200 000	2 657 566
<b>Total changes in conditional Name of transfer payments</b>	<b>2 457 566</b>			<b>200 000</b>			<b>200 000</b>	<b>2 657 566</b>

### Virements and shifts

An amount of R200 million is shifted from programme 2 due to delay in implementation of infrastructure projects to cater for the shortfall in the patronage guarantee that became due to reduced use by passengers. This passenger drop caused the PG to increase to the limit of the Concessionaire's Demand Forecast (CDF).

## 7.2 Changes to Conditional grants

TABLE 9.15: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2</b>	<b>680 058</b>							<b>680 058</b>
Provincial Roads Maintenance	680 058							680 058
<b>Programme 3</b>	<b>2 740 407</b>							<b>2 740 407</b>
Public Transport Operations	2 730 550							2 730 550
EPWP Integrated Grant	9 857							9 857
<b>Total changes in conditional grants</b>	<b>3 420 465</b>							<b>3 420 465</b>

No changes

## 7.3 Changes to Infrastructure

Please refer to the 2022/23 Adjusted Estimates of Capital Expenditure (AECE).



# VOTE 10

## COMMUNITY SAFETY

R thousand	2022/23			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 153 296</b>	<b>1 374 065</b>		<b>220 769</b>
of which:				
Current payments	1 007 302	1 155 972		148 670
Transfers and subsidies	4 341	12 370		8 029
Payments for capital assets	141 653	205 723		64 070
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Safety and Security</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

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

#### Mission

To ensure safety of Gauteng communities through innovative, pro-active and effective oversight over the province's law enforcement agencies, enforcement of road traffic legislation while empowering communities on crime prevention and safety promotion.

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

No changes.



### 3. Summary of Adjusted Estimates of Departmental Expenditure 2022/23

Table 10.1: DEPARTMENT OF COMMUNITY SAFETY

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	174 012					11 000	11 000	185 012
2. Provincial Secretariat for Police Services	280 699		6 976				6 976	287 675
3. Traffic Management	698 585		14 066			188 727	202 793	901 378
<b>Total for Programmes</b>	<b>1 153 296</b>		<b>21 042</b>			<b>199 727</b>	<b>220 769</b>	<b>1 374 065</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>1 007 302</b>		<b>17 725</b>	<b>5 718</b>		<b>125 227</b>	<b>148 670</b>	<b>1 155 972</b>
Compensation of employees	820 254				(66 277)		24 000	(42 277)	777 977
Salaries & wages	677 028				(36 705)		24 000	(12 705)	664 323
Social contribution	143 226				(29 572)			(29 572)	113 654
Goods and services	187 048		17 725	71 995		101 227		190 947	377 995
<b>Transfers and subsidies</b>	<b>4 341</b>			<b>8 029</b>				<b>8 029</b>	<b>12 370</b>
Provinces and municipalities	188								188
Departmental agencies and accounts									
Non-profit institutions									
Households	4 153			8 029				8 029	12 182
<b>Payments for capital assets</b>	<b>141 653</b>		<b>3 317</b>	<b>(13 747)</b>		<b>74 500</b>	<b>64 070</b>	<b>205 723</b>	
Buildings and other fixed structures	12 786			(986)				(986)	11 800
Machinery and equipment	128 867		3 317	(12 761)		47 000		37 556	166 423
Software and other intangible assets						27 500		27 500	27 500
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 153 296</b>		<b>21 042</b>			<b>199 727</b>	<b>220 769</b>	<b>1 374 065</b>	

The department’s budget increases by R220.8 million from R1.153 billion to an adjusted appropriation of R1.374 billion. The increase of R220.8 million is informed by an additional allocation of R199.7 million to fund the elevated priority of defeating or overcoming lawlessness and crime in the province through the expansion and capacitation of the police force and the investment in e-police and e-security and a rollover of R21 million from the previous financial year.

The additional funding from the province of R199.7 million includes R24 million for recruiting 2 000 peace wardens, R60 million for training the appointed peace wardens which will assist the province to fight crime and lawlessness, R43 million for the procurement of 50 motor vehicles which will be used to support the South African Police Service, R27.5 million for an e-Panic button App that will activate immediate calls from the Call Centre and an armed response and/or the deployment of emergency services, R8.3 million for the procurement or leasing of drones and the training of drone operator pilots, R10 million for leasing helicopters to be deployed to crime hotspots and R26.8 million which is a reallocation from the previous financial year.

Funds are also shifted from low spending budget line items to ease spending pressures on other items within the vote. An amount of R66.3 million shifts from compensation of employees due to delays in the filling vacant positions. R71.9 million is reprioritised to goods and services to augment this budget and defray excess expenditure and R8 million is reprioritised to transfers and subsidies mainly for injury on duty claims. The department also shifts R20.4 million within Programme 2: Provincial Secretariat for Police Services to align the Gender Based Violence and Femicide (GBVF) budget with the Gender Based Violence Response Plan. Moreover, R12.8 million is a reclassification of budget from capex to goods and services due to a change in the status of the lease contract for vehicles which changes from a finance lease to an operating lease.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

### Programme 1: Administration

TABLE 10.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the Mec	11 857			1 047			1 047	12 904
2. Office of The Hod	28 678			(2 639)			(2 639)	26 039
3. Financial Management	35 810			(5 325)			(5 325)	30 485
4. Corporate Services	75 679			6 917		11 000	17 917	93 596
5. Legal	5 815			(39)			(39)	5 776
6. Security	16 173			39			39	16 212
<b>Total for Programmes</b>	<b>174 012</b>					<b>11 000</b>	<b>11 000</b>	<b>185 012</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>170 974</b>			<b>(1 567)</b>		<b>11 000</b>	<b>9 433</b>	<b>180 407</b>
Compensation of employees	146 759			(16 069)			(16 069)	130 690
Salaries & wages	126 532			(14 069)			(14 069)	112 463
Social contribution	20 227			(2 000)			(2 000)	18 227
Goods and services	24 215			14 502		11 000	25 502	49 717
<b>Transfers and subsidies</b>				<b>614</b>			<b>614</b>	<b>614</b>
Provinces and municipalities								
Households				614			614	614
<b>Payments for capital assets</b>	<b>3 038</b>			<b>953</b>			<b>953</b>	<b>3 991</b>
Machinery and equipment	3 038			953			953	3 991
Software and other intangible assets								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>174 012</b>					<b>11 000</b>	<b>11 000</b>	<b>185 012</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(20 451)</b>		<b>18 884</b>
Compensation of employees	Reprioritisation of funds due to the delay in filling vacant posts.	(16 069)		
Goods and services	Reprioritisation of funds within the programme from items with a low rate of spending.	(4 382)	Budget made available to defray excess expenditure on software licence as a result of an increase in the number of users. Funds are also allocated to pay utilities for office buildings, and to buy diesel for the generator used during loadshedding.	18 884
<b>Transfers and subsidies</b>				<b>614</b>
Households			Funds allocated to fund injury on duty claims.	614
<b>Payments for capital assets</b>		<b>(435)</b>		<b>1 388</b>

Economic classification	Motivation	From	Motivation	To
Machinery and equipment	Funds shifted due to a reclassification of budget for leased motor vehicles from a finance lease to operating lease.	(435)	Provision to procure assets for additional personnel and sound systems to be utilised during public meetings.	1 388
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(20 886)</b>		<b>20 886</b>

**Additional funding: Provincial R11 million**

An additional amount of R11 million is allocated to this programme which is a reallocation of funds not spent in the previous financial year to address the impact of accruals, payables and commitments from the previous financial year.

**Virements and shifts**

An amount of R14.5 million is reprioritized to goods and services within the programme to fund operational costs such as payments for utilities, software licence, maintenance and repairs of office buildings and fleet services. R16 million is reprioritised from compensation of employees due to a delay in the filling of all vacant posts. R614 000 is shifted to households to fund the payment of injury on duty claims and R1.4 million is shifted to machinery and equipment to procure assets for additional personnel and sound systems to be utilised during public meetings.

**Programme 2: Provincial Secretariat for Police Service**

TABLE 10.4: PROGRAMME 2: PROVINCIAL SECRETARIAT FOR POLICE SERVICE

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support	5 227			(964)			(964)	4 263
2. Policy and Research	7 925			(510)			(510)	7 415
3. Monitoring and Evaluation	75 322		3 317	(2 019)			1 298	76 620
4. Safety Promotion	129 948			3 493			3 493	133 441
5. Community Police Relations	62 277		3 659				3 659	65 936
<b>Total for Programmes</b>	<b>280 699</b>		<b>6 976</b>				<b>6 976</b>	<b>287 675</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>229 237</b>		<b>3 659</b>	<b>4 568</b>			<b>8 227</b>	<b>237 464</b>
Compensation of employees	109 125			(18 230)			(18 230)	90 895
Salaries & wages	95 143			(15 220)			(15 220)	79 923
Social contribution	13 982			(3 010)			(3 010)	10 972
Goods and services	120 112		3 659	22 798			26 457	146 569
<b>Transfers and subsidies</b>	<b>820</b>			<b>20</b>			<b>20</b>	<b>840</b>
Households	820			20			20	840
<b>Payments for capital assets</b>	<b>50 642</b>		<b>3 317</b>	<b>(4 588)</b>			<b>(1 271)</b>	<b>49 371</b>
Machinery and equipment	50 642		3 317	(4 588)			(1 271)	49 371
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>280 699</b>		<b>6 976</b>				<b>6 976</b>	<b>287 675</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(41 232)</b>		<b>45 800</b>
Compensation of employees	Reprioritisation of funds due to a delay in the filling of all vacant posts.	(18 230)		
Goods and services	Alignment of Gender Based Violence and Femicide (GBVF) budget in line with the Gender Based Violence Response Plan and reprioritisation from low spending items.	(23 002)	Budget allocated to raise awareness, mobilize, educate community members, buy data for Gender Based Violence (GBV) brigades and to transport stakeholders to meetings and training sessions. Budget for fleet services is classified as an operating lease, whilst the department is waiting for the delivery of the new motor vehicles from G-fleet.	45 800
<b>Transfers and subsidies</b>				<b>20</b>
Households			Funds allocated to fund the payment of injury on duty claims.	20
<b>Payments for capital assets</b>		<b>(6 655)</b>		<b>2 067</b>
Machinery and equipment	Funds shifted due to a reclassification of budget for leased motor vehicles from a finance lease to operating lease.	(6 655)	Provision for assets used at corridor offices by new personnel.	2 067
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(47 887)</b>		<b>47 887</b>

**Roll-overs: R7 million**

An amount of R7 million is rolled over from the prior financial year to settle a contractual obligation related to the procurement of community patrollers' uniform and the conversion of trucks into mobile police stations.

**Virements and shifts**

R22.3 million is shifted to goods and services to focus on Gender Based Violence (GBV) awareness campaigns, to mobilize, and educate community members and to transport stakeholders to GBV meetings and training sessions. This is to align the Gender Based Violence and Femicide GBVF budget with the GBV Response Plan. Funds are also reprioritised within goods and services to defray excess expenditure emanating from accruals, payables and commitments from the previous financial year. R18.2 million is shifted from compensation of employees due to delays in the filling of vacant posts and it is utilised to supplement the goods and services budget and thus ensure that excess expenditure is defrayed such as payment of fuel claims. An amount of R6.6 million is reclassified from capex to goods and services due to change in the status of the lease contract for vehicles which is no longer classified as a finance lease but an operating lease whilst the department is waiting for the delivery of new motor vehicles from G-fleet.

**Programme 3: Traffic Management****TABLE 10.6: PROGRAMME 2: TRAFFIC MANAGEMENT**

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Traffic Law Enforcement	251 675		14 066	20 395		15 907	50 368	302 043
2. Special Services	18 133			(1 587)		172 820	171 233	189 366
3. Public Transport Inspectorate	407 261			(15 462)			(15 462)	391 799
4. Road Safety Promotion	21 516			(3 346)			(3 346)	18 170
<b>Total for Programmes</b>	<b>698 585</b>		<b>14 066</b>			<b>188 727</b>	<b>202 793</b>	<b>901 378</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R Thousand</b>								
<b>Current payments</b>	<b>607 091</b>		<b>14 066</b>	<b>2 717</b>		<b>114 227</b>	<b>131 010</b>	<b>738 101</b>
Compensation of employees	564 370			(31 978)		24 000	(7 978)	556 392
Salaries & wages	455 353			(7 416)		24 000	16 584	471 937
Social contribution	109 017			(24 562)			(24 562)	84 455
Goods and services	42 721		14 066	34 695		90 227	138 988	181 709
<b>Transfers and subsidies</b>	<b>3 521</b>			<b>7 395</b>			<b>7 395</b>	<b>10 916</b>
Provinces and municipalities	188							188
Households	3 333			7 395			7 395	10 728
<b>Payments for capital assets</b>	<b>87 973</b>			<b>(10 112)</b>		<b>74 500</b>	<b>64 388</b>	<b>152 361</b>
Buildings and other fixed structures	12 786			(986)			(986)	11 800
Machinery and equipment	75 187			(9 126)		47 000	37 874	113 061
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>698 585</b>		<b>14 066</b>			<b>188 727</b>	<b>202 793</b>	<b>901 378</b>

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

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(32 678)</b>		<b>35 395</b>
Compensation of employees	Reprioritisation of funds due to a delay in the filling of all vacant posts.	(31 978)		
Goods and services	Funds shifted from budget line items where spending is slow.	(700)	Budget for fleet services classified as operating lease whilst the department is waiting for the delivery of new motor vehicles from G-fleet and funds shifted to fund the payment of fuel claims.	35 395
<b>Transfers and subsidies</b>				<b>7 395</b>
Households			Funds allocated for injury on duty claims.	7 395
<b>Payments for capital assets</b>		<b>(10 112)</b>		
Buildings and other fixed structures	This item is adequately funded.	(986)		
Machinery and equipment	Funds shifted due to the reclassification of the budget for leased motor vehicles from finance lease to an operating lease.	(9 126)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(42 790)</b>		<b>42 790</b>

**Roll-overs: R14 million**

R8.8 million and R5.2 million is a rollover to settle the prior year’s contractual obligations related to the procurement of traffic officers’ uniform and accruals for fleet services respectively.

**Additional funding: Provincial R188.7 million**

The additional amount of R188.7 million includes a reallocation of R2.7 million to augment the budget for traffic officers’ uniform and a reallocation of R13.2 million to fund accruals on fleet services. The remaining amount of R172.8 million is allocated to fund the elevated priority of defeating lawlessness and crime and includes R24 million for recruiting 2 000 peace wardens R60 million for training the appointed peace wardens, R43 million for the procurement of 50 motor vehicles which will be used to support the South African Police Service, R27.5 million for an e-Panic button App that activates immediate calls from the Call Centre and an armed response or the deployment of emergency services, R8.3 million for the procurement or leasing of drones and the training of drone operator pilots and R10 million for leasing helicopters which will be deployed to crime hotspots

**Virements and shifts**

R31.9 million is shifted from compensation of employees as a result of delays in the filling of vacant positions. Goods and services increase by R34.7 million for the procurement of ammunition and infringement books and the reclassification of budget for leased motor vehicles from finance lease to operating lease. The budget is also shifted to address spending pressures within the programme on areas such as fleet services, the payment of fuel claims and an amount of R7.4 million is shifted to transfers to households for injury on duty claims.

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

TABLE 10.8: EXPENDITURE 2020/21 AND PRELIMINARY EXPENDITURE 2022/23: COMMUNITY SAFETY

Department	2021/22				2022/23		
	Adjusted appropriation	Expenditure Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Preliminary expenditure		
Apr 2021- Sept 2021		Apr 2021- Mar 2022	Adjusted appropriation		Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept	
<b>R thousand</b>							
1. Administration	169 644	84 627	162 195	96%	185 012	95 051	12%
2. Provincial Secretariat for Police Services	240 979	91 190	226 548	94%	287 675	94 683	4%
3. Traffic Management	551 657	274 328	527 036	96%	901 378	323 097	18%
<b>Total</b>	<b>962 280</b>	<b>450 145</b>	<b>915 779</b>	<b>95%</b>	<b>1 374 065</b>	<b>512 831</b>	<b>14%</b>
<b>Current payments</b>	<b>839 512</b>	<b>399 339</b>	<b>828 022</b>	<b>99%</b>	<b>1 155 972</b>	<b>457 812</b>	<b>15%</b>
Compensation of employees	687 516	308 513	613 773	89%	777 977	324 388	5%
Goods and Services	151 996	90 826	214 249	141%	377 995	133 424	47%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>30 316</b>	<b>2 946</b>	<b>5 595</b>	<b>18%</b>	<b>12 370</b>	<b>8 429</b>	<b>186%</b>
Provinces and municipalities	179	360	800	447%	188	222	(38)%
Households	3 008	2 586	4 795	159%	12 182	8 207	217%
<b>Payments for capital assets</b>	<b>92 452</b>	<b>47 846</b>	<b>82 105</b>	<b>89%</b>	<b>205 723</b>	<b>46 590</b>	<b>(3)%</b>
Buildings and other fixed structures	42 200		178	0%	11 800		
Machinery and equipment	50 252	47 846	81 927	163%	166 423	46 590	(3)%
Software and other intangible assets					27 500		
<b>Payments for financial assets</b>		<b>14</b>	<b>57</b>				<b>(100)%</b>
<b>Total</b>	<b>962 280</b>	<b>450 145</b>	<b>915 779</b>	<b>95%</b>	<b>1 374 065</b>	<b>512 831</b>	<b>14%</b>

### Expenditure trends for 2021/22

The department has spent 95 per cent of its adjusted budget for the 2021/22 financial year.

