

Estimates of National Expenditure

2018

Abridged version

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The 2018 Estimates of National Expenditure is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. Compared to this Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

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National Treasury

Republic of South Africa



Foreword

When the Estimates of National Expenditure (ENE) publication was launched in 2001, we referred to it as “a significant step forward in national budget transparency”. Since then, even though the national budget has undergone many reforms, the ENE publications remain a key indicator and embodiment of the candour of the budgeting process.

The publications provide the media, civil society, the public, Parliament, departments, public entities and ministers with information about how taxpayers’ money is being spent: what it buys and for what purpose. Do not be concerned by the magnitude of this publication. Instead, let us use it as a reference to keep government institutions accountable and ensure that the expenditure of public funds achieves its intended policy outcomes to improve the welfare of citizens.

In the current economic climate, spending priorities and the sequencing of programme implementation are subject to a number of trade-offs. The focus of the 2018 Budget has solely been on the reprioritisation of existing baseline funding. The abridged ENE provides a coherent and summarised account of the priorities, spending plans and service delivery commitments of all 40 national votes and of government agencies. The e-publications for each vote contain more detail on, for example, goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

The ENE’s presentation of the detailed expenditure estimates of departments are the result of a lengthy executive and administrative process involving wide-ranging intergovernmental consultation. This process is led by a committee of senior officials in central government departments, under the political guidance of the Ministers’ Committee on the Budget. A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team that worked tirelessly to produce a document of which we are rightly proud.

The independent Open Budget Survey assessment of budget transparency commenced in 2006. It is conducted every two years to measure the accessibility and comprehensiveness of key budget documents and information across the world. In 2010, South Africa was ranked first out of 94 countries surveyed, scoring 92 per cent. In the latest iteration of the survey, which measured 115 countries, South Africa was ranked first again, tied with New Zealand, with a score of 89 per cent. Our country is one of only 11 that publish comprehensive, timely information in all the required budget documents.

Budgets link the outcomes targeted by government with the services that are ultimately delivered. In addition to South African budgets having become more transparent, recent efforts to increase public participation in budgeting are gaining momentum. South Africans are invited to scrutinise budget information and provide opinions on government service delivery. We rely on this participation to strengthen our budgeting system and make it even more reliable.



Dondo Mogajane
Director-General: National Treasury

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Introduction

Estimates of National Expenditure publications

South Africa's main budget documents are tabled annually in Parliament by the Minister of Finance. The 2018 Appropriation Bill sets out the amounts to be appropriated from the National Revenue Fund for the requirements of 2018/19. The budget is presented by national government vote¹, programme and main economic classification². Some budget items are also subject to specific conditions and may be used only for the purposes indicated.

Government sets out its spending plans in a three-year medium-term expenditure framework (MTEF), which is updated annually. This year's Estimates of National Expenditure (ENE) publications set out spending plans for 2018/19 to 2020/21. They provide explanatory information on government's expenditure presented in the annual appropriation legislation, through which government seeks authority from Parliament for its spending.

The publications include information on how government institutions have spent their budgets in previous years. They explain how these institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes their spending is expected to lead to. The publications include tables depicting non-financial performance indicators and targets, departmental receipts, and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for selected entities. Brief explanatory narratives set out the institution's purpose (and that of its programmes), mandate, programme-level objectives and descriptions of subprogrammes. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. A summary table is included at the end of the chapter for votes in which there is significant spending on infrastructure.

In addition, for each vote, a more detailed e-publication is available online. The e-publications contain programme personnel data tables and detailed information for all entities, as well as additional summary data tables on provincial and municipal conditional grants, public-private partnerships, donor funding, and expenditure at the level of site service delivery, where applicable.

2018 Budget expenditure estimates

Budgeting by function

Budget function groups are made up of various institutions across the three spheres of government, which are grouped together according to the objectives or activities they are mandated to perform. Different programmes within the same department may be categorised across different functions depending on their assigned tasks. For example, the *Public Transport* programme within the Department of Transport is categorised under the Community Development function, while all the other programmes are categorised under the Economic Development function. Each function is also strategically grouped to facilitate subject-specific discussions targeting service delivery requirements and policy priorities.

The policy priorities of government are set out in the medium-term strategic framework (MTSF) and the National Development Plan (NDP). The MTEF is aligned with these priorities. Table 1.1 shows how the seven function budget areas are aligned with the chapters in the NDP with the related MTSF outcomes, by national department as well as for selected entities.

-
1. A national government vote is generally synonymous with a national government department. However, in certain instances, a vote may contain more than one national government department. For instance, the Cooperative Governance and Traditional Affairs vote contains two departments, the Department of Cooperative Governance and the Department of Traditional Affairs.
 2. Allocations are made by economic classification. The main categories of economic classification are: current payments (payments made for operational requirements such as those for compensation of employees and goods and services); transfers and subsidies; payments for capital assets (assets that can be used for more than one year); and payments for financial assets (loans or equity investments in public corporations).

Table 1.1 Function groups

Function group	Chapter in the NDP	MTSF outcome	National department	Selected entities
Learning and Culture	9	1, 5	Basic Education	Sector education and training authorities (consolidated)
	3, 9	5	Higher Education and Training	National Student Financial Aid Scheme National Skills Fund
	15	14	Sport and Recreation Arts and Culture	
Health	10	2	Health	National Health Laboratory Service Medical Research Council of South Africa
Social Development	11	13	Social Development	South African Social Security Agency
Peace and Security	12, 14	3	Defence and Military Veterans	Armaments Corporation of South Africa
			National Treasury (programme 10)	
			Police	
			Independent Police Investigative Directorate	
			Civilian Secretariat for the Police Service	
			Justice and Constitutional Development	Legal Aid South Africa
			Correctional Services	
			Office of the Chief Justice	
Home Affairs	Government Printing Works Electoral Commission			
Economic Development	3, 4, 5, 6, 7, 9, 11	4, 5, 6, 7, 10, 11, 12, 13	Economic Development	Industrial Development Corporation of South Africa
			Mineral Resources	
			Trade and Industry	National Lotteries Commission Distribution Trust Fund Export Credit Insurance Corporation of South Africa
			Tourism	South African Tourism
			Small Business Development	
			Public Works (programme 4)	Property Management Trading Entity
			Labour	Unemployment Insurance Fund Compensation Fund
			Public Works (programme 3)	
			National Treasury (programme 7)	
			All expanded public works programmes in other national departments	
			Science and Technology	National Research Foundation Council for Science and Industrial Research
			Environmental Affairs	South African National Parks
			Agriculture Forestry and Fisheries	Agricultural Research Council
			Rural Development and Land Reform	Agricultural land holding account
			Energy (except programme 4)	South African Nuclear Energy Corporation Central Energy Fund
Telecommunications and Postal Services	Sentech South African Post Office State Information Technology Agency			

Table 1.1 Function groups

Function group	Chapter in the NDP	MTSF outcome	National department	Selected entities
Economic Development			Transport (except programme 7)	South African National Roads Agency Road Accident Fund Air Traffic and Navigation Services Company Airports Company of South Africa
			Water and Sanitation (except programmes 3 and 4)	Rand Water Water Services Trading Entity Trans-Caledon Tunnel Authority Consolidated water boards Umgeni Water Sedibeng Water
Community Development	8, 13	8, 9, 12	Human Settlements	National Home Builders Registration Council
			Water and Sanitation (programmes 3 and 4)	
			Transport (programme 7)	Passenger Rail Agency of South Africa
			Energy (programme 4) Cooperative Governance (local and provincial conditional grants)	
General Public Services	13	12	The Presidency	South African Broadcasting Cooperation
			Communications	
			Women	
			Parliament	
			Planning, Monitoring and Evaluation	
			National Treasury (except programmes 6, 7, and 10)	South African Revenue Service Development Bank of Southern Africa Land and Agricultural Development Bank of South Africa Public Investment Corporation Government Pensions Administration Agency South African Special Risks Insurance Association
			Public Enterprises	
			Statistics South Africa	
			Cooperative Governance and Traditional Affairs	
			Public Service and Administration	
	Public Works (programmes 1, 2, and 5)			
7	11	International Relations and Cooperation National Treasury (programme 6)		

2018 Budget determination and expenditure reductions

During the budget process, overall reductions were effected to planned spending across all government departments, conditional grants to provinces and municipalities, and transfers to institutions. Table 1.2 illustrates the baseline reductions by economic classification category.

Table 1.2 Total general baseline budget reductions by main economic classification category

R million	2018/19	2019/20	2020/21
Transfers and subsidies, including conditional grants	-19 726	-21 482	-22 728
Goods and services	-5 165	-5 525	-5 834
Payments for capital assets	-1 451	-1 774	-1 872
Compensation of employees	-40	-40	-40
Total	-26 382	-28 820	-30 473

In response to aggregate baseline reductions, measures to remain within the lowered expenditure ceilings for the 2018 Budget include reallocating resources and reallocating provisional allocations.

Main budget expenditure ceiling

Expenditure ceilings apply to main budget non-interest expenditure¹, as well as on the portion of vote budgets that is allocated for compensation of employees. Aggregate allocations approved for the vote for the MTEF period provide an upper limit within which budgets are to be managed. The expenditure ceiling figures differ slightly from those for main budget non-interest expenditure because the ceiling excludes payments directly financed by dedicated revenue flows, as well as payments not subject to policy oversight. These include:

- payments for government financial assets financed by the sale of financial assets
- payment transactions linked to the management of government debt
- direct charges related to specific payments made in terms of legislation, such as the skills development levy.

