

Proposed Amendments to the Appropriations Bill [B3-2018]



1. Introduction

On 22 February 2018, former Minister of Finance, Malusi Gigaba, announced an increase in the Child Support Grant in Parliament.

The announcement included: an increase from R380 per month to R400 per month from 01 April 2018; and an increase from R400 per month to R410 per month from 01 October 2018 in the Child Support Grant.

However, the increase in the Child Support Grant remains below the “*food poverty line*” of R441 per month in South Africa.

2. Scope

The Money Bills Amendment Procedure and Related Matters Act (No. 9 of 2009) makes provision for the amendment of the Appropriation Bill [B3-2018] by Parliament.

We, therefore, propose 170 amendments to provide for an adjustment in the amount of R5.36 billion to the Appropriations Bill [B3-2018], to provide for an increase in the Child Support Grant to a level that is in line with the “*food poverty line*” in South Africa.

The amendments we propose are “*budget neutral*” and will be funded by reprioritizing expenditure within the existing budget, and will have no effect on the fiscal deficit for 2018/19.

3. Proposal

We proposed an amendment to the Appropriations Bill [B3-2018], to increase the appropriation of Vote 17: Social Development, by R5.36 billion to provide for an increase in the Child Support Grant, to a level that is in line with the “food poverty line”, in 2018/19.

4. Savings

We propose the following savings to fund the proposed R5.36 billion adjustment to the Appropriation Bill [B3-2018]:

- a “spending freeze” on VIP Protection Services [Vote 23, Police, Programme 5, Sub-Programme 1], Prestige Policy [Vote 11, Public Works, Programme 5] and International Relations [Vote 6, International Relations and Cooperation, Programme 2], which will generate a saving of R 17.4 million;
- a 5% “haircut” on cost containment items including advertising, communications, entertainment, travel & subsistence and venue & facilities, except national departments “firewalled” from spending cuts, which will generate a saving of R708 million.
- a “general spending freeze” on current spending not included in the cost containment “haircut”, in all national departments, except national departments “firewalled” from spending cuts, which will generate a saving of R4.6 billion in 2018/19.

We propose that the savings do not apply to twelve national departments which we believe should be “firewalled” from spending cuts, including Basic Education [Vote 14], Higher Education and Training [Vote 15], Health [Vote 16], Social Development [Vote 17], Correctional Services [Vote 18], Independent Police Investigative Directorate [Vote 20], Justice and Constitutional Development [Vote 21], Office of the Chief Justice and Justice Administration [Vote 22], Police [Vote 23]¹, Water and Sanitation [Vote 36], Human Settlements [Vote 38] and Rural Development and Land Reform [Vote 39].

We also propose that the savings do not apply to four specified programmes, which we believe should be “firewalled” from spending cuts, including National Disaster Management Centre [Vote 4, Programme 4], Community Work Programme [Vote 4, Programme 6], the Expanded Public Works Programme [Vote 11, Programme 3] and the Citizen Affairs Programme [Vote 5, Programme 2].

5. Conclusion

We, in summary, tabulate the savings to finance the proposed R5.36billion adjustment to the Appropriations Bill [B3-2018] as follows:

Savings	
- “spending freeze” on VIP Protection Services, Prestige Policy, International Relations	R 17,455,000.00
- 5% “haircut” on cost containment measures	R 708,181,201.04
- “spending freeze” on current expenditure	R 4,641,206,052.17
- Total	R 5,366,842,253.21

¹ The “firewall” against spending cuts to national department excludes Police, Vote 23, Programme 5, Sub-Pramme 1, VIP Protection Services.

We believe that the 170 amendments to provide for an adjustment in the amount of R5.36 billion to the Appropriations Bill [B3-2018], will provide significant relief to the poor by increasing the Child Support Grant to a level that is in line with the *“food poverty line”* in South Africa.