#### Programme 1: Administration

Programme 1: Administration underspent by R7.4 million which represents 4 per cent of the programmes' adjusted budget.

#### Programme 2: Provincial Secretariat for Police Service

Programme 2: Provincial Secretariat for Police Services has spent 94 per cent of its allocated budget, and the R14.4 million underspending is due to a contractual obligation entered into by the department as services and goods were delivered in 2022/23 financial year.

#### Programme 3: Traffic Management

Traffic management has spent 96 per cent of its allocated budget, underspending by R24.6 million which was specifically allocated for the establishment of the Integrated Command and Control Centre and bullet proof vests to the value of R11.6 million. The delivery of the bullet proof vests took place in 2022/23 financial period. The underspending also includes payables to G-Fleet.

### Preliminary expenditure trends for the first half of 2022/23

The actual expenditure has increased by 14 per cent compared to the same period in the previous financial year as a result of accruals, payables and commitments from the previous financial year.

#### Programme 1: Administration

The actual spending increased from R84.6 million to R95.1 million due to accruals and payables emanating from the previous financial year and the main cost drivers are utilities, software licence, communication services etc.

#### Programme 2: Provincial Secretariat for Police Service

The programme spent 4 per cent more when compared to the same period in the previous financial year. However, in relation to compensation of employees the department recorded an estimated underspending of 5 per cent. This is due to a high number of vacant positions which were not yet filled at end of the second quarter of the financial year. However, due to the planned delivery of motor vehicles, 16 Days of Activism Against Women and Child Abuse, the deployment of patrollers during festive

season and the Safe Month campaign all of which is expected to take place in third and the fourth quarter of the financial year, expenditure will increase. In addition, a number of tenders will be awarded during this financial year.

**Programme 3: Traffic Management**

The programme’s actual expenditure increased by 18 per cent to R323.1 million in 2022/23 financial period and main contributing factors are accruals, payables, and commitments from previous financial year which are related to fleet services and other contractual obligations. The underspending is due to a delay in the filling of vacant posts and the implementation of 24/7 traffic policing.

**6. Departmental Receipts**

TABLE 10.9: DEPARTMENTAL RECEIPTS

Department	2021/22 Audited Outcome				2022/23 Preliminary Receipts		
	Adjusted appropriation	Apr 2021- Sept 2021	Apr 2021- Mar 2022	Apr 2021 -Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
<b>R thousand</b>							
Tax receipts							
Liquor licences							
Sales of goods and services other than capital assets	1 409	628	1 240	88%	1 477	620	(1)%
Transfers received							
Fines, penalties and forfeits	27 121	12 304	24 383	90%	30 811	12 391	1%
Interest, dividends and rent on land							
Sales of capital assets						88	
Financial transactions in assets and liabilities	11 066	3 379	9 599	87%	11 597		(100)%
<b>Total</b>	<b>39 596</b>	<b>16 311</b>	<b>35 222</b>	<b>89.0%</b>	<b>43 885</b>	<b>13 099</b>	<b>(19.69)%</b>

**Revenue trends for the first half of the 2022/23 financial year**

The table above shows the contribution of each revenue source to the total revenue generated as at end of September 2022. In the 2022/23 financial year, the department estimates to collect R43.9 million. The revenue target remains the same and there are no adjustments. However, the overall revenue collection has decreased by 20 per cent compared to the same period in the last financial year. However, revenue collection is expected to improve due to the outstanding debt that still needs to be paid by entities who are still owing the department.

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

**7.1 Changes to transfers and subsidies**

TABLE 10.10: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>1. Administration</b>				614			614	614
Households				614			614	614
<b>2. Provincial Secretariat for Police Services</b>	820			20			20	840
Households	820			20			20	840
<b>3. Traffic Management</b>	3 521			7 395			7 395	10 916
Provinces and municipalities	188							188
Households	3 333			7 395			7 395	10 728
<b>Total changes in conditional Name of transfer payments</b>	<b>4 341</b>			<b>8 029</b>			<b>8 029</b>	<b>12 370</b>

**Virements and shifts**

An amount of R8 million is shifted within the programmes to make provision for injury on duty claims and claims against the state.

**7.2 Changes to Conditional grant**

No changes.

**7.3 Changes to Infrastructure**

Not applicable.





# VOTE 11

## AGRICULTURE, RURAL DEVELOPMENT AND ENVIRONMENT

R thousand	2022/23			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 042 356</b>	<b>1 125 506</b>		<b>82 923</b>
<b>of which:</b>				
Current payments	1 008 023	1 074 218		66 195
Transfers and subsidies	9 423	11 037		1 614
Payments for capital assets	24 910	40 024		15 114
Payment for financial assets		227		
<b>Executive authority</b>	<b>MEC for Agriculture, Rural Development and Environment</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

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

#### Mission

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

- Promoting environmental protection and management;
- Expanding access to agricultural opportunities;
- Maximising food security;
- Up-scaling rural development;
- Promoting the One Health System; and
- Supporting sustainable livelihoods and communities.

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

No changes.

## 2. Summary of Adjusted Estimates of Departmental Expenditure 2022/23

TABLE 11.1: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Administration	262 654		6 551	2 000	9 740		18 291	280 945
2. Agriculture and Rural Development	487 321		35 284	(33 138)	9 463		11 609	498 930
3. Environmental Affairs	292 381	(2 548)	4 608	31 138	20 052		53 250	345 631
<b>Total for Programmes</b>	<b>1 042 356</b>	<b>(2 548)</b>	<b>46 443</b>		<b>39 255</b>		<b>83 150</b>	<b>1 125 506</b>

	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
<b>Current payments</b>	<b>1 008 023</b>		<b>28 569</b>	<b>(1 629)</b>	<b>39 255</b>	<b>66 195</b>	<b>1 074 218</b>
Compensation of employees	547 878			3 960	39 255	43 215	591 093
Salaries & wages	469 238			(3 040)	35 154	32 114	501 352
Social contribution	78 640			7 000	4 101	11 101	89 741
Goods and services	460 145		28 569	(5 589)		22 980	483 125
<b>Transfers and subsidies</b>	<b>9 423</b>		<b>1 285</b>	<b>329</b>		<b>1 614</b>	<b>11 037</b>
Provinces and municipalities	58		265	600		865	923
Departmental agencies and accounts	1 547			(225)		(225)	1 322
Higher education institutions	5 965		1 020			1 020	6 985
Public corporations and private enterprises							
Households	1 853			(46)		(46)	1 807
<b>Payments for capital assets</b>	<b>24 910</b>	<b>(2 548)</b>	<b>16 589</b>	<b>1 073</b>		<b>15 114</b>	<b>40 024</b>
Buildings and other fixed structures	10 626	(2 548)	2 811			263	10 889
Machinery and equipment	14 284		13 778	1 073		14 851	29 135
<b>Payments for financial assets</b>				<b>227</b>		<b>227</b>	<b>227</b>
Thefts & Losses				227		227	227
<b>Total economic classification</b>	<b>1 042 356</b>	<b>(2 548)</b>	<b>46 443</b>		<b>39 255</b>	<b>83 150</b>	<b>1 125 506</b>

The department reviewed its Annual Performance Plans (APP) during the Adjustment budget period. There is renewed emphasis on staying the course with the implementation of the 'Growing Gauteng Together' (GGT2030) Plan, as well as the 2019-2024 Medium-Term Strategic Framework (MTSF) that captures the overarching trajectory of government policy.

In the remainder of the Sixth Administration, and within the context of the GGT2030, the department will be focusing on the following priorities that have been elevated for accelerated implementation:

- Economic recovery: Increased drive on service delivery to improve the economy;
- Strengthening the battle against crime, corruption, vandalism, and lawlessness in the province;
- Improve living conditions in townships, informal settlements, and hostels (TISH).

GDARD, in response to its mandate, aims to achieve an economically transformed agricultural sector; and environmental sustainability through upscaling BKB programme, waste management, and climate change. The department in collaboration with the Gauteng Department of Social Development will promote rehabilitation of individuals addicted to drugs, accommodate homeless people, food security projects, support township businesses, hostel upgrade, public employment services, reducing factors that contribute to climate change, Environmental Services; hemp as part greening economy linked to Welfare to Work program.

The adjustments made to the department's budget are mainly to give effect to approved roll-over request both equitable share and conditional grants, additional budget that is allocated to the department to make provision for the budget shortfall under compensation of employees which also include provision for wage settlement, virement and shifts of funds within and between programmes as well as to surrender funds for projects that are not ready for implementation.

The total budget is adjusted upwards from R1.042 billion to R1.125 billion, increasing by a net amount of R83.1 million. Of this amount, R46 million relates to the equitable share and conditional grants roll-overs whilst the balance of R39.2million is for improvement of conditions of service for employees in level 1-12 and the shortfall on compensation of employees.

Furthermore, an amount of R2.5 million is surrendered from Infrastructure Delivery Management System (IDMS) due to the reduction of scope of work for the construction of a fence at Abe Bailey Nature Reserve.

### 3. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

#### Programme 1: Administration

TABLE 11.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Office of the MEC	6 667							6 667
2. Senior Management	31 224			500	2 070		2 570	33 794
3. Corporate Services	85 526		6 551	1 500	3 487		11 538	97 064
4. Financial Management	139 237				4 183		4 183	143 420
<b>Total for Programmes</b>	<b>262 654</b>		<b>6 551</b>	<b>2 000</b>	<b>9 740</b>		<b>18 291</b>	<b>280 945</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>253 365</b>		<b>739</b>	<b>1 564</b>	<b>9 740</b>		<b>12 043</b>	<b>265 408</b>
Compensation of employees	152 360				9 740		9 740	162 100
Salaries & wages	126 845				9 005		9 005	135 850
Social contribution	25 515				735		735	26 250
Goods and services	101 005		739	1 564			2 303	103 308
<b>Transfers and subsidies</b>	<b>2 427</b>			<b>(61)</b>			<b>(61)</b>	<b>2 366</b>
Provinces and municipalities	58							58
Departmental agencies and accounts	1 547			(225)			(225)	1 322
Households	822			164			164	986
<b>Payments for capital assets</b>	<b>6 862</b>		<b>5 812</b>	<b>270</b>			<b>6 082</b>	<b>12 944</b>
Machinery and equipment	6 862		5 812	270			6 082	12 944
<b>Payments for financial assets</b>				<b>227</b>			<b>227</b>	<b>227</b>
Thefts & Losses				227			227	227
<b>Total economic classification</b>	<b>262 654</b>		<b>6 551</b>	<b>2 000</b>	<b>9 740</b>		<b>18 291</b>	<b>280 945</b>

TABLE 11.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(4 435)</b>		<b>5 999</b>
Goods and services	Funds are shifted due to the suspension of a publication of the Nature Conservation Bill; fewer requests for Employee Wellness services processed; reduced stakeholder engagements with communities; and due to reduced use of fumigation services anticipated for the remainder of the year.	(4 435)	Funds are allocated for payment of offsite storage; Agriculture Youth Expo; multimedia campaign; onsite gym and wellness centre; as well as training and capacity building of officials.	5 999
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(225)</b>		<b>164</b>
Departmental agencies and accounts	Funds are available due to the payment for the skills development levy transfers to Agri-Seta and CATH-SETA are fully paid.	(225)		
Households			Funds are made available to cover for leave gratuity benefits.	164
<b>Payments for capital assets</b>		<b>(80)</b>		<b>350</b>
Machinery and equipment	Funds are available due to fewer request for equipment processed.	(80)	Funds are allocated for procurement of vehicles under fleet management services.	350
<b>Payments for financial assets</b>				<b>227</b>
Thefts & Losses			Funds are allocated for theft and losses expenditure.	227
<b>Total economic classification</b>		<b>(4 740)</b>		<b>6 740</b>

**Rollovers: R6.5 million**

An amount of R6.5 million is rolled over to fund tools of trade such as supply and delivery of laptops desktop printer, projector, and laptop security cables.

**Virements and shifts**

A virement of R1.5 million is availed to Corporate Services for the 16 Days of Activism of No Violence Against Women and Children, Women and Youth in Agriculture and Rural Development Programmes and International Day of Disabilities.

Furthermore, an amount of R500 000 is allocated for items such as catering, advertising, venues and facilities, travel and subsistence as well as leave gratuity benefit.

**Additional funding: National R9.7 million**

An amount of R9.7 million is allocated to cover a shortfall on compensation of employees and improvement of conditions of service for all employees in salary level 1 to 12.

**Programme 2: Agriculture and Rural Development**

TABLE 11.4: PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Sustainable Resource Management	7 653				1 979		1 979	9 632
2. Farmer Support And Development	238 811		17 914		1 759		19 673	258 484
3. Veterinary Services	108 389		5 383	(6 838)	2 022		567	108 956
4. Research And Technology Development Services	79 493		3 827	(25 000)	1 063		(20 110)	59 383
5. Agricultural Economics Services	42 016		7 410	(1 500)	2 349		8 259	50 275
6. Rural Development Coordination	10 959		750	200	291		1 241	12 200
<b>Total for Programmes</b>	<b>487 321</b>		<b>35 284</b>	<b>(33 138)</b>	<b>9 463</b>		<b>11 609</b>	<b>498 930</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
Current payments	476 095		26 298	(32 094)	9 463		3 667	479 762
Compensation of employees	193 043				9 463		9 463	202 506
Salaries & wages	166 807			(7 000)	8 376		1 376	168 183
Social contribution	26 236			7 000	1 087		8 087	34 323
Goods and services	283 052		26 298	(32 094)			(5 796)	277 256
<b>Transfers and subsidies</b>	<b>6 286</b>		<b>1 020</b>				<b>1 020</b>	<b>7 306</b>
Higher education institutions	5 965		1 020				1 020	6 985
Households	321							321
<b>Payments for capital assets</b>	<b>4 940</b>		<b>7 966</b>	<b>(1 044)</b>			<b>6 922</b>	<b>11 862</b>
Machinery and equipment	4 940		7 966	(1 044)			6 922	11 862
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>487 321</b>		<b>35 284</b>	<b>(33 138)</b>	<b>9 463</b>		<b>11 609</b>	<b>498 930</b>

**TABLE 11.5 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(62 120)</b>		<b>30 026</b>
Compensation of employees	Funds are shifted to align budget and expenditure.	(7 000)	Funds are shifted to align budget and expenditure.	7 000
Goods and services	Funds are shifted from Agri Food Fest project; agriparks; and milling plants due to delays in implementation of projects. Funds for agro-processing equipment budget misallocated as other supplies. Delays in the submission of veterinary laboratory samples for conducting tests.	(55 120)	Funds are allocated for research symposium; poultry association's administration fees for the establishment of egg aggregation in the province; Nama-Phepa awards; VPH HAS training; Rabies strategy workshop; launch of mobile abattoirs; and Nguni program.	23 026
<b>Transfers and subsidies</b>				
Households				
<b>Payments for capital assets</b>		<b>(1 812)</b>		<b>768</b>
Machinery and equipment	Funds are shifted due to delays in implementation of veterinary services project.	(1 812)	Fund are allocated for procurement of tractors linked to Agri-parks project.	768
<b>Total economic classification</b>		<b>(63 932)</b>		<b>30 794</b>

**Rollover: R35.2 million**

An amount of R17.9 million is approved as a rollover for equitable share to fund the following: supply and delivery of agriculture equipment; research agenda projects and medicine, vaccines; and medical supplies for veterinary services. An amount of R17.4 million is approved as a rollover to Comprehensive Agricultural Support Programme grant for garden shade nets, equipping of boreholes, new fences, supply and delivery of piggery and poultry inputs and equipment.

**Virements and shifts**

A total virement of R33.1 million is shifted from Veterinary Services due to adequate supplies of medicine for the remainder of the financial year. Funds are also shifted from milling plant and agri-parks projects due to slow implementation of infrastructure affecting the approval of project initiation report (PIR) and capacity to implement agri-parks. The funds are redirected to BKB projects to clean townships, informal settlement, and hostels (TISH) as well as food security projects.

Furthermore, funds are allocated towards the following: expansion of egg aggregation; horticulture scheme and a shortfall on Agriculture land audit.

**Additional funding: National R9.4 million**

An amount of R9.4 million is allocated to cover a shortfall on compensation of employees and improvement of conditions of service for all employees in salary level 1 to 12.