Table 1.3 reflects the aggregate expenditure ceiling as tabled in the Budget Review and in the Medium-Term Budget Policy Statement (MTBPS) publications. The compensation of employees expenditure ceiling for national government departments is R164.5 billion for 2018/19, R176.7 billion for 2019/20 and R189.7 billion for 2020/21.

Table 1.3 Expenditure ceiling at the main budget level¹ for 2014/15 to 2020/21

R million	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
2015 Budget Review	1 006 905	1 081 214	1 152 833	1 250 086			
2015 MTBPS	1 001 789	1 077 527	1 152 833	1 250 086	1 354 422		
2016 Budget Review	1 001 874	1 076 705	1 152 833	1 240 086	1 339 422		
2016 MTBPS		1 074 992	1 144 353	1 229 742	1 323 465	1 435 314	
2017 Budget Review ²		1 074 970	1 144 225	1 229 823	1 323 553	1 435 408	
2017 MTBPS		1 074 970	1 141 978	1 233 722	1 316 553	1 420 408	1 524 222
2018 Budget Review			1 141 978	1 232 678 ³	1 315 002	1 416 597	1 523 762

1. Non-interest spending financed from the National Revenue Fund, excluding the skills development levy; special appropriations in 2015/16 for Eskom and the New Development Bank; debt management; gold and foreign exchange contingency reserve account transactions; and the International Oil Pollution Compensation Fund.

2. The International Oil Pollution Compensation Fund spending is excluded from the ceiling from 2015/16 onward, and the New Development Bank spending in 2015/16 only.

3. In 2017/18 the expenditure ceiling of R1 232.678 billion could be breached mainly as a result of government's recapitalisation of South African Airways and the South African Post Office. The appropriations for the airline and the post office amounted to R13.7 billion, partially offset by the use of the contingency reserve and projected underspending.

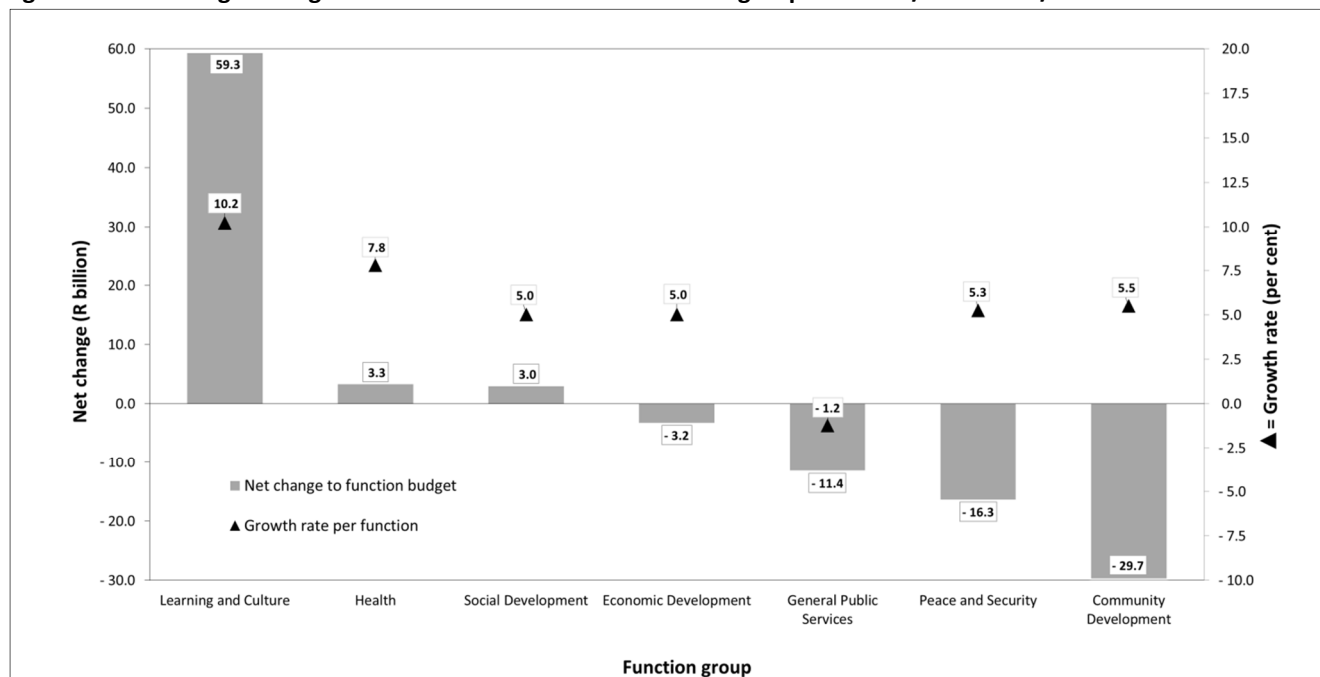
Composition of changes to government spending by function

Consolidated expenditure³ amounts to R1.67 trillion in 2018/19, R1.8 trillion in 2019/20, and R1.94 trillion in 2020/21, and is expected to increase at 2.1 per cent in real terms over the MTEF period. Main budget expenditure, excluding the contingency reserve, is also set to increase at an annual average of 1.8 per cent in real terms over the period, from R1.33 trillion in 2018/19 to R1.54 trillion in 2020/21.

The budget process considers the finite public resources available. The 2018 Budget estimates include reallocation of resources and spending reductions within and across function groups. These changes to budgets are usually attributed to prioritisation, cost changes and new initiatives that have been identified. The effects on main budget spending per function group as a result of these changes are shown in Figure 1.1 alongside growth rates for function spending. As shown, the functions largely retain positive growth rates as the reductions implemented have lowered growth rates, but generally not reduced aggregate planned spending levels.

3. Main budget-level expenditure refers to expenditure financed through revenue collected by national government, which is deposited in the National Revenue Fund. Consolidated expenditure consists of main budget expenditure, as well as expenditure financed from revenue raised by government entities, provinces and social security funds. Consolidated government spending forms the basis for discussion in the Budget Review publication.

Figure 1.1 Net changes and growth rates in allocations to function groups for 2018/19 to 2020/21



The changes are summarised below:

- Learning and Culture – The R59.3 billion net increase is mainly for university and technical and vocational education and training (TVET) college subsidies, the National Student Financial Aid Scheme for the phasing in of fee free higher education and training for poor and working class students with a family income up to R350 000 per annum at universities and TVET colleges, and starting operations at 3 new TVET college campuses.
- Health – The R3.3 billion net increase is mainly attributed to the allocations to develop an interim national health insurance (NHI) structure and the *national health insurance indirect grant* to cater for a package of prioritised NHI services.
- Social Development – The R3 billion net increase is mainly due to increases in social assistance grants to compensate for VAT increases, increases on provincial equitable share allocations to address the implementation of the Nawongo judgment, and for the prevention and mitigation of violence against women and children.
- Economic Development – The R3.2 billion net decrease is mainly realised through reductions effected on the South Africa Connect broadband project in the Department of Telecommunications and Postal Services, reductions of the *provincial roads maintenance grant*, and reductions effected on the South African National Roads Agency in the Department of Transport.
- General Public Services – The R11.4 billion net decrease is mainly due to reductions effected on the transfer payment to the South African Revenue Service, the provincial equitable share, provincial entity transfers and the transfer payment for the Common Monetary Area compensation.
- Peace and Security – The R16.3 billion net decrease mainly comprises reductions to the special defence account; the *Air Defence*, *Maritime Defence* and *General Support* programmes in the Department of Defence; and transfer payments to the *Secret Services* programme in National Treasury, the *Incarceration* programme in the Department of Correctional Services, and the *Administration* programme in the Department of Police.

- Community Development – The R29.7 billion net decrease is mainly due to reductions effected on the *human settlements development grant* and the *urban settlements development grant* in the Department of Human Settlements, the *municipal infrastructure grant* in the Department of Cooperative Governance, the *integrated national electrification programme* conditional and indirect grants in the Department of Energy, and the *public transport network grant* and transfer payment to the Passenger Rail Agency of South Africa in the Department of Transport.

Details of allocations amendments by function and by vote

This section provides details of adjustments made to the main budget non-interest expenditure for the MTEF period, by function and for each vote within the function. The estimated⁴ function split of the changes to the provincial equitable share, where relevant, is also shown in the tables as provinces have key service delivery mandates aligned with the functions they share with national departments.

All changes are shown relative to the initial function planning baseline allocations for the MTEF period, which originate from the previous year's budget baselines. All changes made to baselines are shown in the tables to account comprehensively for the budget allocation decisions taken throughout the 2018 Budget process. Most budget amendments have been effected through the reduction and reallocation of funds.

Learning and Culture

The Learning and Culture function aims to provide all South Africans with equitable access to relevant and quality basic and higher education and training and to promote social cohesion. The function is allocated R339.6 billion in 2018/19, R376.2 billion in 2019/20 and R406.8 billion in 2020/21. The function baseline is increased by a net amount of R59.3 billion over the MTEF period, or 5.6 per cent, from R1.06 trillion to R1.12 trillion.