AMENDED APPROPRIATION BILL

Democratic Alliance

Appendix 1 – Amended Appropriation Bill [B3-2018] Schedule

Proposed Amendments

REPUBLIC OF SOUTH AFRICA

Proposed Amendments to [B3-2018]

Schedule

Vote		Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of employees	Goods and Services	Interest and Rent on Land			
		R'000	R'000	R'000	R'000	R'000	R'000	
1	The Presidency	(21,905)	(21,905)					
	1 Administration		(18,802)					
	2 Executive Support		(3,103)					
2	Parliament	(69,044)	(69,044)					
	1 Strategic Leadership and Governance		(3,500)					
	2 Administration		(2,637)					
	3 Core Business		(25,629)					
	4 Support Services		(16,935)					
	5 Associated Services		(20,343)					
3	Communications	(31,009)	(31,009)					
	1 Administration		(3,973)					
	2 Communications Policy, Research and Development		(1,783)					
	3 Industry and Capacity Development		(23,576)					
	4 Entity Oversight		(1,677)					
4	Cooperative Governance and Traditional Affairs	(38,103)	(38,103)					
	1 Administration		(11,201)					
	2 Regional and Urban Development and Legislative Support		(5,555)					
	3 Institutional Development		(18,014)					
	5 Local Government Support and Intervention Management		(3,332)					
5	Home Affairs	(258,847)	(258,847)					
	1 Administration		(165,688)					
	3 Immigration Affairs		(93,160)					
6	International Relations and Cooperation	(450,571)	(440,694)	(4,538)	(300)	(5,039)		
	1 Administration		(210,015)	(4,538)				
	2 International Relations		(149,905)		(300)	(5,039)		
	3 International Cooperation		(64,879)					
	4 Public Diplomacy and Protocol Services		(15,895)					
7	National Treasury	(452,565)	(452,565)					
	1 Administration		(39,789)					
	2 Economic Policy, Tax, Financial Regulation and Research		(2,598)					
	3 Public Finance and Budget Management		(2,338)					
	4 Asset and Liability Management		(13,200)					
	5 Financial Accounting and Supply Chain Management Systems		(334,657)					
	6 International Financial Relations		(2,998)					
	7 Civil and Military Pensions, Contributions to Funds and Other Benefits		(3,660)					
	8 Technical Support and Development Finance		(53,327)					
8	Planning, Monitoring and Evaluation	(26,987)	(26,987)					

	1	Administration		(11,495)	
	2	National Planning Coordination		(9,124)	
	3	Sector Planning and Monitoring		(1,933)	
	4	Public Sector Monitoring and Capacity Development		(807)	
	5	Frontline and Citizen-Based Service Delivery and Monitoring		(2,202)	
	6	Evidence and Knowledge Systems		(1,266)	
	7	National Youth Development		(160)	
9		Public Enterprises	(26,359)	(26,359)	
	1	Administration		(16,877)	
	2	State-owned Companies Governance Assurance and Performance		(1,135)	
	3	Business Enhancement, Transformation and Industrialisation		(8,347)	
10		Public Service and Administration	(51,666)	(51,666)	
	1	Administration		(12,196)	
	2	Policy Development, Research and Analysis		(3,380)	
	3	Public Service Employment and Conditions of Service		(24,725)	
	4	Government Chief Information Officer		(3,667)	
	5	Service Delivery Support		(6,071)	
	6	Governance of Public Administration		(1,627)	
11		Public Works	(55,671)	(52,254)	(317) (3,100)
	1	Administration		(29,168)	
	2	Intergovernmental Coordination		(1,346)	
	4	Property and Construction Industry Policy and Research		(4,216)	
	5	Prestige Policy		(17,524)	(317) (3,100)
12		Statistics South Africa	(84,028)	(84,028)	
	1	Administration		(21,985)	
	2	Economic Statistics		(5,719)	
	3	Population and Social Statistics		(9,490)	
	4	Methodology, Standards and Research		(1,340)	
	5	Statistical Support and Informatics		(12,756)	
	6	Statistical Collection and Outreach		(18,374)	
	7	Survey Operations		(14,364)	
13		Women	(21,045)	(21,045)	
	1	Administration		(2,876)	
	2	Social Transformation and Economic Empowerment		(5,049)	
	3	Policy, Stakeholder Coordination and Knowledge Management		(13,121)	
17		Social Development			
	2	Social Assistance	5,366,842		5,366,842
18		Correctional Services	(579,541)	(579,541)	
	1	Administration		(128,638)	
	2	Incarceration		(134,537)	
	3	Rehabilitation		(47,715)	
	4	Care		(259,002)	
	5	Social Reintegration		(9,649)	
19		Defence and Military Veterans	(2,026,187)	(2,026,187)	
	1	Administration		(258,619)	