**Programme 3: Environmental Affairs****TABLE 11.6: PROGRAMME 3: ENVIRONMENTAL AFFAIRS**

Sub-programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Environmental Policy, Planning and Coordination	31 896							31 896
2. Compliance A and Enforcement	45 965				3 646		3 646	49 611
3. Environmental Quality Management	60 117		398	3 515	3 759		7 672	67 789
4. Biodiversity Management	100 368	(2 548)	4 210	(300)	9 810		11 172	111 540
5. Environmental Empowerment Services	54 035			27 923	2 837		30 760	84 795
<b>Total for Programmes</b>	<b>292 381</b>	<b>(2 548)</b>	<b>4 608</b>	<b>31 138</b>	<b>20 052</b>		<b>53 250</b>	<b>345 631</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>278 563</b>		<b>1 532</b>	<b>28 901</b>	<b>20 052</b>		<b>50 485</b>	<b>329 048</b>
Compensation of employees	202 475			3 960	20 052		24 012	226 487
Salaries & wages	175 586			3 960	17 773		21 733	197 319
Social contribution	26 889				2 279		2 279	29 168
Goods and services	76 088		1 532	24 941			26 473	102 561
<b>Transfers and subsidies</b>	<b>710</b>		<b>265</b>	<b>390</b>			<b>655</b>	<b>1 365</b>
Provinces and municipalities			265	600			865	865
Households	710			(210)			(210)	500
<b>Payments for capital assets</b>	<b>13 108</b>	<b>(2 548)</b>	<b>2 811</b>	<b>1 847</b>			<b>2 110</b>	<b>15 218</b>
Buildings and other fixed structures	10 626	(2 548)	2 811				263	10 889
Machinery and equipment	2 482			1 847			1 847	4 329
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>292 381</b>	<b>(2 548)</b>	<b>4 608</b>	<b>31 138</b>	<b>20 052</b>		<b>53 250</b>	<b>345 631</b>

**TABLE 11.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: ENVIRONMENTAL AFFAIRS**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(22 004)</b>		<b>51 035</b>
Compensation of employees			Funds are allocated for EPWP graduates programme and BKB project in townships, informal settlement and hostels (TISH) Programme & MEC 100 Days programme.	3 960
Goods and services	Saving is realised due to partnership with private entities in funding for greening project. Funds are shifted due to delays in implementation of environmental waste management project; delays in implementation of environmental education projects; and department collaborating with municipalities for free venues to host events.	(22 004)	Funds are allocated for Bontle ke Botho programme; air quality monitoring stations assessment; job creation for EPWP participants; procurement of recycling equipment; buy backs for companies that are doing recycling in the townships; Jungle gym for RMN day visitors to Roodeplaat; and Gauteng Youth Centre.	47 075
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(210)</b>		<b>600</b>
Provinces and municipalities			Funds are allocated for municipal rates and taxes.	600
Non-profit institutions				
Households	Funds are shifted due to fewer leave gratuity claims processed.	(210)		
<b>Payments for capital assets</b>		<b>(160)</b>		<b>1 877</b>
Buildings and other fixed structures	Funds are shifted due to delays in implementation of IDMS projects.	(130)		
Machinery and equipment	Funds are shifted due to item being adequately funded.	(30)	Funds are allocated for procurement of air quality monitoring workstations for air quality management.	1 877
<b>Total economic classification</b>		<b>(22 374)</b>		<b>53 512</b>

### Function shifts, Surrenders and Suspensions: R2.5 million

An amount of of 2.5 million is surrendered to the Provincial Revenue Fund due to the reduced scope of work for the construction of a fence at Abe Bailey Nature Reserve.

### Rollover: R4.6 million

An amount of R4.6 million is approved as a rollover for equitable share to fund the following: Implementing agent fees, nature reserves fencing material services, supply of burning equipments, servicing of underground diesel and petrol tanks and supply new fuel dispensers.

### Virements and shifts

R27.9 million is allocated to Environmental Empowerment Services for extension of EPWP graduates programme and to upscale BKB & EPWP clean-up projects in relation to townships, informal settlement and hostels (TISH) programme & MEC 100 Days programme. Funds are also redirected towards the following: stipends for casual laborer's; rental and hiring of Tipper Low Bed truck (TLBs) and trucks for clean-up campaigns.

Furthermore, an amount of R3 million is allocated to procure wheelie bins and skip bins in relation to townships, informal settlement and hostels (TISH) programme, procurement of waste recyclers equipment, as well as clearing of waste at illegal dumping sites and the procurement of laptops, printers and projectors for officials.

#### National Additional funding: R20 million

An amount of R20 million is allocated to cover a shortfall on compensation of employees and improvement of conditions of service for all employees in salary level 1 to 12.

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

TABLE 11.8: EXPENDITURE 2021/22 AND PRELIMINARY EXPENDITURE 2022/23

Department	2021/22				2022/23		
	Adjusted appropriation	Expenditure Outcome		Apr 2021 - Mar 2022 as a % of adjusted appropriation	Preliminary expenditure		
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Adjusted appropriation		Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept	
<b>R thousand</b>							
1. Administration	271 928	133 219	263 663	97%	280 945	141 780	(50)%
2. Agriculture and Rural Development	468 791	148 150	382 305	82%	498 930	141 679	(72)%
3. Environmental affairs	304 092	130 803	298 750	98%	345 631	142 120	(59)%
<b>Total</b>	<b>1 044 811</b>	<b>412 172</b>	<b>944 718</b>	<b>90%</b>	<b>1 125 506</b>	<b>425 579</b>	<b>3%</b>
<b>Current payments</b>	<b>978 150</b>	<b>387 470</b>	<b>895 168</b>	<b>92%</b>	<b>1 074 218</b>	<b>407 940</b>	<b>(126)%</b>
Compensation of employees	540 113	263 465	540 446	100%	591 093	272 364	(54)%
Goods and Services	438 037	124 005	354 722	81%	483 125	135 576	(72)%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>11 053</b>	<b>1 972</b>	<b>9 169</b>	<b>83%</b>	<b>11 037</b>	<b>3 524</b>	<b>(258)%</b>
Provinces and municipalities	74	73	721	974%	923	267	(71)%
Departmental agencies and accounts	1 360		1 300	96%	1 322	798	(40)%
Higher education institutions	7 205	715	4 811	67%	6 985	2 040	(71)%
Households	2 414	1 184	2 337	97%	1 807	419	(77)%
<b>Payments for capital assets</b>	<b>55 608</b>	<b>22 730</b>	<b>40 381</b>	<b>73%</b>	<b>40 024</b>	<b>13 889</b>	<b>(39)%</b>
Buildings and other fixed structures	19 766	5 401	15 273	77%	10 889	3 999	(63)%
Machinery and equipment	35 842	17 329	25 108	70%	29 135	9 890	(66)%
<b>Payments for financial assets</b>					<b>227</b>	<b>226</b>	
<b>Total</b>	<b>1 044 811</b>	<b>412 172</b>	<b>944 718</b>	<b>90%</b>	<b>1 125 506</b>	<b>425 579</b>	<b>3%</b>

#### Expenditure trends for 2021/22

The department spent R944.7 million of the R1.045 million adjusted appropriation. This translates into 10per cent underspending as at the end of the financial year.

Programme 1: Administration expenditure totals R263.6 million and underspent by 3 per cent on its adjusted budget.

Programme 2: Agriculture and Rural Development spent R382.3 million of its adjusted budget. The under spending of 18 per cent was due to delays in implementation of projects as a result of COVID -19 lockdown.

Programme 3: Environmental Affairs recorded an expenditure of R298.7 million and underspent by 2 per cent on its adjusted budget.

#### Compensation of Employees

The department spent R540.1 million of its R547.4 million of its adjusted budget.

#### Goods and Services

The department recorded an expenditure of R354.7 million against the adjusted budget of R438 million. The underspending is due to the COVID-19 lockdown and because of the following challenges:

- Most of the tenders that were advertised during the 2021-2022 financial year were non-responsive and needed to be readvertised.
- The CASP and Illima/Letsema Business plans was only approved in June and the 1st tranche was transferred on 20 July 2021. The Gauteng Landcare business plan was approved in August 2021 and this delayed the implementation of the projects.



- The court judgment on Preferential Procurement Regulation had an impact on all procurement requests (RFQ) that were not finalised /approved before 28 February 2022. This also impacted on the department’s ability to commit the outstanding balance for the 2021-2022 Financial year.
- The DBSA, the department implementing Agent in the construction of Conditional Grant infrastructure projects, reported delays due to tenders that were non-responsive, and project could not be finalised at financial year end.

**Transfers and Subsidies**

The department spent R9.1 million of the R11 million adjusted appropriation as at the end of the financial year. The spending covers property rates and taxes, higher education institutions for research agenda, bursaries, and internships, SETA’s for skills development levy and leave gratuity payment.

The unspent budget of R1 million could not be transferred to higher education and institutions for Agricultural Research Agenda due to the late submission of approved documents missed.

**Payments for Capital Assets**

The department spent R40.4 million of the R55.6 million adjusted appropriation. The main expenditure under this item was for laptops, printers etc. (tools of trade) for officials and motor vehicles procured under veterinary services. The other expenditure relates to the construction of a fence at Abe Bailey and Suikerbosrand Diepkloof farm.

**Preliminary expenditure trends for the first half of 2022/23**

**Compensation of Employees**

The department spent R272 million of the R591 million of the adjusted appropriation.

**Goods and Services**

The department recorded an expenditure of R135 million against the allocated budget of R483 million. The main reason for the underspending on goods and services can be attributed to several procurement processes (RFQ and Tender) are still unfolding. In addition, CASP and Illima/Letsema Business plans were approved in August and the Gauteng LandCare business plan is not yet finalised.

**Transfers and Subsidies**

The department spent R3.5 million of R11 million budget. R2 million was transferred to the Vaal University of Technology and the University of Johannesburg for bursaries and internship. R267 000 was spent on property rates and taxes whilst R419 000 was spent on leave gratuity payments. R798 000 was transferred to Agri-SETA for skills development levy.

**Payments for Financial Assets**

The department has written off bad debts to the value of R 226 000.

**Payments for Capital Assets**

The department has spent R13 million of R40 million budget. R3 million was spent on construction of a fence, R2 million on tractor and motor vehicle and R8 million was spent on desktops and desktop printingequipment.

**5. Departmental Receipts**

TABLE 11.9: DEPARTMENTAL RECEIPTS

Department	2021/22				2022/23		
	Adjusted appropriation	Audited Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Preliminary Receipts		
Apr 2021 - Sept 2021		Apr 2021- Mar 2022	Adjusted appropriation		Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept	
Tax receipts							
Sales of goods and services other than capital assets	10 327	6 617	13 820	10 946	6 960	5%	
Transfers received						0%	
Fines, penalties and forfeits	3 500	2 711	5 756	3 710	7 782	187%	
Interest, dividends and rent on land	8	116		8		(100)%	
Sales of capital assets			426		5	0%	
Financial transactions in assets and liabilities	289	202	202	303	156	(23)%	
<b>Total</b>	<b>14 124</b>	<b>9 646</b>	<b>20 204</b>	<b>14 967</b>	<b>14 903</b>	<b>54%</b>	

## Revenue trends for the first half of the 2022/23 financial year

The department collected R20.2 million of the revenue appropriated for 2021/22 which is 43 per cent more than the projected revenue. This is due to payments for issued S24G fines for previous year; sales of capital assets (Computers and Auction of departmental vehicles) not budgeted for; and sales of horses at Suikerbosrand Nature reserves for an amount of R 215 000.

Veterinary services and permits applications which are demand driven initiatives also contributed to revenue collection under sales of goods and services. The department also collected R364 000 from auction of government vehicles in 2021 and R61 000 for sales of scrap computers, laptops printers.

The department continued to receive payments for section 24G administrative fines issued in previous and current financial year. The actual collection on domestic fines is 210 per cent as at end of 2nd quarter and more to be collected during this current financial period.

The department is collecting monthly under sales of goods and services other than capital assets, due to revenue received from nature reserves services; EIA; Permits and Veterinary services. The department received additional revenue for R175 000 for Sale of cattles in Suikerbosrand Nature reserves.

The department collected on financial transactions in assets and liabilities which are from previous year salary reversals. All other services collected as expected as at end of 2nd quarter. No interest was received on debts.

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

### 7.1 Changes to transfers and subsidies

TABLE 11.10: CHANGES TO TRANSFERS AND SUBSIDIES

R thousand	Main Budget						Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 1</b>	<b>2 427</b>			(225)			(61)	<b>2 366</b>
Provinces and municipalities	58							58
Departmental agencies and accounts	1 547			(225)			(225)	1 322
Households	822			164			164	986
<b>Programme 2</b>	<b>6 286</b>		<b>1 020</b>				<b>1 020</b>	<b>7 306</b>
Higher education institutions	5 965		1 020				1 020	6 985
Households	321							321
<b>Programme 3</b>	<b>710</b>		<b>265</b>	<b>390</b>			<b>655</b>	<b>1 365</b>
Provinces and municipalities			265	600			865	865
Households	710			(210)			(210)	500
<b>Total changes in transfers</b>	<b>9 423</b>		<b>1 285</b>	<b>165</b>			<b>1 614</b>	<b>11 037</b>

### Rollovers: R1.2 million

The department receives an approved rollover amount of R1 million for biotechnology bursaries and internships or experiential learning. Furthermore; an amount of R265 000 is rolled over for property rates and taxes at Merafong Municipality.

### Virements and shifts

The net increase of R165 000 is allocated under provinces and municipalities for payment of municipal rates and taxes, and households for leave gratuity benefits.

## 7.2 Changes to Conditional grants

TABLE 11.11: CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2</b>	<b>149 584</b>		<b>17 397</b>				<b>17 397</b>	<b>166 981</b>
CASP	103 748		17 397				17 397	121 145
ILLIMA/LETSEMA	37 262							37 262
LAND CARE	5 219							5 219
EPWP INCENTIVE	3 355							3 355
<b>Total changes in conditional grants</b>	<b>149 584</b>		<b>17 397</b>				<b>17 397</b>	<b>166 981</b>

### Rollover national: R17.4 million

The department receives an approved rollover with the amount of R17.4 million for Comprehensive Agricultural Support Programme grant (Extension Recovery plan) to cover expenditure relating to the procurement of laptops; screens; rugged device and protective clothing for agricultural extension officers. Funds are also availed for CASP infrastructure to procure garden shade nets; equipping of boreholes; new fences; as well as supply and delivery of piggery and poultry inputs and equipment.

### 7.3 Changes to Infrastructure

Please refer to 2022 Adjusted Estimates of Capital Expenditure (AECE).

# VOTE 12

## SPORT, ARTS, CULTURE AND RECREATION

R thousand	2022/23			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 097 407</b>	<b>968 169</b>	<b>(129 238)</b>	
<b>of which:</b>				
Current payments	705 776	618 831	(86 945)	
Transfers and subsidies	339 121	309 051	(30 070)	
Payments for capital assets	52 510	40 230	(12 280)	
Payment for financial assets		57		57
<b>Executive authority</b>	<b>MEC for Sport, Arts, Culture and Recreation</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 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 2022/23

TABLE 12.1 DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

Programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Administration	175 068	(19 903)					(19 903)	155 165
2. Cultural Affairs	244 161	(39 813)		1 285			(38 528)	205 633
3. Library and Archives Services	333 196	(29 522)		(835)			(30 357)	302 839
4. Sport and Recreation	344 982	(40 000)		(450)			(40 450)	304 532
<b>Total for Programmes</b>	<b>1 097 407</b>	<b>(129 238)</b>					<b>(129 238)</b>	<b>968 169</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
R thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>705 776</b>	<b>(84 886)</b>		<b>(2 059)</b>			<b>(86 945)</b>	<b>618 831</b>
Compensation of employees	356 252	(51 945)		(19 797)			(71 742)	284 510
Salaries & wages	301 426	(45 870)		(20 346)			(66 216)	235 210
Social contribution	54 826	(6 075)		549			(5 526)	49 300
Goods and services	349 524	(32 941)		17 734			(15 207)	334 317
Interest and rent on land				4			4	4
<b>Transfers and subsidies</b>	<b>339 121</b>	<b>(30 320)</b>		<b>250</b>			<b>(30 070)</b>	<b>309 051</b>
Provinces and municipalities	205 576							205 576
Departmental agencies and accounts	39 329			1 840			1 840	41 169
Non-profit institutions	91 136	(30 000)		(2 299)			(32 299)	58 837
Households	3 080	(320)		709			389	3 469
<b>Payments for capital assets</b>	<b>52 510</b>	<b>(14 032)</b>		<b>1 752</b>			<b>(12 280)</b>	<b>40 230</b>
Buildings and other fixed structures	36 486	(12 851)					(12 851)	23 635
Machinery and equipment	15 843	(1 000)		1 752			752	16 595
Heritage assets								
Software and other intangible assets	181	(181)					(181)	
<b>Payments for financial assets</b>				<b>57</b>			<b>57</b>	<b>57</b>
<b>Total economic classification</b>	<b>1 097 407</b>	<b>(129 238)</b>					<b>(129 238)</b>	<b>968 169</b>

The budget of the department is adjusted down by R129.2 million from R1.097 billion to R968.2 million due to a surrender of funds to the provincial revenue fund.

Of the R129.2 million, R51.9 million is from compensation of employees which is surrendered due to delays in filling vacant posts including posts within the infrastructure unit and the Provincial Archives Centre. A total of R32.9 million is surrendered from goods and services of which R10 million is from the Wednesday League School Programme amidst the delays in launching the programme, R4.4 million is from the Provincial Archives Centre, R3.5 million from the Kagiso Monument and R15 million from the Women’s Living Heritage Monument.

Furthermore, R30.3 million is surrendered from transfers and subsidies, of which R30 million is from the budget allocated to the bidding for and hosting of events, due to delays in the adjudication of major sporting and cultural events in the province and R320 000 is from bursaries for non-employees as there were no new intake in the current financial year. A total of R14 million is surrendered from payments for capital assets, of which R12.8 million is from buildings and other fixed structures due to the delays to deliver complete infrastructure. In addition, R1 million is surrendered from machinery and equipment while R181 000 is from software and other intangible assets, due to delays in operationalising the Provincial Archives Centre.