Table 1.4 Learning and culture

Function ¹ by vote	2018/19	2019/20	2020/21 ³	MTEF total
R million				
2017 MTEF function baseline²	329 431.1	353 675.7	380 179.8	1 063 286.6
2018 MTEF function baseline²	339 552.9	376 246.7	406 796.8	1 122 596.5
Annual growth rate (percentage)	11.8%	10.8%	8.1%	10.2%
Net change from the 2017 baseline (percentage)	3.1%	6.4%	7.0%	5.6%
Arts and Culture	-119.4	-129.6	-136.4	-385.4
Performing Arts Centre of the Free State	-1.4	-1.2	-1.3	-4.0
The South African State Theatre	-0.1	-1.7	-2.4	-4.2
National Museum: Bloemfontein	-1.3	-1.7	-1.7	-4.7
South African Heritage Resources Agency	-1.4	-1.5	-2.4	-5.3
The Market Theatre	-1.7	-2.5	-1.8	-6.0
Artscape	-2.9	-1.7	-1.8	-6.3
Freedom Park: Pretoria	-2.2	-2.5	-2.7	-7.4
Iziko Museums: Cape Town	-2.2	-2.8	-2.9	-7.9
National Arts Council	-2.8	-3.0	-3.1	-8.9
Pan South African Language Board	-2.9	-3.1	-3.3	-9.3
National Library of South Africa	-3.0	-3.2	-3.4	-9.5
The Playhouse Company	-3.5	-4.1	-4.0	-11.6
National Film and Video Foundation	-4.2	-3.9	-4.1	-12.1
Robben Island Museum: Cape Town	-3.2	-4.5	-4.6	-12.3
Administration programme	-5.8	-6.2	-6.5	-18.6
Institutional Governance programme, Arts and Culture Promotion and Development programme, and Heritage Promotion and Preservation programme	-5.8	-7.0	-7.4	-20.3
Community library services grant	-74.9	-79.0	-83.0	-236.9

4. An aggregate monetary amount is allocated from the National Revenue Fund for the provincial equitable share. These funds are then allocated to specific function areas through separate provincial budgetary processes and legislative approval. The details of the function allocations of the funds by each of the provinces are not known with certainty at present.

Table 1.4 Learning and culture

Function ¹ by vote	2018/19	2019/20	2020/21 ³	MTEF total
R million				
Basic Education	-2 072.9	-2 580.6	-2 738.3	-7 391.8
School infrastructure backlogs grant (indirect grant): Completion of the accelerated schools infrastructure delivery initiative projects	1 471.8	1 327.0	969.0	3 767.9
Administration programme	-1.0	-1.0	-1.0	-3.0
Umalusi: Council for Quality Assurance in General and Further Education and Training	-3.3	-3.5	-3.7	-10.4
Maths, science and technology grant	-16.0	-17.0	-17.5	-50.5
HIV and AIDS (life skills education) grant	-16.3	-17.1	-18.5	-51.9
Curriculum Policy, Support and Monitoring programme	-36.3	-42.0	-44.6	-122.9
Education infrastructure grant	-3 471.8	-3 827.0	-3 622.0	-10 920.9
Higher Education and Training	12 348.9	25 318.3	29 531.0	67 198.1
National Student Financial Aid Scheme: Phasing in fee free higher education and training for poor and working class students	7 166.3	12 534.2	14 748.4	34 449.0
University subsidies	2 445.0	4 050.0	4 814.0	11 309.0
Technical and vocational education and training (TVET) colleges: Subsidies and infrastructure funding	2 714.0	3 706.0	4 661.0	11 081.0
National Student Financial Aid Scheme: Phasing in of fee free higher education for poor and working class students	–	4 325.0	4 562.9	8 887.9
Technical and vocational education and training colleges: Operationalisation of 3 new colleges	–	400.0	422.0	822.0
TVET colleges examination services	–	162.0	290.1	452.1
TVET colleges pensions payout payments	–	113.1	–	113.1
National Student Financial Aid Scheme: Administration	30.0	35.0	40.0	105.0
Universities South Africa: Shift of funding for the higher education and training HIV/AIDS programme from the Department of Health	8.8	9.2	9.7	27.7
Quality Council for Trades and Occupations	-1.1	-1.1	-1.2	-3.4
South African Qualifications Authority	-2.0	-2.1	-2.2	-6.3
Public Service Sector Education and Training Authority	-3.4	-3.6	-3.8	-10.8
Administration programme	-8.8	-9.4	-9.9	-28.2
Sport and Recreation South Africa	-34.8	-37.0	-39.2	-111.1
Active Nation, Winning Nation, Sport Support and Sport Infrastructure Support programmes: Goods and services	-0.9	-1.0	-1.0	-2.9
Administration programme	-2.9	-3.1	-3.2	-9.2
Mass participation and sport development grant	-31.0	-33.0	-35.0	-99.0
Net change to function baseline	10 121.8	22 571.0	26 617.1	59 309.9

1. The estimate of the provincial equitable share allocated to this function is included. This amount is determined by provincial budgetary and legislative processes, and is thus subject to change.
2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.
3. The modifications made to the 2020/21 function planning baseline throughout the course of the 2018 MTEF budget process are shown. The first 2018 MTEF estimates for 2020/21 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Health

The Health function seeks to improve access to affordable quality health care by ensuring an appropriate balance between preventative care and curative services. The function is allocated R198.5 billion in 2018/19, R213.4 billion in 2019/20 and R230.1 billion in 2020/21. The function baseline is increased by a net amount of R3.3 billion over the MTEF period, or 0.5 per cent, from R638.8 billion to R642.1 billion.

Table 1.5 Health

Function ¹ by vote				
R million	2018/19	2019/20	2020/21 ³	MTEF total
2017 MTEF function baseline²	198 061.9	212 372.0	228 363.0	638 797.0
2018 MTEF function baseline²	198 537.9	213 440.6	230 113.0	642 091.5
Annual growth rate (percentage)	8.1%	7.5%	7.8%	7.8%
Net change from the 2017 baseline (percentage)	0.2%	0.5%	0.8%	0.5%
Health	476.0	1 068.5	1 750.0	3 294.5
NHI grant (indirect grant): Prioritised NHI services	636.0	1 278.0	1 918.0	3 832.0
NHI: Establishment of the interim NHI Fund and related structures, non-communicable disease prevention and health technology assessments	64.0	122.0	182.0	368.0
Goods and services, including for forensic chemistry laboratories	17.6	21.1	20.1	58.8
South African Institute of Chartered Accountants: Financial management support programme for provinces	8.0	12.0	14.0	34.0
Establishment of expert medical committees to support provinces on medico-legal cases	5.0	7.5	10.0	22.5
National tertiary services grant: Expansion of the Western Cape Department of Health's diagnosis-related groups project	6.0	8.0	8.4	22.4
Council for Medical Schemes	-0.1	-0.2	-0.2	-0.5
South African National AIDS Council	-0.4	-0.5	-0.5	-1.4
South African Health Product Regulatory Authority	-3.2	-3.4	-3.6	-10.2
Office of Health Standards Compliance	-3.3	-3.5	-3.7	-10.5
Universities South Africa: Shift of funding for the higher education and training HIV/AIDS programme to the Department of Higher Education and Training	-8.8	-9.2	-9.7	-27.7
Administration programme	-11.0	-11.8	-12.4	-35.2
Goods and services	-36.7	-48.5	-52.5	-137.7
Health facility revitalisation grant (indirect grant): Health facility revitalisation component	-97.0	-103.0	-109.0	-309.0
Health facility revitalisation grant	-100.0	-200.0	-211.0	-511.0
Net change to function baseline	476.0	1 068.5	1 750.0	3 294.5

- The estimate of the provincial equitable share allocated to this function is included. This amount is determined by provincial budgetary and legislative processes, and is thus subject to change.*
- This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.*
- The modifications made to the 2020/21 function planning baseline throughout the course of the 2018 MTEF budget process are shown. The first 2018 MTEF estimates for 2020/21 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.*

Social Development

The Social Development function aims to reduce poverty by providing income support to the poor. The function is allocated R192.3 billion in 2018/19, R207.2 billion in 2019/20 and R223.5 billion in 2020/21. The function baseline is increased by a net amount of R3 billion over the MTEF period, or 0.5 per cent, from R620 billion to R623 billion.