	2	Force Employment		(132,512)	
	3	Landward Defence		(634,497)	
	4	Air Defence		(198,109)	
	5	Maritime Defence		(199,667)	
	6	Military Health Support		(259,030)	
	7	Defence Intelligence		(4,397)	
	8	General Support		(339,356)	
23	Police		(11,315)	(2,616)	(135) (8,564)
	5	Protection and Security Services		(2,616)	(135) (8,564)
24	Agriculture, Forestry and Fisheries		(180,747)	(180,746)	(1)
	1	Administration		(54,226)	
	2	Agricultural Production, Health and Food Safety		(45,938)	
	3	Food Security and Agrarian Reform		(26,075)	(1)
	4	Trade Promotion and Market Access		(11,596)	
	5	Forestry and Natural Resources Management		(42,911)	
25	Economic Development		(6,146)	(6,146)	
	1	Administration		(5,885)	
	2	Growth Path and Social Dialogue		(238)	
	3	Investment, Competition and Trade		(23)	
26	Energy		(44,081)	(44,081)	
	1	Administration		(20,190)	
	2	Energy Policy and Planning		(1,263)	
	3	Petroleum and Petroleum Products Regulation		(4,446)	
	4	Electrification and Energy Programme and Project Management		(3,290)	
	5	Nuclear Energy		(12,914)	
	6	Clean Energy		(1,978)	
27	Environmental Affairs		(269,589)	(269,589)	
	1	Administration		(87,848)	
	2	Legal, Authorisations, Compliance and Enforcement		(21,349)	
	3	Oceans and Coasts		(36,455)	
	4	Climate Change and Air Quality		(1,692)	
	5	Biodiversity and Conservation		(2,088)	
	6	Environmental Programmes		(19,861)	
	7	Chemicals and Waste Management		(100,296)	
28	Labour		(83,668)	(83,668)	
	1	Administration		(54,086)	
	2	Inspection and Enforcement Services		(9,014)	
	3	Public Employment Services		(14,659)	
	4	Labour Policy and Industrial Relations		(5,909)	
29	Mineral Resources		(32,135)	(32,135)	
	1	Administration		(8,753)	
	2	Mine Health and Safety		(4,250)	
	3	Mineral Regulation		(8,543)	
	4	Mineral Policy and Promotion		(10,588)	
30	Science and Technology		(20,741)	(20,741)	

	1	Administration		(15,778)
	2	Technology Innovation		(1,750)
	3	International Cooperation and Resources		(1,067)
	4	Research, Development and Support		(1,398)
	5	Socio-Economic Innovation Partnerships		(748)
31		Small Business Development	(24,842)	(24,842)
	1	Administration		(10,420)
	2	Sector Policy and Research		(6,440)
	3	Integrated Cooperative Development		(2,893)
	4	Enterprise Development and Entrepreneurship		(5,090)
32		Telecommunications and Postal Services	(52,280)	(52,280)
	1	Administration		(24,233)
	2	International Affairs and Trade		(4,383)
	3	Policy, Research and Capacity Development		(8,667)
	4	ICT Enterprise Development and Public Entities Oversight		(3,209)
	5	ICT Infrastructure Support		(11,788)
33		Tourism	(78,628)	(78,628)
	1	Administration		(29,823)
	2	Tourism Research, Policy and International Relations		(9,506)
	3	Destination Development		(16,641)
	4	Tourism Sector Support Services		(22,659)
34		Trade and Industry	(99,652)	(99,652)
	1	Administration		(54,307)
	2	International Trade and Economic Development		(4,033)
	3	Special Economic Zones and Economic Transformation		(6,189)
	4	Industrial Development		(7,433)
	5	Consumer and Corporate Regulation		(11,071)
	6	Incentive Development and Administration		(8,748)
	7	Trade and Investment South Africa		(4,165)
	8	Investment South Africa		(3,708)
35		Transport	(130,945)	(130,945)
	1	Administration		(13,278)
	2	Integrated Transport Planning		(11,947)
	3	Rail Transport		(9,051)
	4	Road Transport		(8,604)
	5	Civil Aviation		(7,589)
	6	Maritime Transport		(1,620)
	7	Public Transport		(78,856)
37		Arts and Culture	(108,817)	(108,817)
	1	Administration		(16,185)
	2	Institutional Governance		(63,936)
	3	Arts and Culture Promotion and Development		(9,990)
	4	Heritage Promotion and Preservation		(18,707)
40		Sport and Recreation South Africa	(29,729)	(29,729)
	1	Administration		(12,538)