The budget is also reprioritised internally within the department by reducing funds from areas where there is low spending and allocating funds to areas aligned to departmental priorities. The personnel budget decreases further by R19.8 million due to delays in the filling of vacant posts. In goods and services, the budget increases with R17.7 million to cater for amongst others, the expansion of the audit scope, the increase in the legal fees, the enhancement of the state of health and wellness of Gauteng citizens through the Hanyani Wellness Project, transformational programmes for sport academies and school sports, the enhancement of language services for promoting and fostering constitutional values and multilingualism in Gauteng and the implementation of activities related to arts and culture programmes. R1.8 million is shifted to the Gauteng Film Commission for the implementation film related projects and R1.7 million is shifted to machinery and equipment to make provision for the procurement of tools of trade for support staff.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

### Programme 1: Administration

TABLE 12.2: PROGRAMME 1: ADMINISTRATION

Programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Office of the Mec	13 027	(743)		61			(682)	12 345
2. Corporate Services	162 041	(19 160)		(61)			(19 221)	142 820
<b>Total for Programmes</b>	<b>175 068</b>	<b>(19 903)</b>					<b>(19 903)</b>	<b>155 165</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>167 355</b>	<b>(19 903)</b>		<b>(4 571)</b>			<b>(24 474)</b>	<b>142 881</b>
Compensation of employees	136 035	(19 903)		(16 546)			(36 449)	99 586
Salaries & wages	116 398	(17 628)		(16 546)			(34 174)	82 224
Social contribution	19 637	(2 275)					(2 275)	17 362
Goods and services	31 320			11 974			11 974	43 294
Interest and rent on land				1			1	1
<b>Transfers and subsidies</b>	<b>2 430</b>			<b>401</b>			<b>401</b>	<b>2 831</b>
Provinces and municipalities								
Households	2 430			401			401	2 831
<b>Payments for capital assets</b>	<b>5 283</b>			<b>4 118</b>			<b>4 118</b>	<b>9 401</b>
Machinery and equipment	5 283			4 118			4 118	9 401
Software and other intangible assets								
<b>Payments for financial assets</b>				<b>52</b>			<b>52</b>	<b>52</b>
<b>Total economic classification</b>	<b>175 068</b>	<b>(19 903)</b>					<b>(19 903)</b>	<b>155 165</b>

TABLE 12.3 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(20 949)</b>		<b>16 378</b>
Compensation of employees	Budget is reprioritised due to the delay in filling of vacant posts.	(16 546)		
Goods and services	Reprioritisation of funds within the programme from items that are adequately funded. Also, payments of the lease for fleet services is capitalised under machinery and equipment according to SCOA.	(4 403)	Provision for the expansion of the audit scope by the Auditor General and for the payment of the annual Adobe software license. Funds are reprioritised within the MEC's office to cater for engagements with eminent guests and other stakeholders. Provision for emerging spending pressures including the maintenance of the leased office building. Funds are reprioritised to cater for the logistics related to the departmental strategic planning session and for branding to host upcoming seminars.	16 377
Interest and rent on land			Defrayment of excess expenditure incurred on interest paid.	1
<b>Transfers and subsidies</b>				<b>401</b>
Households			Provision for the payment of leave gratuity to retired official.	401
<b>Payments for capital assets</b>				<b>4 118</b>
Buildings and other fixed structures				
Machinery and equipment			Budget allocated to fleet services is reclassified as a capital payment, and provision for the procurement of laptops and desktops for support staff.	4 118
Software and other intangible assets				
<b>Payments for financial assets</b>			Provision for bad debts written off.	52
<b>Total economic classification</b>		<b>(20 949)</b>		<b>20 949</b>

## Function Shifts, Suspensions and Surrenders: R19.9 million

An amount of R19.9 million is surrendered from compensation of employees due to the slow progress in the filling of vacant posts including the recruitment of the relevant professional staff in the built environment.

## Virements and shifts

An amount of R16.5 million is shifted from compensation of employees due to delays in filling vacant posts and R11.9 million is shifted to goods and services to make provision for the expansion of the audit scope by Auditor General South Africa, to fund legal fees and the implementation of a fully managed data centre for the departmental ICT functions.

An amount of R4.1 million is shifted to payment for capital assets to make provision for the procurement of tools of trade for support staff.

## Programme 2: Cultural Affairs

TABLE 12.4: PROGRAMME 2: CULTURAL AFFAIRS

Programmes	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation	
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National			Additional Funding: Provincial
<b>R thousand</b>								
1. Management	9 439	(100)				(100)	9 339	
2. Arts & Culture	161 167	(13 000)		5 050		(7 950)	153 217	
3. Heritage Resource Services	68 859	(24 813)		(4 665)		(29 478)	39 381	
4. Language Services	4 697	(1 900)		900		(1 000)	3 697	
<b>Total for Programmes</b>	<b>244 161</b>	<b>(39 813)</b>		<b>1 285</b>		<b>(38 528)</b>	<b>205 633</b>	
Economic classification	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation	
R thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>185 022</b>	<b>(39 813)</b>		<b>276</b>			<b>(39 537)</b>	<b>145 485</b>
Compensation of employees	75 037	(16 313)		(2 798)			(19 111)	55 926
Salaries & wages	64 140	(14 113)		(2 830)			(16 943)	47 197
Social contribution	10 897	(2 200)		32			(2 168)	8 729
Goods and services	109 985	(23 500)		3 074			(20 426)	89 559
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>54 256</b>			<b>1 870</b>			<b>1 870</b>	<b>56 126</b>
Provinces and municipalities	2 927							2 927
Departmental agencies and accounts	39 329			1 840			1 840	41 169
Non-profit institutions	12 000							12 000
Households				30			30	30
<b>Payments for capital assets</b>	<b>4 883</b>			<b>(861)</b>			<b>(861)</b>	<b>4 022</b>
Buildings and other fixed structures	400			1 285			1 285	1 685
Machinery and equipment	4 483			(2 146)			(2 146)	2 337
Heritage assets								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>244 161</b>	<b>(39 813)</b>		<b>1 285</b>			<b>(38 528)</b>	<b>205 633</b>

**TABLE 12.5 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: CULTURAL AFFAIRS**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(20 824)</b>		<b>21 100</b>
Compensation of employees	Budget is reprioritised due to the delay in filling of vacant posts.	(3 002)	Funds reprioritised from salaries to social contributions which are under budgeted for in the Sub-programme: Heritage services.	204
Goods and services	Budget is reprioritized within the programme since catering and contractors are adequately funded in the Arts and Culture and Heritage Services sub-programmes. The budget is further reprioritized from property payments, transport and venues which are adequately funded.	(17 822)	Funds allocated to implement Arts, Culture and Language Services programmes as event organisers and artists are required to roll out outreach programs to reach the broader public. Provision for the distribution of items used during events. Provision for accommodation provided to non-employees participating in the department's events, and for the foreign travelling of employees who travel for study purposes in the Monument discipline. Funds allocated to venues for the implementation of Language Diversity programmes.	20 896
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>1 870</b>
Provinces and municipalities				
Departmental agencies and accounts			Funds shifted to the Gauteng Film Commission for the implementation of the audio-visual post-production and research facilities within monuments and regional local communities.	1 840
Non-profit institutions				
Households			Funds allocated for the enhancement of the gravesites of heroes and heroines that have passed on.	30
<b>Payments for capital assets</b>		<b>(2 261)</b>		<b>1 400</b>
Buildings and other fixed structures			Provision for conclusion of the occupancy certificate at WLHM.	1 285
Machinery and equipment	Budget is reprioritized within the programme because this item is adequately funded.	(2 261)	Funds allocated to arts and culture programmes and operationalisation of hubs.	115
Heritage assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(23 085)</b>		<b>24 370</b>

### Function shifts, Suspensions, and Surrenders: R39.8 million

An amount of R39.8 million is surrendered from the programme, of which R16.3 million is from compensation of employees due to delays in the filling of vacant posts, R5 million is from the Wednesday Integrated Holiday Programmes, R3.5 million from the Kagiso Memorial monument and R15 million from the Women's Living Heritage Monument. The surrenders are due to the delays in launching the integrated holiday programmes and in operationalising the two monuments.

### Virements and shifts

The programme receives a total amount of R1.2 million from Programme 3: Library and Archive Services and Programme 4: Sport and Recreation to make provision for the completion of the infrastructure works at the Women's Living Heritage Monument which will enable the department to receive the occupancy certificate.

A total amount of R2.7 million is shifted from compensation of employees and R2.1 million from machinery and equipment due to the delay in filling vacant posts. An amount of R3 million is shifted to goods and services for promoting and fostering constitutional values and multilingualism in Gauteng and for the implementation of activities related to the promotion of arts and culture. R1.8 million is shifted to transfers to the Gauteng Film Commission for the implementation of audio-visual post-production and research facilities within monuments and regional local communities. R30 000 is for the development of the gravesites of heroes and heroines.



**Programme 3: Library and Archives Services**

**TABLE 12.6: PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES**

Programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Management	8 502							8 502
2. Library Services	292 975	(9 522)		(835)			(10 357)	282 618
3. Archives	31 719	(20 000)					(20 000)	11 719
<b>Total for Programmes</b>	<b>333 196</b>	<b>(29 522)</b>		<b>(835)</b>			<b>(30 357)</b>	<b>302 839</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>108 833</b>	<b>(20 170)</b>		<b>375</b>			<b>(19 795)</b>	<b>89 038</b>
Compensation of employees	44 258	(15 729)		(170)			(15 899)	28 359
Salaries & wages	38 893	(14 129)		(687)			(14 816)	24 077
Social contribution	5 365	(1 600)		517			(1 083)	4 282
Goods and services	64 575	(4 441)		542			(3 899)	60 676
Interest and rent on land				3			3	3
<b>Transfers and subsidies</b>	<b>206 799</b>	<b>(320)</b>					<b>(320)</b>	<b>206 479</b>
Provinces and municipalities	202 649							202 649
Non-profit institutions	3 500							3 500
Households	650	(320)					(320)	330
<b>Payments for capital assets</b>	<b>17 564</b>	<b>(9 032)</b>		<b>(1 210)</b>			<b>(10 242)</b>	<b>7 322</b>
Buildings and other fixed structures	14 136	(7 851)		(835)			(8 686)	5 450
Machinery and equipment	3 247	(1 000)		(375)			(1 375)	1 872
Software and other intangible assets	181	(181)					(181)	
<b>Total economic classification</b>	<b>333 196</b>	<b>(29 522)</b>		<b>(835)</b>			<b>(30 357)</b>	<b>302 839</b>

**TABLE 12.7 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(2 673)</b>		<b>3 048</b>
Compensation of employees	Budget is reprioritised due to the delay in filling of vacant posts.	(687)	Funds allocated to social contributions for employees in the Library Services sub-programme which was under budgeted for.	517
Goods and services	Budget is reprioritised as advertising, consumable supplies, travel and subsistence and transport are adequately funded.	(1 986)	Provision for municipal services for the newly built libraries that have not yet been handed over to the municipalities. Funds allocated to community libraries and to event planners, artists, photographers in community libraries, and towards outreach and reading programmes.	2 528
Interest and rent on land			Provision for interest paid on municipal accounts which were paid late at Archive Services	3
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(1 225)</b>		<b>15</b>
Buildings and other fixed structures	Delays in the conclusion of library building projects by the implementing agent.	(835)		
Machinery and equipment	Reprioritisation of audio visual, photographic, cellular and security equipment as these items are adequately funded.	(390)	Provision for a printer used by senior management.	15
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(3 898)</b>		<b>3 063</b>

### Function Shifts, Suspensions and Surrenders: R29.5 million

The total amount of R29.5 million is surrendered, of which R20 million is from the Provincial Archive Centre due to slow progress in fully operationalising the centre and filling vacant posts, R7.9 million is from the infrastructure allocation due to delays in the completion of library building projects by the implementing agent, R1 million is from machinery and equipment due to procurement delays. The remaining balance is surrendered from households and software and other intangible assets due to delays in operationalising the Provincial Archive Centre.

### Virements and shifts

The programme is shifting R835 000 to Programme 2: Cultural Affairs for the completion of infrastructure works at the Women's Living Heritage Monument.

An amount of R545 000 is shifted within the programme, of which R170 000 is from compensation of employees and R375 000 from payments for capital assets. An amount of R542 000 is shifted to goods and services to fund community outreach programmes and security services for libraries that are not yet handed over to municipalities.

### Programme 4: Sport and Recreation

TABLE 12.8: PROGRAMME 4: SPORT AND RECREATION

Programmes	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Management	12 277			350			350	12 627
2. Sport	136 673	(30 000)		(1 187)			(31 187)	105 486
3. Recreation	128 879	(5 000)		2 990			(2 010)	126 869
4. School Sport	67 154	(5 000)		(2 603)			(7 603)	59 551
<b>Total for Programmes</b>	<b>344 982</b>	<b>(40 000)</b>		<b>(450)</b>			<b>(40 450)</b>	<b>304 532</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
R thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>244 566</b>	<b>(5 000)</b>		<b>1 861</b>			<b>(3 139)</b>	<b>241 427</b>
Compensation of employees	100 922			(283)			(283)	100 639
Salaries & wages	81 995			(283)			(283)	81 712
Social contribution	18 927							18 927
Goods and services	143 644	(5 000)		2 144			(2 856)	140 788
<b>Transfers and subsidies</b>	<b>75 636</b>	<b>(30 000)</b>		<b>(2 021)</b>			<b>(32 021)</b>	<b>43 615</b>
Provinces and municipalities								
Non-profit institutions	75 636	(30 000)		(2 299)			(32 299)	43 337
Households				278			278	278
<b>Payments for capital assets</b>	<b>24 780</b>	<b>(5 000)</b>		<b>(295)</b>			<b>(5 295)</b>	<b>19 485</b>
Buildings and other fixed structures	21 950	(5 000)		(450)			(5 450)	16 500
Machinery and equipment	2 830			155			155	2 985
<b>Payments for financial assets</b>				<b>5</b>			<b>5</b>	<b>5</b>
<b>Total economic classification</b>	<b>344 982</b>	<b>(40 000)</b>		<b>(450)</b>			<b>(40 450)</b>	<b>304 532</b>

TABLE 12.9 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: SPORT AND RECREATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(14 080)</b>		<b>15 941</b>
Compensation of employees	Budget is reprioritised due to the delay in the filling of vacant posts.	(283)		
Goods and services	Budget for administration fees and advertising is reprioritized due to procurement delays and projected underspending. Cell phone and data costs are centralised under the Management sub-programme. Budget is reprioritized from agency support/out-sourced services, inventory other supplies, consumable supplies, travel and subsistence, operating payments and transport which are adequately funded.	(13 797)	Provision for hosting games including the equipment and attire used during these games. Provision for the adjudicators of the Sports Awards. Provision for launching of the OR Tambo Soncini Games and for affiliation fees paid when hosting workshops/seminars.	15 941
<b>Transfers and subsidies</b>		<b>(2 299)</b>		<b>278</b>

Economic classification	Motivation	From	Motivation	To
Provinces and municipalities	Reclassification of budget allocated to the social cohesion games and community games to goods and services.	(2 299)	Provision for the payment of leave gratuity to officials who resigned.	278
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(695)</b>		<b>400</b>
Buildings and other fixed structures	Funds reprioritised due to the delays in completion of the construction of the Combi Courts and Operation Mabaleng.	(450)	Provision for the procurement of office equipment for staff.	400
Machinery and equipment	Budget is reprioritized within the programme because this item is adequately funded.	(245)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(17 074)</b>		<b>16 624</b>

### Function Shifts, Suspensions and Surrenders: R40 million

Due to slow spending, an amount of R40 million is surrendered, of which R5 million is from the Wednesday Integrated Games due to delays in launching the programme, R5 million is from the HM Pitje stadium and R30 million is from the budget earmarked for bidding and hosting of major sporting events.

### Virements and shifts

An amount of R450 000 is shifted to Programme 2: Cultural Affairs due to the implementation of infrastructure projects, specifically, the completion of the infrastructure works at the Women's Living Heritage Monument. R2.2 million is allocated to goods and services to launch the OR Tambo Soncini Games, and to cover logistical costs for the Hanyani Wellness Programme as well as other transformational programmes for sport academies and school sport. An amount of R278 000 is reallocated from compensation of employees to households to fund leave gratuity paid to officials who have resigned or retired. An amount of R400 000 is shifted to machinery and equipment to procure office equipment for officials.

A total of R2.5 million is shifted within transfers to non-profit institutions to support the Soweto Marathon. R600 000 is reallocated from savings identified in the International Rugby allocation, R1.2 million is a reduction of the budget for the Nelson Mandela Remembrance Walk budget and R700 000 is reprioritised within competitive sports allocation.