Table 1.6 Social development

Function ¹ by vote				
R million	2018/19	2019/20	2020/21 ³	MTEF total
2017 MTEF function baseline²	192 381.1	206 689.0	220 949.0	620 019.1
2018 MTEF function baseline²	192 296.9	207 241.7	223 490.5	623 029.1
Annual growth rate (percentage)	7.9%	7.8%	7.8%	7.8%
Net change from the 2017 baseline (percentage)	0.0%	0.3%	1.2%	0.5%
Social Development	-285.1	52.8	2 014.1	1 781.8
Social assistance grants: Compensation for VAT increase	-172.5	166.2	2 134.2	2 127.9
Goods and services: Turnkey solution, lease payments and fleet services	18.0	18.0	18.0	54.0
Administration programme	-7.3	-7.8	-8.2	-23.3
National Development Agency	-10.0	-10.0	-13.0	-33.0
Mikondzo project: Change to community-based from ward-based	-23.3	-23.6	-23.9	-70.8
Social relief of distress grant	-90.0	-90.0	-93.0	-273.0
Health	-0.1	-0.1	-0.1	-0.3
Compensation Commissioner	-0.1	-0.1	-0.1	-0.3

Table 1.6 Social development

Function ¹ by vote				
R million	2018/19	2019/20	2020/21 ³	MTEF total
National Treasury	201.0	500.0	527.5	1 228.5
Provincial equitable share: Prevention and mitigation of violence against women and children	201.0	285.7	301.5	788.2
Provincial equitable share: Implementation of the Nawongo judgment	–	214.3	226.0	440.3
Net change to function baseline	-84.2	552.7	2 541.4	3 010.0

1. The estimate of the provincial equitable share allocated to this function is included. This amount is determined by provincial budgetary and legislative processes, and is thus subject to change.
2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.
3. The modifications made to the 2020/21 function planning baseline throughout the course of the 2018 MTEF budget process are shown. The first 2018 MTEF estimates for 2020/21 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Economic Development

The Economic Development function seeks to stimulate socioeconomic development and promote inclusive economic growth through sector-specific interventions. The function is allocated R137.4 billion in 2018/19, R149.3 billion in 2019/20 and R158.2 billion in 2020/21. The function baseline is reduced by a net amount of R3.2 billion over the MTEF period, or 0.7 per cent, from R448 billion to R444.8 billion.

Table 1.7 Economic development

Function ¹ by vote				
R million	2018/19	2019/20	2020/21 ³	MTEF total
2017 MTEF function baseline²	141 972.8	148 597.7	157 475.2	448 045.7
2018 MTEF function baseline²	137 350.3	149 295.7	158 201.4	444 847.4
Annual growth rate (percentage)	0.4%	8.7%	6.0%	5.0%
Net change from the 2017 baseline (percentage)	-3.3%	0.5%	0.5%	-0.7%
Agriculture, Forestry and Fisheries	25.6	24.5	-37.4	12.6
Goods and services: Strengthening of inspection services, food import and export standards, and improving plant production	35.0	35.0	–	70.0
Building and other fixed structures: Food safety and quality assurance: Upgrade of laboratory infrastructure and equipment	20.0	20.0	–	40.0
Compensation of employees: Surveillance of animal diseases	5.0	5.0	–	10.0
National Agricultural Marketing Council	-1.1	-1.2	-1.2	-3.5
Marine Living Resources Fund	-6.9	-7.3	-7.7	-21.9
Expanded public works programme incentive	-7.5	-7.9	-8.3	-23.6
Administration programme	-18.9	-19.1	-20.1	-58.1
Cooperative Governance and Traditional Affairs	60.0	65.5	71.0	196.5
Community work programme: Supplementary employment search costs for prospective participants and site project management	60.0	65.5	71.0	196.5
Economic Development	227.9	112.0	111.3	451.1
Tirisano Trust: Operationalisation	240.0	125.0	125.0	490.0
Competition authority: Legal costs	6.0	6.3	6.6	18.9
IT infrastructure	1.4	1.5	1.6	4.5
Administration programme	-1.6	-1.7	-1.8	-5.1
International Trade Administration Commission of South Africa	-2.6	-2.8	-2.9	-8.3
Goods and services	-7.4	-7.8	-8.3	-23.4
Small Enterprise Finance Agency	-7.9	-8.6	-9.0	-25.5
Energy	-424.9	-427.1	-450.6	-1 302.7
Compensation of employees: Filling of critical posts and for existing personnel remuneration	28.6	27.2	25.4	81.3
New operating leases for 6 regional offices	18.9	19.9	21.0	59.9
Membership fees for international organisations	9.0	9.5	10.0	28.4
South African National Energy Development Institute: Capacity building in energy modelling, data management and energy efficiency areas	7.0	7.4	7.8	22.1
National Radioactive Waste Disposal Institute: Operationalisation of the Centre for Nuclear Safety and Security	12.5	7.2	1.1	20.8
Administration programme	-4.9	-5.3	-5.6	-15.9
South African Nuclear Energy Corporation	-20.0	-21.8	-23.0	-64.8
Solar water heater project: Alignment of the manufacturing rate and installation rate of solar water heaters	-476.0	-471.2	-487.3	-1434.5

Table 1.7 Economic development

Function ¹ by vote				
R million	2018/19	2019/20	2020/21 ³	MTEF total
Environmental Affairs	51.3	153.8	162.3	367.4
Expanded public works programme incentive: Working for Water	74.5	78.6	83.0	236.1
Economic competitiveness and support package: Green Fund, for transition to a low carbon, resource efficient path	–	111.0	117.1	228.1
Shift of the oversight of the national zoological gardens from the Department of Science and Technology	69.7	73.6	77.6	220.9
Expanded public works programme incentive: Working on Fire	9.6	10.1	10.6	30.3
iSimangaliso Wetland Park Authority	-3.7	-2.8	-3.0	-9.6
South African Weather Service	-6.1	-6.2	-6.6	-18.9
South African National Biodiversity Institute	-8.6	-15.0	-15.8	-39.4
South African National Parks	-10.2	-16.9	-17.8	-44.8
Administration programme	-18.5	-20.1	-21.2	-59.8
Expanded public works programme incentive: Environmental protection and infrastructure programmes	-55.4	-58.5	-61.7	-175.5
Labour	28.8	-18.6	-20.8	-10.6
Commission for Conciliation Mediation and Arbitration: Increasing caseloads, recording equipment and the implementation of the minimum wage	50.0	4.0	3.0	57.0
Subsidised work centres for the disabled	-2.6	-2.7	-2.9	-8.2
Administration programme	-18.6	-19.9	-20.9	-59.4
Mineral Resources	-16.0	166.0	175.1	325.0
Economic competitiveness and support package: Mintek and Council for Geoscience, for analytical and research work	–	188.0	198.3	386.3
Mine Health and Safety Council	-1.7	-1.8	-1.9	-5.4
Administration programme	-6.7	-7.1	-7.5	-21.3
Council for Geoscience	-7.6	-13.1	-13.8	-34.5
National Treasury	-272.0	-240.0	-193.0	-705.0
Jobs Fund	-272.0	-240.0	-193.0	-705.0
Public Works	-15.2	-28.0	-27.7	-70.9
Expanded public works programme: Work opportunities in the non-profit sector	60.0	65.5	71.0	196.5
Independent Development Trust	28.4	5.0	–	33.4
Parliamentary Villages Management Board	-0.3	-0.3	-0.3	-0.8
Agrément South Africa	-0.8	-0.8	-0.9	-2.4
Council for the Built Environment	-1.3	-1.4	-1.4	-4.1
Construction Industry Development Board	-1.9	-2.0	-2.1	-6.0
Goods and services	-5.0	-5.0	–	-10.0
Expanded public works programme integrated grant for municipalities	-36.5	-39.0	-41.0	-116.5
Property Management Trading Entity	-57.9	-50.0	-53.0	-160.9
Rural Development and Land Reform	-228.2	-240.9	-256.1	-725.2
South African Geomatics Council	-0.1	-0.1	-0.1	-0.3
KwaZulu-Natal Ingonyama Trust Board	-0.5	-0.6	-0.6	-1.7
Office of the Valuer General	-1.8	-1.7	-1.8	-5.2
Administration programme	-36.0	-37.5	-39.6	-113.1
Rural Infrastructure Development subprogramme	-40.0	-42.3	-45.3	-127.6
Agricultural land holding account	-69.8	-74.0	-78.0	-221.9
Rural Enterprise and Industrial Development subprogramme	-80.0	-84.7	-90.7	-255.4
Science and Technology	-125.5	57.1	60.2	-8.3
Economic competitiveness and support package: Technology stations, industry innovation partnership fund and internships	–	194.0	204.7	398.7
South African National Space Agency	-0.8	-1.2	-1.2	-3.2
Human Sciences Research Council	-1.8	-2.6	-2.7	-7.0
National Research Foundation: Research and development in indigenous knowledge systems	-5.2	-7.6	-8.0	-20.9
Council for Scientific and Industrial Research	-5.6	-8.1	-8.5	-22.2
Administration programme	-8.0	-7.0	-7.4	-22.4
Infrastructure projects for research and development	-34.4	-37.0	-39.0	-110.4
Shift of the oversight of the national zoological gardens to the Department of Environmental Affairs	-69.7	-73.6	-77.6	-220.9

Table 1.7 Economic development

Function¹ by vote				
R million	2018/19	2019/20	2020/21³	MTEF total
Small Business Development	-41.4	956.2	1 009.1	1 923.9
Enterprise Development Fund: Operationalisation	–	1 000.0	1 055.0	2 055.0
National Gazelles programme: Financial and non-financial support to small businesses	30.0	35.0	30.0	95.0
Administration programme	-2.5	-2.7	-2.9	-8.1
National informal business upliftment strategy	-30.0	-35.0	-30.0	-95.0
Small Enterprise Development Agency	-38.9	-41.1	-43.0	-123.0
Telecommunications and Postal Services	-804.1	-804.4	-848.6	-2 457.1
Sentech: Dual illumination	203.9	–	–	203.9
Administration programme	-4.1	-4.4	-4.6	-13.1
Sentech: Migration of digital signals	-60.0	–	–	-60.0
Set-top boxes	-250.0	-250.0	-264.0	-764.0
South Africa Connect project	-693.9	-550.0	-580.0	-1 823.9
Tourism	-26.2	7.2	7.6	-11.4
Economic competitiveness and support package: Business incentives for growth and job creation	–	35.0	36.9	71.9
National tourism careers expo	-0.1	-0.1	-0.1	-0.3
Administration programme	-4.9	-5.3	-5.6	-15.7
Expanded public works programme incentive	-21.2	-22.4	-23.6	-67.3
Trade and Industry	-503.2	977.1	1 030.4	1 504.3
Economic competitiveness and support package: Business incentives for growth and job creation	–	1 584.0	1 671.1	3 255.1
Trade and industrial policy strategies	15.0	15.0	15.0	45.0
National Intsimbi future production technologies initiative	33.8	-10.9	-23.0	0.0
National Productivity Institute	-0.2	-0.2	-0.3	-0.8
Broad-Based Black Economic Empowerment Commission	-0.5	-0.5	-0.5	-1.5
South African National Accreditation System	-0.8	-0.8	-0.9	-2.5
National Gambling Board	-0.8	-0.9	-0.9	-2.7
Council for Scientific and Industrial Research: National foundry technology network	–	-1.0	-2.0	-3.0
National Consumer Tribunal	-1.3	-1.4	-1.4	-4.1
National Credit Regulator	-1.9	-2.0	-2.2	-6.1
National Metrology Institute of South Africa	-2.9	-3.1	-3.3	-9.3
National Regulator for Compulsory Specifications	-3.6	-3.8	-4.0	-11.3
Export Credit Insurance Corporation: Interest make-up scheme	-4.7	-5.0	-5.2	-14.9
Council for Scientific and Industrial Research: National Cleaner Production Centre	-5.0	-5.0	-5.0	-15.0
South African Bureau of Standards	-4.8	-5.0	-5.3	-15.1
Industrial Development Corporation of South Africa	-43.8	1.9	15.0	-27.0
Administration programme	-15.4	-16.1	-17.0	-48.4
Industrial Development programme	-150.0	-200.0	-211.0	-561.0
Incentive Development and Administration programme	-316.3	-368.0	-388.8	-1 073.1
Transport	-2 525.9	-27.1	-29.4	-2 582.4
South African National Roads Agency: N2 Wild Coast road	–	1 000.0	1 055.0	2 055.0
Compensation of employees: Filling of critical posts and job evaluations	24.3	26.2	28.2	78.6
Rural roads asset management systems grant	-6.0	-6.0	-6.0	-18.0
Administration programme	-8.6	-9.2	-9.7	-27.4
Goods and services	-11.6	-11.6	-11.6	-34.9
Road Traffic Management Corporation	-15.1	-17.2	-19.4	-51.7
Provincial roads maintenance grant: Roads maintenance component	-500.0	-700.0	-739.0	-1 939.0
South African National Roads Agency	-2 008.8	-309.3	-326.8	-2 645.0
Water and Sanitation	-33.3	-35.2	-37.2	-105.7
Infrastructure and planning services	122.9	130.3	138.1	391.4
Administration programme	-33.3	-35.2	-37.2	-105.7
Goods and services	-122.9	-130.3	-138.1	-391.4
Net change to function baseline	-4 622.5	698.0	726.2	-3 198.3

1. The estimate of the provincial equitable share allocated to this function is included. This amount is determined by provincial budgetary and legislative processes, and is thus subject to change.
2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.
3. The modifications made to the 2020/21 function planning baseline throughout the course of the 2018 MTEF budget process are shown. The first 2018 MTEF estimates for 2020/21 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

General Public Services

The General Public Services function aims to deliver an efficient public service through the improvement of general government administrative services. The function is allocated R59.4 billion in 2018/19, R61.9 billion in 2019/20 and R66.7 billion in 2020/21. The function baseline is reduced by a net amount of R11.4 billion over the MTEF period, or 5.7 per cent, from R199.3 billion to R187.9 billion.

Table 1.8 General public services

Function ¹ by vote	2018/19	2019/20	2020/21 ³	MTEF total
R million				
2017 MTEF function baseline²	63 008.1	66 002.5	70 333.8	199 344.4
2018 MTEF function baseline²	59 360.6	61 881.1	66 674.5	187 916.2
Annual growth rate (percentage)	-15.6%	4.2%	7.7%	-1.2%
Net change from the 2017 baseline (percentage)	-5.8%	-6.2%	-5.2%	-5.7%
Communications	-7.5	-23.2	-24.6	-55.3
Broadcasting policy function: Digital terrestrial television project: Communication services	28.8	30.3	32.5	91.7
Media Development and Diversity Agency	-0.8	-0.8	-0.9	-2.5
Administration programme	-1.3	-1.6	-1.6	-4.5
Film and Publication Board	-2.4	-2.6	-2.7	-7.7
Goods and services	-4.5	-4.8	-5.7	-14.9
Brand South Africa	-5.1	-5.4	-5.7	-16.3
Government Communication and Information System	-10.8	-18.8	-19.8	-49.4
Independent Communications Authority of South Africa	-11.4	-19.6	-20.7	-51.7
Cooperative Governance and Traditional Affairs	-14.9	-21.6	-22.8	-59.3
Department of Traditional Affairs	-0.9	-1.0	-1.0	-2.9
Administration programme	-5.2	-5.5	-5.8	-16.6
Municipal Infrastructure Support Agent	-8.8	-15.1	-15.9	-39.8
International Relations and Cooperation	-212.9	-197.0	-208.0	-617.9
South African Development Partnership Agency	-0.2	-0.3	-0.3	-0.8
African Renaissance and International Cooperation Fund	-1.0	-1.2	-1.3	-3.4
Administration programme	-33.7	-34.6	-36.5	-104.7
International Relations programme	-178.0	-161.0	-170.0	-509.0
National Treasury	-3 384.7	-3 950.6	-4 182.1	-11 517.4
Direct charge against the National Revenue Fund: National Revenue Fund payments	135.1	-	-	135.1
Capital assets and consultancy services: Maintenance of ICT and feasibility studies	37.5	6.9	7.4	51.8
Payment of post-retirement medical scheme benefits to the staff of Parliament: Shifted from Parliament	2.9	3.2	3.5	9.6
Bursaries and computer services: Bursaries and provision of IT maintenance costs in respect of the Government Employees Housing Scheme	0.3	1.1	0.8	2.2
Finance and Accounting Services Sector Education and Training Authority	-0.1	-0.1	-0.1	-0.2
Accounting Standards Board	-0.4	-0.4	-0.4	-1.1
Cooperative Banks Development Agency	-0.5	-0.5	-0.6	-1.6
Independent Regulatory Board for Auditors	-1.0	-1.1	-1.2	-3.3
Auditor-General of South Africa	-1.2	-1.3	-1.4	-3.9
Financial and Fiscal Commission	-1.3	-1.4	-1.5	-4.2
Goods and services	-8.8	-7.9	-8.3	-25.0
Infrastructure server	-29.0	-	-	-29.0
Government Technical Advisory Centre	-10.0	-10.0	-10.0	-30.0
Administration programme	-9.1	-11.2	-11.8	-32.1
International Financial Relations programme	-509.0	-502.0	-530.0	-1 541.0
Direct charge against the National Revenue Fund: Provincial equitable share: Entities	-594.0	-698.0	-749.0	-2 041.0
Direct charge against the National Revenue Fund: Provincial equitable share: Provincial administration programmes	-843.0	-886.0	-935.0	-2 664.0
South African Revenue Service: Machinery and equipment	-1 553.0	-1 841.8	-1 944.7	-5 339.5
Parliament	-5.3	-5.7	-6.2	-17.2
Compensation of employees: Existing personnel remuneration	95.4	-	81.0	176.4
Administration programme	-2.4	-2.5	-2.7	-7.6
Payment of post-retirement medical scheme benefits to the staff of Parliament: Shifted to National Treasury	-2.9	-3.2	-3.5	-9.6
Direct charge: Members' remuneration	-95.4	-	-81.0	-176.4

Table 1.8 General public services

Function ¹ by vote	2018/19	2019/20	2020/21 ³	MTEF total
R million				
Planning, Monitoring and Evaluation	-15.1	-23.7	-25.0	-63.8
Administration programme	-3.7	-4.0	-4.2	-11.8
National Youth Development Agency	-11.4	-19.7	-20.8	-52.0
Public Enterprises	-3.2	-3.5	-3.7	-10.4
Administration programme	-3.2	-3.5	-3.7	-10.4
Public Service and Administration	12.0	-1.6	0.1	10.6
Establishment of the Government Employees Housing Scheme	24.2	16.3	18.9	59.3
Public Service Commission	1.6	-3.4	-3.9	-5.7
National School of Government	-4.3	-4.6	-4.9	-13.8
Administration programme	-9.4	-9.8	-10.1	-29.3
Public Works	-25.7	-10.8	-11.4	-47.9
Goods and services	-15.5	-	-	-15.5
Administration programme	-10.2	-10.8	-11.4	-32.5
Statistics South Africa	22.9	130.2	839.1	992.3
Full scale testing and pilot for Census 2021	37.1	145.3	855.0	1 037.4
Administration programme	-14.2	-15.1	-15.9	-45.1
The Presidency	-9.3	-9.9	-10.5	-29.7
Administration programme	-9.3	-9.9	-10.5	-29.7
Women	-3.8	-4.0	-4.3	-12.1
Administration programme	-1.7	-1.8	-1.9	-5.5
Commission for Gender Equality	-2.1	-2.2	-2.3	-6.6
Net change to function baseline	-3 647.5	-4 121.4	-3 659.2	-11 428.1

1. The estimate of the provincial equitable share allocated to this function is included. This amount is determined by provincial budgetary and legislative processes and is thus subject to change.
2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.
3. The modifications made to the 2020/21 function planning baseline throughout the course of the 2018 MTEF budget process are shown. The first 2018 MTEF estimates for 2020/21 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Peace and Security

The Peace and Security function aims to enhance measures in domestic and international public protection. The function is allocated R199.8 billion in 2018/19, R212.6 billion in 2019/20 and R226.8 billion in 2020/21. The function baseline is reduced by a net amount of R16.3 billion over the MTEF period, or 2.5 per cent, from R655.5 billion to R639.2 billion.