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

TABLE 12.10: EXPENDITURE 2020/21 AND PRELIMINARY EXPENDITURE 2021/22: SPORT, ARTS, CULTURE AND RECREATION

Department	2021/22 Expenditure Outcome				2022/23 Preliminary expenditure		
	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021 - Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
<b>R thousand</b>							
Administration	160 609	66 762	137 429	86%	155 165	69 342	4%
Cultural Affairs	222 856	66 916	143 000	64%	205 633	69 146	3%
Library And Archives Services	265 133	191 013	246 943	93%	302 839	150 442	(21)%
Sport and Recreation	228 914	56 838	202 886	89%	304 532	86 508	52%
<b>Total</b>	<b>877 512</b>	<b>381 529</b>	<b>730 258</b>	<b>83%</b>	<b>968 169</b>	<b>375 438</b>	<b>(2)%</b>

Department	2021/22				2022/23		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021 -Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
<b>Current payments</b>	<b>522 221</b>	<b>181 686</b>	<b>459 659</b>	<b>88%</b>	<b>618 831</b>	<b>213 554</b>	<b>57%</b>
Compensation of employees	277 751	127 583	260 286	94%	284 510	128 969	1%
Goods and Services	244 465	54 097	199 366	82%	334 317	84 581	56%
Interest and rent on land	5	6	7		4	4	
<b>Transfers and subsidies</b>	<b>313 637</b>	<b>189 770</b>	<b>253 218</b>	<b>81%</b>	<b>309 051</b>	<b>158 586</b>	<b>(15)%</b>
Provinces and municipalities	168 454	160 224	181 637	108%	205 576	128 756	(20)%
Departmental agencies and accounts	38 469	19 345	38 691	101%	41 169	19 665	2%
Non-profit institutions	103 467	4 971	26 476	26%	58 837	8 691	75%
Households	3 247	5 230	6 414	198%	3 469	1 474	(72)%
<b>Payments for capital assets</b>	<b>41 626</b>	<b>10 073</b>	<b>17 178</b>	<b>41%</b>	<b>40 230</b>	<b>3 298</b>	<b>(67)%</b>
Buildings and other fixed structures	21 769	5 314	10 020	46%	23 635	50	(99)%
Machinery and equipment	18 968	4 433	6 832	36%	16 595	3 248	(27)%
Heritage assets							
Software and other intangible assets	889	326	326				
<b>Payments for financial assets</b>	<b>28</b>		<b>203</b>		<b>57</b>		
<b>Total</b>	<b>877 512</b>	<b>381 529</b>	<b>730 258</b>	<b>83%</b>	<b>968 169</b>	<b>375 438</b>	<b>(2)%</b>

### Expenditure trends for 2021/22

The total expenditure as at the end of the 2021/22 financial year was at R730.2 million and that translates to 83 per cent of the adjusted budget of R877.5 million.

#### Programme 1: Administration

The programme spent R137 million which is 86 per cent of the allocated budget. The underspending was mainly because of delays in the finalisation of the procurement process for tools of trade for officials and the non-filling of vacant posts.

#### Programme 2: Cultural Affairs

The Cultural Affairs programme spent R143 million, which is 64 per cent of the allocated budget. The underspending of 36 per cent is due to the delays in the operationalisation of both the Women's Living Heritage Monument and Kagiso Monument. Internal delays due to policy pending guidelines for major events and grants-in-aid contributed to the underspending. Funds allocated to the Sedibeng Municipality for the Boipatong Monument were not transferred as the service level agreement was not finalised.

#### Programme 3: Library and Archives Services

The programme spent R246.9 million which is 93 per cent of the allocated budget. The under-spending was due to high vacancy rate on conditional grant posts and the delays in completion of infrastructure projects. The outstanding maintenance works in the Gauteng Provincial Archive Centre delayed the operationalisation.

#### Programme 4: Sport and Recreation

The programme spent R202 million, which is 89 per cent of the allocated budget. Underspending was attributable to the internal delays of the pending policy guidelines for the major events. Late appointment of professional service providers for infrastructure at combi-courts, including the appointment of a suitable contractor for the demolition of the HM Pitje stadium.

### Preliminary expenditure trends for the first half of 2022/23

The total departmental expenditure at the end of September 2022 is R375.4 million representing 38.8 per cent of the adjusted budget. The slow spending is due to the high vacancy rate and delays in the operationalisation of the monuments, delays to finalise the Gauteng Provincial Archives Centre and other infrastructure projects.

#### Programme 1: Administration

The total expenditure as at the end of September 2022 amounts to R69.3 million which is only 4 per cent more than the comparative figure from the 2021/22 financial year. The continued high vacancy rate and delays in the procurement of tools of trade for the departmental officials contributes to the slow spending.

**Programme 2: Cultural Affairs**

The department spent R69.1 million at the end of September 2022/23 which is only 3 per cent more when compared to the same period in the 2021/22 financial year. The slow spending is due to the delays in operationalisation of both Kagiso Memorial and the Women's Living Heritage Monuments.

**Programme 3: Library and Archives Services**

The total expenditure as at the end of September 2022 is R150.4 million which is 21 per cent less when compared to the same period in the 2021/22 financial year. The slow spending is due to the delays in the operationalisation of community libraries including the delays in processing transfers to municipalities.

**Programme 4: Sport and Recreation**

The total expenditure for the first half of 2021/22 is R86.5 million which is more by 52 per cent when compared to the same period in the 2022/2 financial year. The increase in expenditure was attributable to sporting and recreational programmes as sporting events are back to normal after the COVID-19 pandemic.

**6. Departmental Receipts**

TABLE 12.11: DEPARTMENTAL RECEIPTS

Department	2021/22				2022/23		
	Audited Outcome				Preliminary Receipts		
R thousand	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021 - Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
Tax receipts							
Sales of goods and services other than capital assets	335	181	328	(2.1)%	331	149	45.02%
Interest, dividends and rent on land	16		1	(93.8)%	18	1	5.56%
Sales of capital assets				0.0%		12	0.00%
Financial transactions in assets and liabilities	642	622	859	33.8%	28	176	628.57%
<b>Total</b>	<b>993</b>	<b>803</b>	<b>1 188</b>	<b>19.6%</b>	<b>377</b>	<b>338</b>	<b>(57.91)%</b>

**Revenue trends for the first half of the 2022/23 financial year**

The department’s revenue appropriation for the 2022/23 financial year remains unchanged and amounts to R377 000. As at the end of September 2022, the department recorded R338 000 as actual revenue collected. This is less than the collection of R803 000 for the same period in the 2021/22 financial year and is due to decline in 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 and debtors and the interest charge.

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

**7.1 Changes to transfers and subsidies**

TABLE 12.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 1</b>	<b>2 430</b>			<b>401</b>			<b>401</b>	<b>2 831</b>
Households	2 430			401			401	2 831
<b>Programme 2</b>	<b>56 686</b>			<b>1 870</b>			<b>1 870</b>	<b>56 126</b>
Provinces and municipalities	2 927							2 927
Departmental agencies and accounts	39 329			1 840			1 840	41 169
Non-profit institutions	12 000							12 000
Households	2 430			30			30	30

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 3</b>	206 799	(320)					(320)	206 479
Provinces and municipalities	202 649							202 649
Non-profit institutions	3 500							3 500
Households	650	(320)					(320)	330
<b>Programme 4</b>	75 636	(30 000)		(2 021)			(32 021)	43 615
Non-profit institutions	75 636	(30 000)		(2 299)			(32 299)	43 337
Households				278			278	278
<b>Total changes in conditional Name of transfer payments</b>	<b>341 551</b>	<b>(30 320)</b>		<b>250</b>			<b>(30 070)</b>	<b>309 051</b>

### Function Shifts, Suspensions and Surrenders: R30.3 million

An amount of R30 million is surrendered from funds earmarked for transfers related to the bidding for and hosting of major events. This is due to delays in the call out and the adjudication process. In Programme 3: Library and Archive Services, an amount of R320 000 is surrendered from households as there are no new intake of non-employees for bursaries.

### Virements and shifts

An amount of R401 000 is shifted to households in Programme 1: Administration, for payment of leave gratuity to officials who have retired or resigned. An amount of R1.8 million is shifted to transfers to the Gauteng Film Commission in Programme 2: Cultural Affairs, for implementation of the audio-visual post-production and research facilities within monuments and regional local communities.

In Programme 4: Sport and Recreation, an amount of R278 000 is shifted to households for the payment of leave gratuity to the officials who have retired or resigned. A reclassification of R2.2 million to goods and services is to fund the logistical cost of the Hanyani Wellness Programme and transformational programmes for sport academies and school sports.

## 7.1 Changes to conditional grants

TABLE 12.13: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 3</b>	174 099							174 099
Community Library Services Grant	174 099							174 099
<b>Programme 4</b>	102 073							102 073
Mass Sport and Recreation Participation Programme Grant	102 073							102 073
<b>Total changes in conditional grants</b>	<b>276 172</b>							<b>276 172</b>

No changes.

## 7.2 Changes to infrastructure

Refer to the 2022 Adjusted Estimates of Capital Expenditure (AECE).



# VOTE 13

## e-GOVERNMENT

R thousand	2022/23			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 690 374</b>	<b>1 735 961</b>		<b>45 587</b>
<b>of which:</b>				
Current payments	1 665 824	1 438 871	(226 953)	
Transfers and subsidies	23 550	25 677		2 127
Payments for capital assets	1 000	271 413		270 413
Payment for financial assets				
<b>Executive authority:</b>	<b>MEC for Cooperative Governance and Traditional Affairs, e-Government, Research and Development</b>			
<b>Accounting officer:</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

A smart Gauteng City Region that provides efficient quality services to citizens.

#### Mission

To modernise government services and foster the implementation of a citizen centric innovation ecosystem that stimulates sustainable economic growth through transformative fourth industrial revolution (4IR) technologies.

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

No changes.



### 3. Summary of Adjusted Estimates of Departmental Expenditure 2022/23

TABLE 13.1: DEPARTMENT OF e-GOVERNMENT

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	260 729		22 905	(16 050)			6 855	267 584
2. Information Communication Technology Shared Services	1 297 066		22 682	16 050			38 732	1 335 798
3. Human Resource Services	132 579							132 579
<b>Total for Programmes</b>	<b>1 690 374</b>		<b>45 587</b>				<b>45 587</b>	<b>1 735 961</b>
R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>1 665 824</b>		<b>32 439</b>	<b>(259 392)</b>			<b>(226 953)</b>	<b>1 438 871</b>
Compensation of employees	513 207			(14 127)			(14 127)	499 080
Salaries & wages	447 237			(14 560)			(14 560)	432 677
Social contribution	65 970			433			433	66 403
Goods and services	1 152 617		32 439	(245 265)			(212 826)	939 791
<b>Transfers and subsidies</b>	<b>23 550</b>			<b>2 127</b>			<b>2 127</b>	<b>25 677</b>
Higher education institutions	22 800							22 800
Households	750			2 127			2 127	2 877
<b>Payments for capital assets</b>	<b>1 000</b>		<b>13 148</b>	<b>257 265</b>			<b>270 413</b>	<b>271 413</b>
Machinery and equipment	1 000		13 148	257 265			270 413	271 413
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>1 690 374</b>		<b>45 587</b>				<b>45 587</b>	<b>1 735 961</b>

The department's total appropriation increases by R45.6 million from R1.6 billion to R1.7 billion during the adjustments budget process in 2022/23. The increase is due to the approved rollover.

The rollover of unspent R45.6 million from the 2021/22 financial year is for the completion and settlement of the following projects:

- Gauteng Broadband Network – R21.1 million
- E-mobility services and SAP support - R1.6 million
- Contractors for the building refurbishment - R9.8 million and
- Laptops procurement - R13.1 million.

The budget for compensation of employees reduces by R14.1 million to fund the departmental communication costs (R700 000) and R6.3 million and R5 million to fund ICT initiatives and projects that are aligned to the emerging GPG and e-Gov priorities (100 Days Priorities) under Programme 2: ICT Shared Services. A further R2.1 million is shifted to households transfer payments to cater for leave gratuity payments to former employees (e.g., resignations, retirements and other forms of termination) and to cater for payment of injury-on-duty claims.

The department reallocates R257.2 million from goods and services to fund expenditure relating to machinery and equipment.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

### Programme 1: Administration

TABLE 13.2: PROGRAMME 1: ADMINISTRATION

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the HOD	10 748			417			417	11 165
2. Risk Management	4 630			78			78	4 708
3. Office of the CFO	58 025		13 148	7 412			20 560	78 585
4. Corporate Services	187 326		9 757	(23 957)			(14 200)	173 126
<b>Total for Programmes</b>	<b>260 729</b>		<b>22 905</b>	<b>(16 050)</b>			<b>6 855</b>	<b>267 584</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>258 979</b>		<b>9 757</b>	<b>(16 050)</b>			<b>(6 293)</b>	<b>252 686</b>
Compensation of employees	174 021			(7 000)			(7 000)	167 021
Salaries & wages	150 089			(7 000)			(7 000)	143 089
Social contribution	23 932							23 932
Goods and services	84 958		9 757	(9 050)			707	85 665
<b>Transfers and subsidies</b>	<b>750</b>							<b>750</b>
Households	750							750
<b>Payments for capital assets</b>	<b>1 000</b>		<b>13 148</b>				<b>13 148</b>	<b>14 148</b>
Buildings and other fixed structures								
Machinery and equipment	1 000		13 148				13 148	14 148
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>260 729</b>		<b>22 905</b>	<b>(16 050)</b>			<b>6 855</b>	<b>267 584</b>

TABLE 13.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification <sup>1</sup>	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(42 805)</b>		<b>26 755</b>
Compensation of employees	Reprioritisation to fund new GPG administration priorities, i.e., First 100 days in office activities.	(7 334)	Alignment of budget with personnel requirements of the unit.	334
Goods and services	Reprioritisation from contractors and fleet services items to fund critical spending pressures under Office of the HOD (OHOD), Office of the CFO (OCFO) and Document Management Centre.	(35 471)	(1) Funding reasonable accommodation assessment for PWDs, sign language interpreter and departmental social responsibility and empowerment activities at OHOD. (2) To pay for operating lease (transport equipment), departmental communication costs, travel and subsistence, consumable hardware items at OCFO. (3) To pay for employee bursaries, online legal information, qualification verification, alignment of property payments and staff training & development at Corporate Services	26 421
<b>Transfers and subsidies</b>		<b>(344)</b>		<b>344</b>
Households	Reallocation of centralised funds for transfer payments to households	(344)	Leave gratuity payments under OCFO, Corporate Services and Risk Management	344
<b>Payments for capital assets</b>		<b>(188)</b>		<b>188</b>
Machinery and equipment	Funds to cater for office equipment at Document Management Centre (DMC)	(188)	Funds to cater for office equipment at Document Management Centre (DMC)	188
<b>Total economic classification</b>		<b>(43 337)</b>		<b>27 287</b>

### Virements and Shifts

The programme shifts an amount of R700 000 from compensation of employees to cater for departmental communication costs (airtime and data).

Furthermore, R6.3 million is shifted from compensation of employees and R9.7 million from goods and services to fund ICT initiatives and projects that are aligned to the emerging GPG and e-Gov priorities (100 Days Priorities) under Programme 2: ICT Shared Services.

**Provincial rollovers: R22.9 million**

An amount of R22.9 million is an approved rollover to fund the following projects that commenced but could not be completed during the 2021/22 financial year:

- Refurbishment – R9.8 million
- Procurement of laptops – R13.1 million.

**Programme 2: ICT Shared Services**

TABLE 13.4: PROGRAMME 2: ICT SHARED SERVICES

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Applications	174 841		1 582	49 323			50 905	225 746
2. Operations	1 072 335		21 100	(33 272)			(12 172)	1 060 163
3. Business Alignment	46 495			(1)			(1)	46 494
4. Information Communication Technology Programme Support	3 395							3 395
<b>Total for Programmes</b>	<b>1 297 066</b>		<b>22 682</b>	<b>16 050</b>			<b>38 732</b>	<b>1 335 798</b>

Economic classification	R thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
Current payments		1 274 266		22 682	(242 162)		(219 480)	1 054 786
Compensation of employees		207 280			(5 947)		(5 947)	201 333
Salaries & wages		186 090			(6 380)		(6 380)	179 710
Social contribution		21 190			433		433	21 623
Goods and services		1 066 986		22 682	(236 215)		(213 533)	853 453
<b>Transfers and subsidies</b>		<b>22 800</b>			<b>947</b>		<b>947</b>	<b>23 747</b>
Higher education institutions		22 800						22 800
Households					947		947	947
<b>Payments for capital assets</b>					<b>257 265</b>		<b>257 265</b>	<b>257 265</b>
Machinery and equipment					257 265		257 265	257 265
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>		<b>1 297 066</b>		<b>22 682</b>	<b>16 050</b>		<b>38 732</b>	<b>1 335 798</b>

TABLE 13.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: ICT SHARED SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(300 652)</b>		<b>58 490</b>
Compensation of employees	Reprioritisation of personnel excess funds towards other priorities	(6 802)	Aligning compensation of employees within programme.	855
Goods and services	Reallocation of budget for licences from Microsoft licenses to fund common platform and SAP software licences. Reclassification of GBN budget for core upgrades and for building new sites from current payments to payments for capital assets.	(293 850)	To fund licences for common platform, SAP software license and the Fully Managed Data Centre. To fund GPG new priorities for first 100 days.	57 635
<b>Transfers and subsidies</b>				<b>947</b>
Households			Leave gratuity payments to former employees.	947
<b>Payments for capital assets</b>				<b>257 265</b>
Machinery and equipment			Reclassification of GBN budget for core upgrades and for building new sites from current payments to payments for capital assets.	257 265
<b>Total economic classification</b>		<b>(300 652)</b>		<b>316 702</b>

**Shifts and virements**

An amount of R5 million is shifted from compensation of employees to goods and services under Application Development business unit to cater for ICT initiatives and projects that are aligned to the emerging priorities of GPG and the department.

An amount of R946 894 is reallocated from compensation of employees to transfers and subsidies to cater for injury-on-duty payments and leave gratuity payments to former employees, e.g., resignations, retirements and other forms of terminations. A reduction of R257.3 million in goods and services is reallocated to machinery and equipment as a reclassification of funds for:

- Gauteng Broadband Network core upgrade and new builds - R256.2 million
- Provision of e-Waste bins - R401 063
- Network switches - R622 652

The programme receives R16 million from Programme 1: Administration to cater for ICT initiatives and projects that are aligned to the emerging 100 days priorities of GPG and the department.

### Provincial Rollovers: R22.7 million

Gauteng Provincial Treasury approved the rollover application for R22.7 million for the projects shown below:

- Gauteng Broadband Network – R21.1 million and
- E-mobility services and SAP support - R1.6 million.