Table 1.9 Peace and security

Function ¹ by vote	2018/19	2019/20	2020/21 ³	MTEF total
R million				
2017 MTEF function baseline²	204 936.5	217 859.6	232 722.6	655 518.7
2018 MTEF function baseline²	199 784.5	212 602.3	226 828.3	639 215.0
Annual growth rate (percentage)	2.7%	6.4%	6.7%	5.3%
Net change from the 2017 baseline (percentage)	-2.5%	-2.4%	-2.5%	-2.5%
Correctional Services	-605.1	-668.2	-709.6	-1 983.0
Municipal and nutrition services: Increase in provision	280.5	294.5	310.2	885.2
Administration programme	-4.4	-4.7	-4.9	-14.0
Compensation of employees	-40.0	-40.0	-40.0	-120.0
Goods and services	-103.6	-110.6	-120.3	-334.6
Buildings and other fixed structures	-193.8	-204.7	-215.9	-614.4
Incarceration programme	-543.8	-602.7	-638.7	-1 785.2

Table 1.9 Peace and security

Function ¹ by vote	2018/19	2019/20	2020/21 ³	MTEF total
R million				
Defence and Military Veterans	-2 660.6	-3 270.2	-3 521.5	-9 452.3
Departmental asset verification project	189.0	210.0	–	399.0
2019 national government elections	–	67.7	–	67.7
Department of Military Veterans	-33.0	-35.0	-37.0	-105.0
Administration programme	-112.6	-118.9	-125.5	-357.0
General Support programme	-315.0	-334.0	-352.0	-1 001.0
Maritime Defence programme	-500.0	-550.0	-580.0	-1 630.0
Air Defence programme	-700.0	-800.0	-844.0	-2 344.0
Special defence account	-1 189.0	-1 710.0	-1 583.0	-4 482.0
Home Affairs	99.4	661.4	612.0	1 372.8
Electoral Commission: 2019 national government elections	150.1	715.7	669.3	1 535.1
Administration programme	-50.7	-54.3	-57.3	-162.4
Independent Police Investigative Directorate	48.2	50.8	53.6	152.6
Goods and services: Contractual obligations, ICT infrastructure and operational costs	23.5	26.0	35.6	85.2
Compensation of employees: Including for the implementation of section 23 of the Independent Police Investigative Directorate Act (2011)	17.5	18.8	20.1	56.4
Machinery and equipment	9.0	8.0	–	17.0
Administration programme	-1.8	-2.0	-2.1	-5.9
Justice and Constitutional Development	-643.4	-667.5	-705.6	-2 016.5
Operationalisation of the Mpumalanga high court	88.1	93.9	99.3	281.2
South African Human Rights Commission	-4.6	-4.8	-5.1	-14.5
Public Protector of South Africa	-8.0	-13.7	-14.5	-36.1
Special Investigating Unit	-9.2	-15.8	-16.6	-41.6
Administration programme	-43.7	-46.4	-49.0	-139.1
State Legal Services programme	-49.0	-51.0	-54.0	-154.0
Magistrates' salaries	-49.1	-51.7	-56.3	-157.1
Machinery and equipment	-75.1	-80.0	-84.4	-239.5
Legal Aid South Africa	-92.8	-98.0	-103.0	-293.8
Court Services programme	-200.0	-200.0	-211.0	-611.0
National Prosecuting Authority programme	-200.0	-200.0	-211.0	-611.0
Office of the Chief Justice and Judicial Administration	48.8	53.8	62.4	164.9
Operationalisation of the Mpumalanga high court	45.8	48.2	53.0	146.9
Compensation of employees: Filling of critical judicial posts	39.8	45.9	53.1	138.7
Leave gratuities	-0.1	-1.0	-1.1	-2.1
Administration programme	-4.3	-4.8	-5.1	-14.2
Goods and services	-12.3	-14.6	-16.5	-43.4
Machinery and equipment	-20.0	-19.9	-21.1	-61.0
Police	-906.8	-775.9	-1 008.6	-2 691.3
Compensation of employees	146.5	152.5	156.2	455.2
Maintenance of radio communication services	91.6	93.2	101.5	286.2
2019 National government elections	–	180.0	–	180.0
Civilian Secretariat for the Police Service	-3.4	-3.6	-3.8	-10.8
Crime Intelligence programme	-7.5	-7.9	-8.4	-23.8
Detective Services programme	-13.7	-14.4	-15.2	-43.4
Protection and Security Services programme	-51.4	-54.2	-57.2	-162.9
Machinery and equipment	-91.6	-93.2	-101.5	-286.2
Goods and services	-146.5	-152.5	-156.2	-455.2
Visible Policing programme	-172.3	-175.5	-185.2	-533.0
Criminal Justice System Seven Point Plan	-309.0	-325.7	-343.7	-978.5
Administration programme	-349.5	-374.5	-395.1	-1 119.1
National Treasury	-532.4	-641.5	-676.9	-1 850.9
Financial Intelligence Centre	-7.1	-7.5	-8.0	-22.7
Secret Services programme	-525.3	-633.9	-669.0	-1 828.2
Net change to function baseline	-5 152.0	-5 257.3	-5 894.3	-16 303.6

1. The estimate of the provincial equitable share allocated to this function is included. This amount is determined by provincial budgetary and legislative processes, and is thus subject to change.
2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.
3. The modifications made to the 2020/21 function planning baseline throughout the course of the 2018 MTEF budget process are shown. The first 2018 MTEF estimates for 2020/21 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Community Development

The Community Development function seeks to boost investment in local industries in order to promote more efficient and competitive markets, and provide infrastructure to low-income communities. The function is allocated R191.2 billion in 2018/19, R203.9 billion in 2019/20 and R219.4 billion in 2020/21. The function baseline is reduced by a net amount of R29.7 billion over the MTEF period, or 4.6 per cent, from R644.1 billion to R614.4 billion.

Table 1.10 Community development

Function ¹ by vote				
R million	2018/19	2019/20	2020/21 ³	MTEF total
2017 MTEF function baseline²	200 490.6	213 954.5	229 698.9	644 144.0
2018 MTEF function baseline²	191 193.1	203 891.1	219 363.6	614 447.8
Annual growth rate (percentage)	2.3%	6.6%	7.6%	5.5%
Net change from the 2017 baseline (percentage)	-4.6%	-4.7%	-4.5%	-4.6%
Cooperative Governance and Traditional Affairs	-1 507.0	-507.0	-218.0	-2 232.0
Local government equitable share: Basic municipal services	–	1 500.0	1 899.0	3 399.0
Municipal disaster recovery grant: Completion of the repair of sinkholes in Merafong local municipality	21.3	0.0	0.0	21.3
Provincial disaster relief grant	-7.0	-7.0	-7.0	-21.0
Municipal disaster relief grant	-21.3	0.0	0.0	-21.3
Municipal infrastructure grant	-1 500.0	-2 000.0	-2 110.0	-5 610.0
Energy	-1 000.0	-1 950.0	-2 057.0	-5 007.0
Integrated national electrification programme grant (indirect grant): Eskom	-700.0	-750.0	-791.0	-2 241.0
Integrated national electrification programme grant	-300.0	-1 200.0	-1 266.0	-2766.0
Human Settlements	-3 059.0	-3 759.6	-3 997.1	-10 815.7
Title deeds restoration grant: Title deeds backlog	518.7	547.7	577.8	1 644.2
Provincial emergency housing grant: Housing and human settlement disasters	260.0	276.9	294.9	831.8
Municipal emergency housing grant: Housing and human settlement disasters	140.0	149.1	158.8	447.9
Goods and services: Title deeds restoration programme: Project-level technical assistance	30.0	31.7	33.4	95.1
Administration programme	-9.0	-9.6	-10.1	-28.7
Social Housing Regulatory Authority	-400.0	-500.0	-528.0	-1 428.0
Urban settlements development grant	-650.0	-750.0	-791.0	-2 191.0
Human settlements development grant	-2 948.7	-3 505.4	-3 732.9	-10 187.0
National Treasury	-149.5	-172.2	-182.0	-503.7
Infrastructure skills development grant	-7.4	-7.9	-8.0	-23.3
Integrated city development grant	-15.5	-16.3	-17.0	-48.8
Local government financial management grant	-26.6	-28.0	-30.0	-84.6
Neighbourhood development partnership grant	-100.0	-120.0	-127.0	-347.0
Transport	-2 626.0	-2 661.6	-2 812.1	-8 099.8
Compensation of employees: Filling of critical posts and job evaluations	2.5	2.7	2.9	8.0
Public transport network grant	-329.0	-848.0	-895.0	-2 072.0
Passenger Rail Agency of South Africa	-2 299.5	-1 816.3	-1 920.0	-6 035.8
Water and Sanitation	-956.0	-1 013.0	-1 069.0	-3 038.0
Water services infrastructure grant	-78.0	-88.0	-93.0	-259.0
Regional bulk infrastructure grant	-103.0	-109.0	-115.0	-327.0
Accelerated Community Infrastructure programme	-353.9	-420.6	-443.7	-1 218.2
Water boards' regional infrastructure	-421.1	-395.4	-417.3	-1 233.8
Net change to function baseline	-9 297.5	-10 063.4	-10 335.3	-29 696.2

1. The estimate of the provincial equitable share allocated to this function is included. This amount is determined by provincial budgetary and legislative processes, and is thus subject to change.
2. This table shows only the allocation of revenue from the National Revenue Fund for the function group. This differs from the presentation of the consolidated function group baseline shown in the Budget Review publication, which includes revenue generated from other sources.
3. The modifications made to the 2020/21 function planning baseline throughout the course of the 2018 MTEF budget process are shown. The first 2018 MTEF estimates for 2020/21 are shown in italics. The fiscal framework shown in the Budget Review publication depicts the budget baseline as it stands at the end of the process.

Provisional allocations

An amount of R4.4 billion is provisionally allocated pending further work being undertaken, including impact evaluations and the further development of business plans, as applicable. The specific details of these allocations will be finalised during the course of the 2019 Budget process and then allocated to specific votes.

Table 1.11 Provisional allocations by function

R million	2019/20	2020/21	Total
Economic development	2 000	2 110	4 110
Community development	300	-	300
General public services	8	15	23
Total	2 308	2 125	4 433

In addition, a provisional allocation of R6 billion is set aside in 2018/19 for contingencies related to drought relief in several provinces, support to the water sector, and public investment projects supported by improved infrastructure planning.

Overview of expenditure for the MTEF period

This table below shows medium-term expenditure projections in three classification categories: consolidated government expenditure, main budget non-interest expenditure and the expenditure ceiling.

Table 1.12 Expenditure for the MTEF period

R million	2018/19	2019/20	2020/21	Total	Average real growth (%)
Consolidated government expenditure	1 671 190	1 802 955	1 941 948	5 416 093	2.1%
<i>of which</i>					
Debt service costs	180 124	197 664	213 859	591 647	
Contingency reserve	8 000	8 000	10 000	26 000	
Main budget non-interest expenditure	1 332 076	1 434 907	1 543 593	4 310 576	1.8%
<i>of which</i>					
National government	631 421	687 935	738 676	2 058 032	
Provincial government	570 997	611 758	657 455	1 840 211	
Local government	121 658	127 214	137 462	386 333	
Contingency reserve	8 000	8 000	10 000	26 000	
Expenditure ceiling	1 315 002	1 416 597	1 523 762	4 255 361	1.8%
<i>of which</i>					
National government	614 346	669 625	718 845	2 002 817	
Provincial government	570 997	611 758	657 455	1 840 211	
Local government	121 658	127 214	137 462	386 333	
Contingency reserve	8 000	8 000	10 000	26 000	

The details of main budget expenditure allocated to a vote are discussed in the ENE publications, with a summary provided in the tables that follow.

Summary tables

Table 1: Main budget framework 2014/15 to 2020/21

Table 2: Expenditure by national vote 2014/15 to 2020/21

Table 3: Expenditure by economic classification 2014/15 to 2020/21

Table 4: Amounts to be appropriated from the National Revenue Fund for 2018/19

Table 5a: Conditional grants to provinces 2014/15 to 2020/21

Table 5b: Conditional grants to municipalities 2014/15 to 2020/21

Table 6: Training expenditure per vote 2014/15 to 2020/21

Table 7a: Infrastructure expenditure per vote 2014/15 to 2020/21

Table 7b: Type of infrastructure investment 2014/15 to 2020/21

Table 8: Personnel expenditure per vote 2014/15 to 2020/21

Table 9: Personnel numbers and unit cost per vote 2016/17 to 2020/21

Table 10: Departmental receipts per vote 2014/15 to 2020/21

Table 1 Main budget framework: 2014/15 to 2020/21

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue (National Revenue Fund)							
Tax revenue (gross)	986 295.0	1 069 982.6	1 144 081.0	1 217 306.8	1 344 964.5	1 454 795.3	1 581 926.3
Departmental and other receipts, and repayments	30 899.6	57 273.7	33 263.8	33 229.1	24 585.2	19 271.3	20 876.0
Less: Southern African Customs Union (SACU) payments ¹	51 737.7	51 021.9	39 448.3	55 950.9	48 288.6	46 281.2	60 147.1
Total revenue	965 456.9	1 076 234.4	1 137 896.4	1 194 585.0	1 321 261.1	1 427 785.4	1 542 655.1
<i>Percentage of GDP</i>	<i>25.0%</i>	<i>26.1%</i>	<i>25.8%</i>	<i>25.4%</i>	<i>26.3%</i>	<i>26.5%</i>	<i>26.6%</i>
Expenditure							
Debt-service costs	114 798.4	128 795.6	146 496.7	163 155.4	180 124.0	197 663.6	213 859.0
<i>Percentage of GDP</i>	<i>3.0%</i>	<i>3.1%</i>	<i>3.3%</i>	<i>3.5%</i>	<i>3.6%</i>	<i>3.7%</i>	<i>3.7%</i>
Current payments ²	187 524.0	196 866.5	209 808.4	221 286.9	229 651.5	245 865.1	263 211.5
Transfers and subsidies	808 095.1	870 812.4	926 916.4	993 166.1	1 069 535.6	1 159 679.8	1 247 993.7
Payments for capital assets ²	16 200.6	18 273.2	15 624.3	15 077.9	14 296.8	14 346.4	15 349.3
Payments for financial assets	5 282.0	29 875.2	6 639.9	19 243.5	4 592.3	4 707.9	4 913.7
Provisional allocation not assigned to votes	–	–	–	–	–	2 308.0	2 124.6
Provisional allocation for contingencies not assigned to votes ³	–	–	–	–	6 000.0	–	–
Total	1 131 900.1	1 244 622.9	1 305 485.7	1 411 929.9	1 504 200.2	1 624 570.7	1 747 451.8
Contingency reserve	–	–	–	–	8 000.0	8 000.0	10 000.0
Total expenditure	1 131 900.1	1 244 622.9	1 305 485.7	1 411 929.9	1 512 200.2	1 632 570.7	1 757 451.8
<i>Percentage of GDP</i>	<i>29.3%</i>	<i>30.2%</i>	<i>29.6%</i>	<i>30.0%</i>	<i>30.1%</i>	<i>30.3%</i>	<i>30.3%</i>
Main budget balance⁴	-166 443.2	-168 388.5	-167 589.3	-217 344.9	-190 939.0	-204 785.3	-214 796.7
<i>Percentage of GDP</i>	<i>-4.3%</i>	<i>-4.1%</i>	<i>-3.8%</i>	<i>-4.6%</i>	<i>-3.8%</i>	<i>-3.8%</i>	<i>-3.7%</i>
GDP	3 867 897.0	4 122 617.0	4 404 535.0	4 699 381.4	5 025 378.5	5 390 082.9	5 808 342.2

1. Payments in terms of SACU agreements.

2. Excludes conditional grants to provinces and local government. These are included in transfers and subsidies.

3. Provision for contingencies related to drought relief in several provinces, support to the water sector and public investment projects supported by improved infrastructure planning.