### Programme 3: Human Resource Services

TABLE 13. 6: PROGRAMME 3: HUMAN RESOURCE SERVICES

R thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. HR Chief Dir Support	2 884							2 884
2. HR Administration Cluster 1	29 701							29 701
3. HR Administration Cluster 2	25 153			286			286	25 439
4. HR Information Management	6 788							6 788
5. Payroll Services	31 070							31 070
6. Debt Administration	27 834			(286)			(286)	27 548
7. Injury on Duty	9 149							9 149
<b>Total for Programmes</b>	<b>132 579</b>							<b>132 579</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>132 579</b>			(1 180)			(1 180)	<b>131 399</b>
Compensation of employees	131 906			(1 180)			(1 180)	130 726
Salaries & wages	111 058			(1 180)			(1 180)	109 878
Social contribution	20 848							20 848
Goods and services	673							673
<b>Transfers and subsidies</b>				<b>1 180</b>			<b>1 180</b>	<b>1 180</b>
Households				1 180			1 180	1 180
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>132 579</b>							<b>132 579</b>

TABLE 13.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: HUMAN RESOURCE SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(1 466)		286
Compensation of employees	Reprioritisation of personnel excess funds towards transfers to households.	(1 180)		
Goods and services	Reprioritisation from ITC tracing and Debt Pack Solution to fund the Maponya Mall Thusong Centre.	(286)	To fund the operations of the Maponya Mall Thusong Centre.	286
<b>Transfers and subsidies</b>				<b>1 180</b>
Households			Leave gratuity payments to former employees.	1 180
<b>Payments for capital assets</b>				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(1 466)</b>		<b>1 466</b>

**Virement and shifts**

The programme shifted an amount of R1.2 million from compensation of employees to provide for injury-on-duty and leave gratuity payments to employees who left the department, e.g., resignations, retirements and other forms of termination under the transfers and subsidies.

An amount of R286 000 is reprioritised from funds for ITC tracing and Debt Pack Solution and is reallocated towards operational costs of the Maponya Mall Thusong Centre.

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

TABLE 13.8: EXPENDITURE 2021/22 AND PRELIMINARY EXPENDITURE 2022/23: e-GOVERNMENT

e-Government	2021/22				2022/23		
	Adjusted appropriation	Expenditure Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Preliminary expenditure		
Apr 2021 - Sept 2021		Apr 2021- Mar 2022	Adjusted appropriation		Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept	
<b>R thousand</b>							
1. Administration	282 514	98 808	227 045	80%	267 584	121 864	23%
2. ICT Shared Services	1 130 858	490 883	1 042 900	92%	1 335 798	478 886	(2)%
3. Human Resource Services	125 570	60 027	123 661	98%	132 579	60 308	0%
<b>Total</b>	<b>1 538 942</b>	<b>649 718</b>	<b>1 393 606</b>	<b>91%</b>	<b>1 735 961</b>	<b>661 058</b>	<b>2%</b>
<b>Current payments</b>	<b>1 512 811</b>	<b>646 600</b>	<b>1 224 151</b>	<b>81%</b>	<b>1 438 871</b>	<b>597 211</b>	<b>(8)%</b>
Compensation of employees	481 278	217 593	446 482	93%	499 080	225 252	4%
Goods and Services	1 031 533	429 007	777 669	75%	939 791	371 959	(13)%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>24 102</b>	<b>1 107</b>	<b>25 339</b>	<b>105%</b>	<b>25 677</b>	<b>1 518</b>	<b>37%</b>
Provinces and municipalities							
Departmental agencies and accounts							
Households	1 302	1 107	2 539	195%	2 877	1 518	37%
<b>Payments for capital assets</b>	<b>2 029</b>	<b>2 011</b>	<b>144 116</b>	<b>7103%</b>	<b>271 413</b>	<b>62 329</b>	<b>2999%</b>
Buildings and other fixed structures							
Machinery and equipment	1 743	1 725	74 696	4285%	271 413	62 329	3513%
Software and other intangible assets	286	286	69 420	24273%			
<b>Payments for financial assets</b>							
<b>Total</b>	<b>1 538 942</b>	<b>649 718</b>	<b>1 393 606</b>	<b>91%</b>	<b>1 735 961</b>	<b>661 058</b>	<b>2%</b>

**Expenditure trends for 2021/22**

The department spent a total amount of R1.4 billion or 91 per cent of their R1.5 billion adjustment budget. Major spending areas were on compensation of employees at 93 per cent and goods and services at 75 per cent. The underspending in compensation of employees was due to funded vacant posts.

The main reason for the underspending in goods and services was:

- The 7th floor refurbishment which started in the 3rd quarter continued to the current financial year. The department applied for a rollover of funds, and it was approved by Gauteng Provincial Treasury.
- Records Management Centre procurement process not finalised at financial year-end.
- Consumption and use of municipal services such as water and electricity reduced from the previous levels due to officials working remotely to safeguard against the COVID-19 pandemic.
- Gauteng Broadband Network accruals not paid at financial year-end. The Treasury approved a rollover.
- Fully Managed Data Centre migration to Cloud-First Infrastructure (CFI) not finalised due to ongoing contract negotiations.
- The e-Services Application mobility and SAP support and maintenance project which is an ongoing project earmarked for completion in the new financial year. The Treasury approved a rollover to complete the project.
- Enterprise Content Management (ECM) procurement processes were finalised towards the financial year-end.

## Preliminary expenditure trends for the first half of 2022/23

The department's total expenditure for the first half of 2022/23 is R661.1 million compared to R649.7 million in 2021/22. 2 per more spend in the first six months of the financial year compared to the same period in the previous financial year. Major spending was on compensation of employees, transfers and subsidies as well as payments for capital assets. Goods and services spending is lower compared to the same period in the previous financial year. Cost drivers under goods and services are:

- External audit costs
- Communications – data costs
- Property payments
- Gauteng Broadband Network maintenance costs.

### Programme 1: Administration

The Administration Programme spent R98.8 million in the first half of 2021/22, compared to R121.8 million spent in the current financial year. The increase in goods and services expenditure is due to external audit costs, communications data costs, property payments.

### Programme 2: Information Communication Technology Shared Services

Expenditure incurred during the first half of 2022/23 amounts to R478.9 million, which is 2 per cent lower than R490.8 million expenditure incurred during the corresponding period in 2021/22. The main cost drivers contributing to the decrease are lower than anticipated payments on SAP ERP licenses, e-mail service costs, mail security and archiving costs and the Fully Managed Data Centre service costs.

### Programme 3: Human Resource Services

The aggregate expenditure for the first half of the 2022/23 financial year amounts to R60.3 million, compared to R60 million expenditure incurred during the corresponding period in the 2021/22 financial year. Trends in the leave gratuity payments and injury-on-duty claims underpin the reported increase.

## 6. Departmental Receipts

TABLE 13.9: DEPARTMENTAL RECEIPTS

Department	2021/22 Audited Outcome				2022/23 Preliminary Receipts		
	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021- Mar 2022	Apr 2021 -Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
<b>R thousand</b>							
Tax receipts							
Sales of goods and services other than capital assets	672	245	488	73%	704	246	0%
Transfers received			-		-	-	
Fines, penalties and forfeits			-		-	-	
Interest, dividends and rent on land	14	2	4	29%	15	1	(50)%
Sales of capital assets			-		-	-	0%
Financial transactions in assets and liabilities	55	193	251	456%	58	123	(36)%
<b>Total</b>	<b>741</b>	<b>440</b>	<b>743</b>	<b>100%</b>	<b>777</b>	<b>370</b>	<b>(16)%</b>

### Revenue trends for the first half of the 2022/23 financial year

The main sources of departmental receipts are sales of goods and services other than capital assets, interest on outstanding debts as well as financial transactions in assets and liabilities. The major source being the sales of goods and services other than capital assets, which comprises of parking fees, commission on garnishee orders and replacement of security cards.

The departmental receipts amount to R440 000 as of 30 September 2021, compared to R370 000 collected as at, 30 September 2022. This decrease reflects in sales of goods and services other than capital assets and financial transactions in assets and liabilities. The decrease under the sale of goods and services other than capital is due to:

- Non-collection of gym fees in response to the suspension of the gym operations.
- The automation of tender documentation has rendered this revenue stream obsolete.

Under financial transactions in assets and liabilities, a total of R123 000 has been collected as at 30 September 2022 compared to R193 000 collected in the same period in 2021/22. The over-collection result from staff debt recoveries and prior-financial years' expenditure recoupment.

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

### **7.1 Changes to transfers and subsidies**

No changes

### **7.2 Changes to conditional grants**

Not applicable

### **7.3 Changes to infrastructure**

Not applicable

# VOTE 14

## GAUTENG PROVINCIAL TREASURY

R thousand	2022/23			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>792 933</b>	<b>684 065</b>	<b>(108 868)</b>	
<b>of which:</b>				
Current payments	728 589	605 768	(122 821)	
Transfers and subsidies	64 163	66 328		2 165
Payments for capital assets	181	11 969		11 788
Payment for financial assets				
<b>Executive authority:</b>	<b>MEC for Finance</b>			
<b>Accounting officer:</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

Pioneers in fiscal prudence and good governance.

#### Mission

A Treasury that drives world class financial support through tight fiscal controls, upheld by a culture of good corporate governance for our stakeholders.

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

No changes



### 3. Summary of Adjusted Estimates of Departmental Expenditure 2022/23

TABLE 14.1: GAUTENG PROVINCIAL TREASURY

R Thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National Additional Funding: Provincial		
1. Administration	168 190			5 316		5 316	173 506
2. Sustainable Fiscal Resource Management	170 197	(12 719)		(6 316)		(19 035)	151 162
3. Financial Governance	137 496	(22 516)		1 000		(21 516)	115 980
4. Supply Chain Management	108 349	(20 070)				(20 070)	88 279
5. Municipal Financial Governance	73 720	(26 927)				(26 927)	46 793
6. Gauteng Audit Service	134 981	(26 636)				(26 636)	108 345
<b>Total for Programmes</b>	<b>792 933</b>	<b>(108 868)</b>				<b>(108 868)</b>	<b>684 065</b>

Economic classification R Thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National Additional Funding: Provincial		
<b>Current payments</b>	<b>728 589</b>	<b>(108 868)</b>		<b>(13 953)</b>		<b>(122 821)</b>	<b>605 768</b>
Compensation of employees	665 389	(108 868)		(41 400)		(150 268)	515 121
Salaries & wages	563 405	(92 523)		(26 315)		(118 838)	444 567
Social contribution	101 984	(16 345)		(15 085)		(31 430)	70 554
Goods and services	63 200			27 447		27 447	90 647
<b>Transfers and subsidies</b>	<b>64 163</b>			<b>2 165</b>		<b>2 165</b>	<b>66 328</b>
Departmental agencies and accounts	63 706						63 706
Non-profit institutions							
Households	457			2 165		2 165	2 622
<b>Payments for capital assets</b>	<b>181</b>			<b>11 788</b>		<b>11 788</b>	<b>11 969</b>
Machinery and equipment	181			11 788		11 788	11 969
Software and other intangible assets							
<b>Payments for financial assets</b>							
<b>Total economic classification</b>	<b>792 933</b>	<b>(108 868)</b>				<b>(108 868)</b>	<b>684 065</b>

The main appropriation decreases from R792.9 million to R684 million during the adjustments budget process. The unutilized R108.9 million is for vacancies in the approved structure that is currently being filled. The amount is surrendered to the Provincial Revenue Fund.

The Gauteng Provincial Treasury (GPT) anticipates an overspending on goods and services about consultants to carry out government business study on state owned bank and pharmaceutical entity, open tender probity audits, municipal hands-on support programme, travel and subsistence, training of employees and outsourced specialised audits. Therefore, an amount of R27.4 million is reallocated from compensation of employees to address the shortfall on goods and services.

Furthermore, R11.8 million is reallocated from compensation of employees to fund the acquisition of computer equipment for new staff and existing staff whose laptops are due for replacement. An amount of R2.2 million is reprioritised from compensation of employees to fund leave gratuity payments to former employees of the department and the anticipated payments on external bursaries for underprivileged students for 2023 intakes.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

### Programme 1: Administration

TABLE 14.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the MEC	13 196			(1 838)			(1 838)	11 358
2. Office of the HOD	14 029			14 988			14 988	29 017
3. Corporate Management	88 517			(4 531)			(4 531)	83 986
4. Financial Management (CFO)	37 911			813			813	38 724
5. Strategy Management and Transformation Programme	14 537			(4 116)			(4 116)	10 421
<b>Total for Programmes</b>	<b>168 190</b>			<b>5 316</b>			<b>5 316</b>	<b>173 506</b>
Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>167 552</b>			<b>(7 582)</b>			<b>(7 582)</b>	<b>159 970</b>
Compensation of employees	139 924			(25 582)			(25 582)	114 342
Salaries & wages	110 926			(12 044)			(12 044)	98 882
Social contribution	28 998			(13 538)			(13 538)	15 460
Goods and services	27 628			18 000			18 000	45 628
<b>Transfers and subsidies</b>	<b>457</b>			<b>1 110</b>			<b>1 110</b>	<b>1 567</b>
Provinces and municipalities								
Households	457			1 110			1 110	1 567
<b>Payments for capital assets</b>	<b>181</b>			<b>11 788</b>			<b>11 788</b>	<b>11 969</b>
Buildings and other fixed structures								
Machinery and equipment	181			11 788			11 788	11 969
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>168 190</b>			<b>5 316</b>			<b>5 316</b>	<b>173 506</b>

TABLE 14.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(35 654)</b>		<b>28 072</b>
Compensation of employees	Funds for vacant posts in the organisational structure.	(31 345)	Realignment of compensation of employees within the programme.	5 763
Goods and services	Realignment of goods and services within the programme.	(4 309)	To fund the anticipated expenditure on Research and Advisory consultants.	22 309
<b>Transfers and subsidies</b>				<b>1 110</b>
Provinces and municipalities				
Households			Provision for leave gratuity payments to former employees and a provision for bursary scheme for underprivileged students	1 110
<b>Payments for capital assets</b>				<b>11 788</b>
Machinery and equipment			To purchase tools of trade , i.e., laptops	11 788
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(35 654)</b>		<b>40 970</b>

### Virements and shifts

An amount of R25.6 million is shifted from compensation of employees. Of this amount, R12.7 million is reallocated to goods and services to fund a study on the establishment of a state-owned bank and pharmaceutical entity, R11.8 million is reallocated to payments for capital assets to purchase laptops, R1.1 million is reallocated to households transfer payments to fund leave gratuity payments, injury-on-duty claims and anticipated payments for external bursaries for underprivileged students for 2023. The programme receives R5.3 million from Programme 2: Sustainable Fiscal Resource Management towards critical funding areas in this Programme.

**Programme 2: Sustainable Fiscal Resource Management**

**TABLE 14.4: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT**

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support/ Office of the DDG	68 593	(719)					(719)	67 874
2. Budget Management	30 052	(5 051)					(5 051)	25 001
3. Economic and Fiscal Policy Oversight	15 421	(2 067)					(2 067)	13 354
4. Infrastructure Management	22 236	(2 071)		(6 316)			(8 387)	13 849
5. Financial Asset and Liabilities Management	15 239	(683)					(683)	14 556
6. Public Finance	18 656	(2 128)					(2 128)	16 528
<b>Total for Programmes</b>	<b>170 197</b>	<b>(12 719)</b>		<b>(6 316)</b>			<b>(19 035)</b>	<b>151 162</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>106 491</b>	<b>(12 719)</b>		<b>(6 329)</b>			<b>(19 048)</b>	<b>87 443</b>
Compensation of employees	91 642	(12 719)		(5 329)			(18 048)	73 594
Salaries & wages	78 620	(9 975)		(4 332)			(14 307)	64 313
Social contribution	13 022	(2 744)		(997)			(3 741)	9 281
Goods and services	14 849			(1 000)			(1 000)	13 849
<b>Transfers and subsidies</b>	<b>63 706</b>			<b>13</b>			<b>13</b>	<b>63 719</b>
Departmental agencies and accounts	63 706							63 706
Households				13			13	13
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>170 197</b>	<b>(12 719)</b>		<b>(6 316)</b>			<b>(19 035)</b>	<b>151 162</b>

**TABLE 14.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(6 455)</b>		<b>126</b>
Compensation of employees	Funds for vacant posts in the organisational structure.	(5 362)	To fund personnel requirements within the programme.	33
Goods and services	Lower spending on consultants. Funds reallocated to Programme 3.	(1 093)	To fund spending pressure in consumable items as well as travel and subsistence	93
<b>Transfers and subsidies</b>				<b>13</b>
Households			Provision for leave gratuity payments to former employees of the department	13
<b>Payments for capital assets</b>				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(6 455)</b>		<b>139</b>

**Surrender: R12.7 million**

An amount of R12.7 million for vacant posts, whilst the recruitment processes are ongoing, is surrendered from compensation of employees to the Provincial Revenue Fund.

**Virements and shifts**

Through virements, R1 million is reallocated from goods and services to the Transversal Internal Audit And Risk Management sub-programme in Programme 3: Financial Governance to fund the requirements of audit committee members. An amount R5.3 million is reallocated from compensation of employees to Programme 1: Administration to fund a government business study on the establishment of the state-owned bank and pharmaceutical entity. Through shifts, R13 000 is reallocated within the programme from compensation of employees to households transfer payments to fund leave gratuity payments.

## Programme 3: Financial Governance

TABLE 14.6: PROGRAMME 3: FINANCIAL GOVERNANCE

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support/ Office of the DDG	7 553	(5 704)					(5 704)	1 849
2. Provincial Accounting Services	61 703	(4 953)					(4 953)	56 750
3. Transversal Internal Audit and Risk Management	22 935	(5 355)		1 000			(4 355)	18 580
4. Compliance	5 589	(1 491)					(1 491)	4 098
5. Transversal Financial Information Management Systems	39 716	(5 013)					(5 013)	34 703
<b>Total for Programmes</b>	<b>137 496</b>	<b>(22 516)</b>		<b>1 000</b>			<b>(21 516)</b>	<b>115 980</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Current payments</b>		<b>137 496</b>	<b>(22 516)</b>		<b>879</b>		<b>(21 637)</b>	<b>115 859</b>
Compensation of employees		128 773	(22 516)		(121)		(22 637)	106 136
Salaries & wages		111 033	(19 726)		(890)		(20 616)	90 417
Social contribution		17 740	(2 790)		769		(2 021)	15 719
Goods and services		8 723			1 000		1 000	9 723
<b>Transfers and subsidies</b>					<b>121</b>		<b>121</b>	<b>121</b>
Provinces and municipalities								
Households					121		121	121
Payments for capital assets								
Payments for financial assets								
<b>Total economic classification</b>		<b>137 496</b>	<b>(22 516)</b>		<b>1 000</b>		<b>(21 516)</b>	<b>115 980</b>

TABLE 14.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: FINANCIAL GOVERNANCE

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(8 397)</b>		<b>9 276</b>
Compensation of employees	Funds for vacant posts in the organisational structure.	(2 407)	Realignment of compensation of employees within the programme.	2 286
Goods and services	Budget review to fund prioritised expenditure.	(5 990)	To augment funding for remunerating audit committee members given the increased committee sessions.	6 990
Interest and rent on land				
<b>Transfers and subsidies</b>			To pay for injury-on-duty claims and leave gratuity.	<b>121</b>
Payments for capital assets				
Payments for financial assets				
<b>Total economic classification</b>		<b>(8 397)</b>		<b>9 397</b>

### Surrender: R22.5 million

The programme surrenders to the Provincial Revenue Fund an amount of R22.5 million for vacant posts from compensation of employees, whilst the department is filling vacant posts in the organisational structure.

### Virements and shifts

Through virements, the programme receives R1 million from Programme 2: Sustainable Fiscal Resource Management. This amount is allocated for goods and services to support the work of audit committees. Through shifts, R121 000 is reallocated from compensation of employees to households transfers to provide for leave gratuity payments and injury on duty claims. R769 000 is shifted from salaries and wages to provide for payment of employee benefits in the programme.

### Programme 4: Provincial Supply Chain Management

TABLE 14.8: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support/ Office of the DDG	5 834	(221)		2 500			2 279	8 113
2. SCM Policy, Norms and Standards	19 748	(4 021)		(1 000)			(5 021)	14 727
3. SCM Client Support	44 941	(6 880)		(500)			(7 380)	37 561
4. Contract Management and Strategic Procurement	37 826	(8 948)		(1 000)			(9 948)	27 878
<b>Total for Programmes</b>	<b>108 349</b>	<b>(20 070)</b>					<b>(20 070)</b>	<b>88 279</b>

Economic classification <sup>¶</sup>	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>108 349</b>	<b>(20 070)</b>		<b>(821)</b>			<b>(20 891)</b>	<b>87 458</b>
Compensation of employees	105 309	(20 070)		(3 321)			(23 391)	81 918
Salaries & wages	90 953	(18 309)		(1 856)			(20 165)	70 788
Social contribution	14 356	(1 761)		(1 465)			(3 226)	11 130
Goods and services	3 040			2 500			2 500	5 540
<b>Transfers and subsidies</b>				<b>821</b>			<b>821</b>	<b>821</b>
Non-profit institutions								
Households				821			821	821
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>108 349</b>	<b>(20 070)</b>					<b>(20 070)</b>	<b>88 279</b>

TABLE 14.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(5 490)</b>		<b>4 669</b>
Compensation of employees	Funds for vacant posts in the organisational structure.	(5 000)	Reallocation of funds as per personnel requirements within the programme	1 679
Goods and services	Realignment of goods and services within the programme to fund prioritised expenditure.	(490)	Provision for probity audits for the open tender projects and a provision for venues and facilities for department's sessions.	2 990
<b>Transfers and subsidies</b>				<b>821</b>
Provinces and municipalities				
Households			Provision for leave gratuity payments to former employees of the department	821
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(5 490)</b>		<b>5 490</b>

#### Surrender: R20.1 million

The programme surrenders to the Provincial Revenue Fund an amount of R20.1 million for vacant posts from compensation of employees, whilst the department is filling vacant posts in the organisational structure.

## Virements and shifts

Through shifts, R5 million for vacant posts is reprioritised from compensation of employees. Of this amount, R2.5 million is reallocated to goods and services to fund items such as probity audits for open tender project and venues and facilities; and R821 000 is reallocated to fund transfer payments for leave gratuity and for injury on duty claims. Through shifts, R1.7 million is reallocated within compensation of employees to realign the budget with expenditure.

## Programme 5: Municipal Financial Governance

TABLE 14.10: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support/ Office of the DDG	12 640			3 236			3 236	15 876
2. Local Government Financial Services	23 259	(7 611)		(1 618)			(9 229)	14 030
3. Municipal Accounting and Asset Management	20 803	(13 426)		(1 618)			(15 044)	5 759
4. Municipal Compliance and Financial Management Support	17 018	(5 890)					(5 890)	11 128
<b>Total for Programmes</b>	<b>73 720</b>	<b>(26 927)</b>					<b>(26 927)</b>	<b>46 793</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>73 720</b>	<b>(26 927)</b>				<b>(26 927)</b>	<b>46 793</b>	
Compensation of employees	69 906		(26 927)		(3 344)		(30 271)	39 635	
Salaries & wages	58 126		(21 377)		(3 344)		(24 721)	33 405	
Social contribution	11 780		(5 550)				(5 550)	6 230	
Goods and services	3 814				3 344		3 344	7 158	
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>73 720</b>	<b>(26 927)</b>				<b>(26 927)</b>	<b>46 793</b>	

TABLE 14.11: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(3 345)</b>		<b>3 345</b>
Compensation of employees	Funds for vacant posts in the organisational structure.	(3 344)		
Goods and services	Budget review to fund prioritised expenditure.	(1)	To fund expenditure on consultants for the municipal hands-on support programme.	3 345
<b>Transfers and subsidies</b>				
Households				
<b>Payments for capital assets</b>				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(3 345)</b>		<b>3 345</b>

## Surrender: R26.9 million

The programme surrenders to the Provincial Revenue Fund an amount of R26.9 million from compensation of employees, due to vacant posts in the approved organisational structure.

## Virements and shifts

Through shifts, the programme reallocates R3.3 million from compensation of employees to goods and services to defray an anticipated expenditure in the municipal hands-on support programme.

**Programme 6: Gauteng Audit Services**

**TABLE 14.12: PROGRAMME 6: GAUTENG AUDIT SERVICES**

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support/ Office of the DDG	18 876	(6 752)		3 033			(3 719)	15 157
2. Risk and Compliance Audit Services (Cluster 1,2,3)	42 819	(2 514)		(3 033)			(5 547)	37 272
3. Risk and Compliance Audit Services (Cluster 4,5,6)	32 754	(9 887)					(9 887)	22 867
4. Performance and Computer Audit Services	40 532	(7 483)					(7 483)	33 049
<b>Total for Programmes</b>	<b>134 981</b>	<b>(26 636)</b>					<b>(26 636)</b>	<b>108 345</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>134 981</b>	<b>(26 636)</b>		<b>(100)</b>			<b>(26 736)</b>	<b>108 245</b>
Compensation of employees	129 835		(26 636)		(3 703)			(30 339)	99 496
Salaries & wages	113 747		(23 136)		(3 849)			(26 985)	86 762
Social contribution	16 088		(3 500)		146			(3 354)	12 734
Goods and services	5 146				3 603			3 603	8 749
<b>Transfers and subsidies</b>					<b>100</b>			<b>100</b>	<b>100</b>
Households					100			100	100
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>134 981</b>	<b>(26 636)</b>					<b>(26 636)</b>	<b>108 345</b>

**TABLE 14.13: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: GAUTENG AUDIT SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(13 680)</b>		<b>13 580</b>
Compensation of employees	Funds for vacant posts in the organisational structure.	(13 680)	To fund personnel requirements within the programme.	9 977
Goods and services			To augment funding for computer services, consultants, training and outsourced audit services.	3 603
<b>Transfers and subsidies</b>				<b>100</b>
Households			Provision for leave gratuity payments to former employees of the department and a provision for injury-on-duty claims.	100
<b>Payments for capital assets</b>				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(13 680)</b>		<b>13 680</b>

**Surrender: R26.6 million**

The programme surrenders to the Provincial Revenue Fund an amount of R26.6 million for vacant posts from compensation of employees, whilst the department is filling vacant posts in the organisational structure.

**Virements and shifts**

Through shifts, the programme reprioritises R13.7 million from compensation of employees. Of this amount, R10 million is reallocated within compensation of employees to fund personnel requirements in the programme. R3.6 million is reallocated to goods and services to fund committed outsourced specialised audits, travelling costs, training and computer services. A balance of R100 000 is reallocated to households transfer payments to provide for leave gratuity payments and injury-on-duty claims.

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

TABLE 14.14: EXPENDITURE 2021/22 AND PRELIMINARY EXPENDITURE 2022/23

Department	2021/22				2022/23		
	Adjusted appropriation	Expenditure Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Preliminary expenditure		
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Adjusted appropriation		Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept	
<b>R thousand</b>							
1. Administration	138 449	57 026	125 106	90%	173 506	68 270	20%
2. Sustainable Fiscal Resource Management	154 712	70 800	147 431	95%	151 162	68 394	(3)%
3. Financial Governance	121 307	51 886	109 762	90%	115 980	51 720	(0)%
4. Supply Chain Management	103 479	46 171	90 029	87%	88 279	41 560	(10)%
5. Municipal Financial Governance	44 416	18 940	38 580	87%	46 793	19 138	1%
6. Gauteng Audit Services	113 182	47 892	101 051	89%	108 345	52 713	10%
<b>Total</b>	<b>675 545</b>	<b>292 715</b>	<b>611 959</b>	<b>91%</b>	<b>684 065</b>	<b>301 795</b>	<b>3%</b>
<b>Current payments</b>	<b>601 800</b>	<b>260 201</b>	<b>545 237</b>	<b>91%</b>	<b>605 768</b>	<b>267 976</b>	<b>3%</b>
Compensation of employees	513 718	233 791	473 398	92%	515 121	241 586	3%
Goods and Services	88 082	26 410	71 839	82%	90 647	26 390	(0)%
<b>Transfers and subsidies</b>	<b>66 269</b>	<b>32 459</b>	<b>66 146</b>	<b>100%</b>	<b>66 328</b>	<b>32 976</b>	<b>156%</b>
Departmental agencies and accounts	64 044	32 022	64 044	100%	63 706	31 853	(1)%
Households	2 225	437	2 102	94%	2 622	1 123	157%
<b>Payments for capital assets</b>	<b>7 476</b>	<b>55</b>	<b>538</b>	<b>7%</b>	<b>11 969</b>	<b>843</b>	<b>1433%</b>
Buildings and other fixed structures							
Machinery and equipment	7 476	55	538	7%	11 969	843	1433%
<b>Payments for financial assets</b>			<b>38</b>				
<b>Total</b>	<b>675 545</b>	<b>292 715</b>	<b>611 959</b>	<b>91%</b>	<b>684 065</b>	<b>301 795</b>	<b>3%</b>

### Expenditure trends for 2021/22

The department spent 91 per cent of the R612 million budget in 2021/22. The allocation of R675.5 million in 2021/22 included personnel budget of R513.7 million; and R88 million for goods and services. Goods and services budget was to provide for various key funding priorities such as the printing of treasury publications, costs of utilities, training and development for GPG departments and municipalities as well as audit costs. The transfers and subsidies allocation comprised of R64 million allocated to GIFA and R2.1 million for injury-on-duty claims, leave gratuity payments to former officials and external bursaries payments. Payments for capital assets to the tune of R7.5 million was to provide for the purchase of office equipment and laptops.

The department's expenditure was recorded at R612 million, which translates to 91 per cent of the total budget. This spending level comprised of 92 per cent on compensation of employees; 82 per cent on goods and services; 100 per cent on transfers and subsidies (i.e., 100 per cent made to GIFA and further 94 per cent on households) and 7 per cent spending on purchases of office and computer equipment. The 9 per cent underspending was for vacant posts, probity audit commitments and delayed delivery of procured staff laptops.

### Expenditure trends for the first half of 2022/23

#### Programme 1: Administration

Spending amounts to R68.2 million, which is 20 per cent more than R57 million spent in the same period in the previous financial year. The increase is mainly due to the filling of vacancies in the programme.

#### Programme 2: Sustainable Fiscal Resource Management

The programme spent R68.3 million as at the end of September 2022 compared to R70.8 million spent at the end of September 2021. The expenditure is 3 per cent lower because the contract for consultants expired on 31 March 2022 and the renewal thereof is in progress. Expenditure is lower also because of vacant posts.

#### Programme 3: Financial Governance

The programme maintains the same expenditure trend during the first six months. Spending as at the end of September 2022 amounts to R51.7 million compared to R51.9 million that was spent as of 30 September 2021.



**Programme 4: Provincial Supply Chain Management**

The programme spent R46.2 million in the first half of the 2021/22 financial year, which was 10 per cent higher than R41.6 million spent in the corresponding period in the current financial year. Lower expenditure of funds committed for probity audits is the cause of the reported trend.

**Programme 5: Municipal Financial Governance**

The expenditure for six months in the current financial year is 1 per cent higher than the same period in the previous financial year. The expenditure increased from R18.9 million in 2021/22 to R19.1 million in 2022/23 partly because of increased expenditure on consultants for the municipal hands-on support programme.

**Programme 6: Gauteng Audit Services**

The half-year expenditure of this programme in 2022/23 is 10 per cent higher than in the previous financial year. The expenditure increased from R47.9 million in 2021/22 to R52.7 million in 2022/23 mainly because of the intensified work of audit committees to address emerging risk areas in the province.

**6. Departmental Receipts**

TABLE 14.15: DEPARTMENTAL RECEIPTS

Department	2021/22				2022/23		
	Adjusted appropriation	Audited Outcome		Apr 2021 -Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Preliminary Receipts	
Apr 2021 - Sept 2021		Apr 2021 - Mar 2022	Apr 2022 - Sept 2022			% change 21/22 - 22/23 Apr-Sept	
<b>R thousand</b>							
Tax receipts							
Sales of goods and services other than capital assets	1 306	267	532	41%	869	262	(2)%
Interest, dividends and rent on land	583 009	303 410	634 031	109%	622 806	305 475	1%
Sales of capital assets			14				
Financial transactions in assets and liabilities	588	312	998	170%	416	4 182	1 240%
<b>Total</b>	<b>584 903</b>	<b>303 989</b>	<b>635 575</b>	<b>109%</b>	<b>624 091</b>	<b>309 919</b>	<b>2%</b>

**Revenue trends for the first half of the 2022/23 financial year**

The Department collected a total amount of R309.9 million in the first six months of the current financial year, which is 2 per cent more compared to the same period in the previous financial year. The increase in collection is mainly due to interest earned on cash balances. There are no revenue adjustments in the current financial year. The revenue budget remains R624 million for the 2022/23 financial year.

**Changes to Transfers and Subsidies, Conditional Grants and Infrastructure**

**6.1 Changes to transfers and subsidies**

TABLE 14.16: TRANSFERS AND SUBSIDIES

R thousand	Main Budget						Total Adjustments	Adjusted Budget (Appropriation)
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 1</b>	<b>457</b>			<b>1 110</b>			<b>1 110</b>	<b>1 567</b>
Households	457			1 110			1 110	1 567
<b>Total changes in conditional Name of transfer payments</b>	<b>457</b>			<b>1 110</b>			<b>1 110</b>	<b>1 567</b>

Through shifts, transfers to households increase by R1.1 million to fund the department’s External Bursary Scheme (EBS) for the 2023 academic year and leave gratuity payments. EBS provides support to underprivileged students studying towards qualifications aligned with department’s strategic objectives.

**6.2 Changes to conditional grants**

Not applicable

**6.3 Change to infrastructure**

Not applicable

# VOTE 15

## INFRASTRUCTURE DEVELOPMENT

R thousand	2022/23			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>3 312 235</b>	<b>3 355 235</b>		<b>43 000</b>
<b>of which:</b>				
Current payments	2 015 624	2 125 144		109 520
Transfers and subsidies	1 180 272	1 181 322		1 050
Payments for capital assets	116 339	48 377	(67 962)	
Payment for financial assets		392		392
<b>Executive authority</b>	<b>MEC for Human Settlements and Infrastructure Development</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

To be a leading sustainable infrastructure provider and facilitator that positions Gauteng as a globally competitive city region with inclusive economic growth and decent work for all.

#### Mission

To contribute towards the radical transformation, modernisation and re-industrialisation of Gauteng by accelerating integrated service delivery, maintenance and management of public infrastructure and deploying built environment professionals while encouraging the active participation of an empowered citizenry.

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

Not applicable.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2022/23

TABLE 15.1: INFRASTRUTURE DEVELOPMENT

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	384 429			(9 522)		43 000	33 478	417 907
2. Public Works Infrastructure	2 668 243			106 465			106 465	2 774 708
3. Expanded Public Works Programme	259 563			(96 943)			(96 943)	162 620
<b>Total for Programmes</b>	<b>3 312 235</b>					<b>43 000</b>	<b>43 000</b>	<b>3 355 235</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>2 015 624</b>			<b>66 520</b>		<b>43 000</b>	<b>109 520</b>	<b>2 125 144</b>
Compensation of employees	1 179 186								1 179 186
Salaries & wages	1 017 132			4 500			4 500		1 021 632
Social contribution	162 054			(4 500)			(4 500)		157 554
Goods and services	836 258			66 520		43 000	109 520		945 778
Interest and rent on land	180								180
<b>Transfers and subsidies</b>		<b>1 180 272</b>			<b>1 050</b>			<b>1 050</b>	<b>1 181 322</b>
Provinces and municipalities	1 176 868								1 176 868
Departmental agencies and accounts									
Households	3 404			1 050			1 050		4 454
<b>Payments for capital assets</b>		<b>116 339</b>			<b>(67 962)</b>		<b>(67 962)</b>		<b>48 377</b>
Buildings and other fixed structures	96 092				(69 962)		(69 962)		26 130
Machinery and equipment	20 247				2 000		2 000		22 247
<b>Payments for financial assets</b>					<b>392</b>		<b>392</b>		<b>392</b>
<b>Total economic classification</b>		<b>3 312 235</b>					<b>43 000</b>	<b>43 000</b>	<b>3 355 235</b>

The department’s budget for the 2022/23 financial year is R3.3 billion and increases by R43 million to R 3.4 billion due to additional funding received for legal services during the adjustment period. The department’s inability to demonstrate state of readiness to implement infrastructure projects resulted in an amount of R35.1 million, shifted to goods and services under security services for the purpose of safeguarding the GPG properties, reducing the risk of illegal occupants and dealing with security threats with regards to GPG buildings.

The department implemented shift of funds within the programmes to address budget pressures and to defray overspending on items such as compensation of employees, property payments, property leases and transport services under programme2.

An amount of R96 million will be shifted from programme 3, triggering a legislature approval requirement for virements that exceed 8 per cent of programme shifts, in line with the regulations. This shift is to address overspending in the department’s core programmes such as operating leases and security services, which are part of the department’s mandate as a GPG landlord.

Furthermore, the shifting of funds will also fund the department’s key programs such as the green technology and youth programs focusing on development of youth in the township, informal settlement and hostels which was not adequately funded this financial year, while being part of the department’s key priorities as stated in the APP and the strategic plan.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2022/23

### Programme 1: Administration

TABLE 15.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of The MEC	11 022			753			753	11 775
2. Corporate Support	355 263			(10 275)		43 000	32 725	387 988
3. Management of The Department	18 144							18 144
<b>Total for Programmes</b>	<b>384 429</b>			<b>(9 522)</b>		<b>43 000</b>	<b>33 478</b>	<b>417 907</b>

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>363 293</b>			<b>(11 964)</b>		<b>43 000</b>	<b>31 036</b>	<b>394 329</b>
Compensation of employees	285 999			(30 754)			(30 754)	255 245
Salaries & wages	249 773			(30 754)			(30 754)	219 019
Social contribution	36 226							36 226
Goods and services	77 198			18 790		43 000	61 790	138 988
Interest and rent on land	96							96
<b>Transfers and subsidies</b>	<b>889</b>			<b>50</b>			<b>50</b>	<b>939</b>
Provinces and municipalities								
Households	889			50			50	939
<b>Payments for capital assets</b>	<b>20 247</b>			<b>2 000</b>			<b>2 000</b>	<b>22 247</b>
Machinery and equipment	20 247			2 000			2 000	22 247
<b>Payments for financial assets</b>				<b>392</b>			<b>392</b>	<b>392</b>
<b>Total economic classification</b>	<b>384 429</b>			<b>(9 522)</b>		<b>43 000</b>	<b>33 478</b>	<b>417 907</b>

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(33 831)</b>		<b>21 867</b>
Compensation of employees	Provision for salary adjustments. Funds shifted from training item under EPWP.	(30 754)		
Goods and services	Funds redirected to bursaries due to late implementation of NYS training.	(3 077)	Funds made available for Audit cost, Advertising, legal services.	21 867
<b>Transfers and subsidies</b>				<b>50</b>
Households			Funds made available to cover over expenditure incurred as result of continuously payments for injury on duty.	50
<b>Payments for capital assets</b>				<b>2 000</b>
Machinery and equipment			Funds to make provision for tools of trade and replacements for newly appointed employees.	2 000
Payments for financial assets			Funds made available to cover expenditure incurred.	392
<b>Total economic classification</b>		<b>(33 831)</b>		<b>24 309</b>

**TABLE 15.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(33 831)</b>		<b>21 867</b>
Compensation of employees	Provision for salary adjustments. Funds shifted from training item under EPWP.	(30 754)		
Goods and services	Funds redirected to bursaries due to late implementation of NYS training.	(3 077)	Funds made available for Audit cost, Advertising, legal services.	21 867
<b>Transfers and subsidies</b>				<b>50</b>
Households			Funds made available to cover over expenditure incurred as result of continuously payments for injury on duty.	50
<b>Payments for capital assets</b>				<b>2 000</b>
Machinery and equipment			Funds to make provision for tools of trade and replacements for newly appointed employees.	2 000
Payments for financial assets			Funds made available to cover expenditure incurred.	392
<b>Total economic classification</b>		<b>(33 831)</b>		<b>24 309</b>

**Virement and Shifts**

An amount of R30 million is shifted from COE programme 1, due to vacant posts and slow recruitment processes, to fund anticipated over expenditure on programme 2 COE.

An amount of R3 million is shifted within goods and services from training and development, due to delays in the implementation of NYS training, to cover over expenditure incurred on advertising and catering. The advertisement is necessary to comply with requirements for transparency and fair practices in accordance with the applicable regulations and prescripts.

Goods and services increase by R21.8 million to make provision for tender advertisements, recruitments, probity auditors and rebranding.

An amount of R2million is allocated to machinery and equipment to provide tools of trade and replacements for newly appointed employees.

**Additional funding: Provincial R43 million**

An amount of R43 million is allocated as additional funding for legal services, for the payment of court orders, in administration programme for corporate services branch.

**Programme 2: Public Works Infrastructure**

**TABLE 15.4: PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE**

R Thousand	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Construction	235 937			(42 025)			(42 025)	193 912
2. Maintenance	627 013			43 439			43 439	670 452
3. Immovable Asset Management	1 805 293			105 051			105 051	1 910 344
<b>Total for Programmes</b>	<b>2 668 243</b>			<b>106 465</b>			<b>106 465</b>	<b>2 774 708</b>

Economic classification	R Thousand	Main Appropriation	2022/23 Adjustments				Total Adjustments	Adjusted Appropriation	
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National			Additional Funding: Provincial
<b>Current payments</b>		<b>1 392 989</b>			<b>175 427</b>			<b>175 427</b>	<b>1 568 416</b>
Compensation of employees		773 627			35 254			35 254	808 881
Salaries & wages		654 309			35 254			35 254	689 563
Social contribution		119 318							119 318
Goods and services		619 278			140 173			140 173	759 451
Interest and rent on land		84							84
<b>Transfers and subsidies</b>		<b>1 179 162</b>			<b>1 000</b>			<b>1 000</b>	<b>1 180 162</b>
Provinces and municipalities		1 176 868							1 176 868
Departmental agencies and accounts									
Households		2 294			1 000			1 000	3 294

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R Thousand</b>								
<b>Payments for capital assets</b>	96 092			(69 962)			(69 962)	26 130
Buildings and other fixed structures	96 092			(69 962)			(69 962)	26 130
Machinery and equipment								
Software and other intangible assets								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>2 668 243</b>			<b>106 465</b>			<b>106 465</b>	<b>2 774 708</b>

TABLE 15.5: DETAILS OF SHIFTS AND VIREMENTS PER CLASSIFICATION: PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(1 855)</b>		<b>177 282</b>
Compensation of employees			Provision for salary adjustments. Funds shifted from training item under EPWP.	35 254
Goods and services	Funds shifted to items with budget pressures.	(1 855)	Funds made available from the Capital projects to cover anticipated over expenditure on water and lights, leases, maintenance projects, as some projects are part of Kopanong PPP.	142 028
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>1 000</b>
Households			Funds made available to cover over expenditure incurred as result of continuously payments for injury on duty.	1 000
<b>Payments for capital assets</b>		<b>(69 962)</b>		
Buildings and other fixed structures	Funds wrongly allocated at the beginning of the financial year. Funds are shifted to Property Payments: Maintenance.	(69 962)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(71 817)</b>		<b>178 282</b>

### Virements and Shifts

An amount of R35.2 million is shifted to compensation of employees to defray anticipated overspending in programme 2. This is necessary to continue recruiting technical staff within the core branches.

Goods and services is allocated an amount of R106 million to make provision for head office accommodation for the province to enable all GPG departments to perform their day-to-day operations.

An amount of R34 million is shifted from capex infrastructure due to misallocation and will be reclassified under Property Payments: Maintenance. The new allocation aligns infrastructure to the ECE allocations.

An amount of R35.1 million is shifted from buildings and other fixed structures due to slow expenditure on capex projects as result of poor contractor performance on site. However, the department is experiencing budget pressures on security services and this amount is redirected to property payments to address over expenditure on security services.

### Programme 3: Expanded Public Works Programme

TABLE 15.6: PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R Thousand</b>								
1. Programme Support Cbp	27 073			1 500			1 500	28 573
2. Community Development	232 490			(98 443)			(98 443)	134 047
<b>Total for Programmes</b>	<b>259 563</b>			<b>(96 943)</b>			<b>(96 943)</b>	<b>162 620</b>

Economic classification	Main Appropriation	2022/23 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R Thousand</b>								
<b>Current payments</b>	<b>259 342</b>			<b>(96 943)</b>			<b>(96 943)</b>	<b>162 399</b>
Compensation of employees	119 560			(4 500)			(4 500)	115 060
Salaries & wages	113 050							113 050
Social contribution	6 510			(4 500)			(4 500)	2 010
Goods and services	139 782			(92 443)			(92 443)	47 339
<b>Transfers and subsidies</b>	<b>221</b>							<b>221</b>
Households	221							221
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>259 563</b>			<b>(96 943)</b>			<b>(96 943)</b>	<b>162 620</b>

**TABLE 15.7: DETAILS OF SHIFTS AND VIREMENTS PER CLASSIFICATION: PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(101 443)</b>		<b>4 500</b>
Compensation of employees	Vacant posts resulting in under expenditure.	(4 500)		
Goods and services	Delays in NYS recruitment programme and the resultant implementation of training.	(96 943)	Funds shifted to where expenditure is incurred.	4 500
<b>Transfers and subsidies</b>				
Households				
<b>Total economic classification</b>		<b>(101 443)</b>		<b>4 500</b>

**Virements and Shifts**

An amount of R 96 million is being shifted from goods and services. This is due to delays in NYS recruitment programme and the implementation of training.

An amount of R4.5million is shifted from compensation of employees’ programme 3 to programme 2 under the same item. This is an alignment of budget with where expenditure is incurred as a result of people placement on the organogram.

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

**TABLE 15.8: EXPENDITURE 2021/22 AND PRELIMINARY EXPENDITURE 2022/23**

Department	2021/22 Expenditure Outcome				2022/23 Preliminary expenditure		
	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021-Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
<b>R thousand</b>							
1. Administration	468 108	187 815	403 641	86%	417 907	187 455	(0)%
2. Public Works	2 599 635	1 057 086	2 629 775	101%	2 774 708	1 433 310	36%
3. Expanded Public Works	181 277	64 541	142 993	79%	162 620	61 734	(4)%
<b>Total</b>	<b>3 249 020</b>	<b>1 309 442</b>	<b>3 176 409</b>	<b>98%</b>	<b>3 355 235</b>	<b>1 682 499</b>	<b>28%</b>

Department	2021/22				2022/23		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021-Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
<b>Current payments</b>	<b>2 137 939</b>	<b>984 168</b>	<b>2 104 823</b>	<b>98%</b>	<b>2 125 144</b>	<b>1 076 586</b>	<b>9%</b>
Compensation of employees	1 164 829	570 975	1 151 014	99%	1 179 186	568 057	(1)%
Goods and Services	973 010	413 193	932 309	96%	945 778	508 529	23%
Interest and rent on land	100		21 500	21 500%	180		
<b>Transfers and subsidies</b>	<b>1 030 376</b>	<b>307 834</b>	<b>1 031 251</b>	<b>100%</b>	<b>1 181 322</b>	<b>588 014</b>	<b>91%</b>
Provinces and municipalities	1 025 376	304 504	1 025 348	100%	1 176 868	584 892	92%
Departmental agencies and accounts							
Households	5 000	3 330	5 903	118%	4 454	3 122	(6)%
<b>Payments for capital assets</b>	<b>80 505</b>	<b>17 306</b>	<b>39 567</b>	<b>49%</b>	<b>48 377</b>	<b>17 703</b>	<b>2%</b>
Buildings and other fixed structures	50 415	7 490	10 143	20%	26 130	2 205	(71)%
Machinery and equipment	30 090	9 816	28 611	95%	22 247	15 498	58%
Software and other intangible assets			813				
<b>Payments for financial assets</b>	<b>200</b>	<b>134</b>	<b>768</b>	<b>384%</b>	<b>392</b>	<b>196</b>	<b>46%</b>
<b>Total</b>	<b>3 249 020</b>	<b>1 309 442</b>	<b>3 176 409</b>	<b>98%</b>	<b>3 355 235</b>	<b>1 682 499</b>	<b>28%</b>

### Expenditure trends 2021/22

The Department final budget allocation for the financial year 2021/22 was R3.2 billion, with R3.1 billion or 98 per cent of the budget having been spent. The Department had an overall underspending of R72 million which was surrendered in the year 2021/22.

Underspending was due to delays in training of EPWP beneficiaries, compensating employees and failure to implement capex projects as result of slow expenditure.

#### Programme 1: Administration

The department has seen a significant reduction in spending for the first half of the financial year when compared 2021/22 financial year due to delays in implementing activities such as training of staff and travelling.

#### Programme 2: Public Works Infrastructure

This programme was allocated a budget of R2.6 billion in the year. As the core programme with the most activities, the budget comprises compensation of employees, goods and services, rental amounts, security services, rates & taxes and was exceeded by 1 per cent.

#### Programme 3: Expanded Public Works

This programme implements EPWP programmes which constitutes 5.3 per cent of the Departmental budget. EPWP underspent due to delays in NYS recruitment programme and the implementation of training.

### Preliminary expenditure trends for the first half of 2022/23

The analysis of budget allocation between 2021/22 and 2022/23 indicates a budget reduction on Goods & Services and Machinery & Equipment.

The expenditure trends from the prior financial year indicates an increase in the current financial year. This is due to accruals being paid with current year's budget both on goods & services and machinery & equipment.

#### Programme 1: Administration

The PPPR 2017 resulted in delays in procurement, and this directly impacted the spending of goods & services in quarter 1 and quarter 2.



**Programme 2: Public Works Infrastructure**

This programme is the core programme with the most critical and cost driver activities with budget pressures such as property leases, utilities, security services. The increase on machinery & equipment is due to accruals and purchase of tools of trade. The decrease in Building and other fixed structures amount is due to capex projects severely impacted by contractor performance and site access limitations.

**Programme 3: Expanded Public Works**

This programme implements EPWP programmes and the PPPR 2017 resulted in the procurement process being put into a halt and affecting the training programmes for the EPWP.

**6. Departmental Receipts**

TABLE 15.9: DEPARTMENTAL RECEIPTS

Department	2021/22 Audited Outcome				2022/23 Preliminary Receipts		
	Adjusted appropriation	Apr 2021 - Sept 2021	Apr 2021 - Mar 2022	Apr 2021 - Mar 2022 as a % of adjusted appropriation	Adjusted appropriation	Apr 2022 - Sept 2022	% change 21/22 - 22/23 Apr-Sept
<b>R thousand</b>							
Sales of goods and services other than capital assets	29 260	7 911	15 953	(45)%	30 664	6 531	(17)%
Interest, dividends and rent on land		1	35			33	3200%
Sales of capital assets				0.0%		9 621	#DIV/0!
Financial transactions in assets and liabilities	770	338	905	0%	807	102	#DIV/0!
<b>Total</b>	<b>30 030</b>	<b>8 250</b>	<b>16 893</b>	<b>(44)%</b>	<b>31 471</b>	<b>16 287</b>	<b>97%</b>

**Revenue trends for the first half of the 2022/23 financial year**

The departments revenue estimates for the 2022/23 financial year amounts to R31.4 million. Under Sales of goods and services other than capital assets, R30.6 million was projected and the actual collection cash collect was R6.5 million as end of September 2022. The department experience a windfall of R9.6 million under sales of capital assets for non-core assets online auction.

Under Financial transactions in assets and liabilities, the department collected R97 000. All miscellaneous collections are recorded under this economic class e.g., recoveries from previous years’ expenditure, domestic services, and the departmental debts.

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

**7.1. Changes to transfer and subsidies**

No changes.

**7.2. Changes to Conditional grant**

No changes.

**7.3. Changes to Infrastructure**

Please refer to the 2022/23 Adjusted Estimates of Capital Expenditure (AECE).

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