4. A positive number reflects a surplus and a negative number reflects a deficit.

Table 2 Expenditure by national vote: 2014/15 to 2020/21

R million	Audited outcome			Adjusted appropriation
	2014/15	2015/16	2016/17	2017/18
1 The Presidency	421.3	466.7	475.3	501.2
2 Parliament	1 667.8	1 693.6	1 738.9	1 711.9
3 Communications	1 287.2	1 288.0	1 335.7	1 428.3
4 Cooperative Governance and Traditional Affairs	59 386.5	68 097.5	69 852.2	78 463.9
5 Home Affairs	7 069.5	7 343.4	8 143.5	8 402.3
6 International Relations and Cooperation	6 066.5	6 644.8	6 844.9	6 408.3
7 National Treasury	26 182.5	28 690.8	28 199.8	40 484.3
8 Planning, Monitoring and Evaluation	740.6	748.8	781.2	898.5
9 Public Enterprises	296.1	23 259.7	253.8	266.7
10 Public Service and Administration	787.8	840.9	763.3	877.1
11 Public Works	6 022.0	6 281.1	6 403.3	6 985.1
12 Statistics South Africa	2 156.4	2 273.5	2 461.2	2 177.6
13 Women	177.5	188.4	194.7	206.2
14 Basic Education	19 528.9	20 796.1	21 476.1	22 993.6
15 Higher Education and Training	39 053.5	41 943.4	49 137.6	52 307.6
16 Health	33 539.0	35 984.9	38 496.2	42 645.6
17 Social Development	127 860.5	136 405.7	147 342.6	160 357.8
18 Correctional Services	19 529.3	20 588.7	21 542.2	22 814.6
19 Defence and Military Veterans	42 842.4	45 071.5	47 197.1	48 999.6
20 Independent Police Investigative Directorate	232.4	234.2	241.7	255.5
21 Justice and Constitutional Development	14 218.0	14 971.8	16 039.0	16 786.8
22 Office of the Chief Justice and Judicial Administration	680.2	767.7	855.6	1 019.3
23 Police	72 507.2	76 720.8	80 984.8	86 761.1
24 Agriculture, Forestry and Fisheries	6 628.9	6 400.5	6 490.8	6 847.0
25 Economic Development	694.9	883.7	665.1	914.2
26 Energy	6 220.1	7 142.1	7 512.8	8 145.4
27 Environmental Affairs	5 675.1	5 937.9	6 381.0	6 848.2
28 Labour	2 419.9	2 612.0	2 761.6	3 055.8
29 Mineral Resources	1 475.2	1 638.5	1 661.1	1 779.4
30 Science and Technology	6 389.0	7 437.5	7 383.6	7 557.2
31 Small Business Development	1 125.5	1 098.9	1 197.0	1 475.7
32 Telecommunications and Postal Services	1 568.1	1 300.1	2 075.7	5 174.4
33 Tourism	1 557.6	1 777.4	1 919.6	2 140.2
34 Trade and Industry	8 659.8	9 471.7	10 349.4	9 343.2
35 Transport	49 147.1	53 320.8	56 403.7	59 795.2
36 Water and Sanitation	11 616.7	15 557.0	15 635.4	15 607.4
37 Arts and Culture	3 494.3	3 762.4	3 957.5	4 371.7
38 Human Settlements	29 358.2	30 034.5	30 587.2	33 477.7
39 Rural Development and Land Reform	9 395.8	9 118.0	10 067.0	10 184.2
40 Sport and Recreation South Africa	966.8	979.9	1 023.6	1 066.6
Total appropriation by vote	628 646.2	699 774.9	716 833.1	781 536.6
Plus:				
Direct charges against the National Revenue Fund				
President and deputy president salaries (The Presidency)	4.8	5.6	5.7	6.4
Members' remuneration (Parliament)	479.8	440.3	436.5	556.3
Debt-service costs (National Treasury)	114 798.4	128 795.6	146 496.7	163 347.9
Provincial equitable share (National Treasury)	359 921.8	386 500.0	410 698.6	441 331.1
General fuel levy sharing with metropolitan municipalities (National Treasury)	10 190.2	10 658.9	11 223.8	11 785.0
National Revenue Fund payments (National Treasury)	1 525.5	681.7	1 778.0	250.0
Skills levy and sector education and training authorities (Higher Education and Training)	13 838.8	15 156.4	15 233.0	15 770.6
Magistrates' salaries (Justice and Constitutional Development)	1 622.4	1 721.8	1 845.7	2 040.5
Judges' salaries (Office of the Chief Justice and Judicial Administration)	872.2	887.7	930.7	966.1
International Oil Pollution Compensation Fund (Transport)	–	–	3.8	10.0
Total direct charges against the National Revenue Fund	503 253.9	544 848.0	588 652.6	636 063.8
Provisional allocation not assigned to votes	–	–	–	–
Provisional allocation for contingencies not assigned to votes ¹	–	–	–	–
Total	1 131 900.1	1 244 622.9	1 305 485.7	1 417 600.4
Contingency reserve	–	–	–	–
National government projected underspending	–	–	–	-3 000.0
Local government repayment to the National Revenue Fund	–	–	–	-1 500.0
Total	1 131 900.1	1 244 622.9	1 305 485.7	1 413 100.4

1. Provision for contingencies related to drought relief in several provinces, support to the water sector and public investment projects supported by improved infrastructure planning.

Table 2 Expenditure by national vote: 2014/15 to 2020/21

Revised estimate	Medium-term expenditure estimates			R million
	2017/18	2018/19	2019/20	
501.2	505.6	540.0	576.6	1 The Presidency
1 711.9	1 872.7	1 892.2	2 094.4	2 Parliament
1 421.7	1 513.1	1 589.1	1 683.6	3 Communications
76 113.9	83 651.9	90 597.3	98 507.6	4 Cooperative Governance and Traditional Affairs
8 402.3	7 915.4	8 308.5	8 750.8	5 Home Affairs
6 408.3	6 552.8	6 308.5	6 712.8	6 International Relations and Cooperation
40 231.8	29 358.4	30 593.7	32 866.5	7 National Treasury
898.5	927.4	972.2	1 032.3	8 Planning, Monitoring and Evaluation
266.7	273.9	293.0	312.8	9 Public Enterprises
877.1	956.7	1 007.0	1 076.2	10 Public Service and Administration
6 970.1	7 453.3	7 899.0	8 346.4	11 Public Works
2 177.6	2 271.7	2 439.4	3 304.1	12 Statistics South Africa
206.2	230.2	244.5	259.8	13 Women
22 424.3	22 722.4	23 615.3	25 203.8	14 Basic Education
52 307.6	73 020.6	89 639.1	98 850.7	15 Higher Education and Training
42 595.6	47 142.9	51 453.4	56 269.3	16 Health
160 007.8	172 901.6	186 162.6	200 875.2	17 Social Development
22 814.6	23 848.5	25 487.6	27 251.4	18 Correctional Services
48 999.6	47 949.7	50 696.2	53 999.3	19 Defence and Military Veterans
255.5	315.1	336.7	359.4	20 Independent Police Investigative Directorate
16 786.8	17 049.4	18 182.7	19 374.1	21 Justice and Constitutional Development
1 019.3	1 119.7	1 197.7	1 281.9	22 Office of the Chief Justice and Judicial Administration
86 761.1	91 834.2	98 170.0	104 901.9	23 Police
6 847.0	7 165.0	7 601.3	7 813.4	24 Agriculture, Forestry and Fisheries
914.2	1 072.6	1 016.2	1 067.2	25 Economic Development
8 145.4	7 045.0	7 573.6	7 997.6	26 Energy
6 847.8	7 112.5	7 531.8	7 969.3	27 Environmental Affairs
3 047.7	3 295.2	3 432.9	3 648.7	28 Labour
1 779.4	1 890.7	2 016.0	2 139.7	29 Mineral Resources
7 557.2	7 790.5	8 248.4	8 709.2	30 Science and Technology
1 475.6	1 488.5	2 574.5	2 719.5	31 Small Business Development
5 174.4	923.4	1 024.4	1 085.6	32 Telecommunications and Postal Services
2 140.2	2 261.8	2 404.3	2 542.6	33 Tourism
9 343.2	9 462.6	10 093.1	10 667.7	34 Trade and Industry
57 930.0	59 798.3	65 857.1	69 560.5	35 Transport
15 607.4	15 571.5	16 466.6	17 409.0	36 Water and Sanitation
4 295.6	4 372.3	4 622.7	4 882.8	37 Arts and Culture
33 477.7	32 355.7	33 687.9	35 786.2	38 Human Settlements
10 184.2	10 425.2	11 049.8	11 705.7	39 Rural Development and Land Reform
1 066.4	1 090.8	1 153.8	1 219.5	40 Sport and Recreation South Africa
775 993.1	814 508.9	883 980.0	950 815.3	Total appropriation by vote
				Plus:
6.4	6.7	7.3	7.8	Direct charges against the National Revenue Fund
556.3	493.2	633.3	599.8	President and deputy president salaries (The Presidency)
163 155.4	180 124.0	197 663.6	213 859.0	Members' remuneration (Parliament)
441 331.1	470 286.5	505 019.7	542 446.9	Debt-service costs (National Treasury)
11 785.0	12 468.6	13 166.8	14 026.9	Provincial equitable share (National Treasury)
				General fuel levy sharing with metropolitan municipalities (National Treasury)
315.5	135.1	–	–	National Revenue Fund payments (National Treasury)
15 770.6	16 929.4	18 299.5	19 819.5	Skills levy and sector education and training authorities (Higher Education and Training)
2 040.5	2 215.5	2 383.7	2 560.2	Magistrates' salaries (Justice and Constitutional Development)
966.1	1 022.1	1 098.5	1 180.9	Judges' salaries (Office of the Chief Justice and Judicial Administration)
10.0	10.2	10.4	11.0	International Oil Pollution Compensation Fund (Transport)
635 936.8	683 691.2	738 282.7	794 511.9	Total direct charges against the National Revenue Fund
–	–	2 308.0	2 124.6	Provisional allocation not assigned to votes
–	6 000.0	–	–	Provisional allocation for contingencies not assigned to votes ¹
1 411 929.9	1 504 200.2	1 624 570.7	1 747 451.8	Total
–	8 000.0	8 000.0	10 000.0	Contingency reserve
–	–	–	–	National government projected underspending
–	–	–	–	Local government repayment to the National Revenue Fund
1 411 929.9	1 512 200.2	1 632 570.7	1 757 451.8	Total

Table 3 Expenditure by economic classification: 2014/15 to 2020/21

R million	Audited outcome			Adjusted appropriation
	2014/15	2015/16	2016/17	2017/18
Current payments				
Compensation of employees	129 542.2	136 387.3	147 114.2	155 732.7
Salaries and wages	108 763.0	114 044.1	122 974.1	130 508.3
Social contributions	20 779.2	22 343.2	24 140.1	25 224.4
Goods and services	57 878.5	60 364.1	62 577.9	66 163.0
Interest and rent on land	114 901.8	128 910.6	146 613.0	163 494.6
Interest (incl. interest on unitary payments)	114 899.9	128 902.5	146 612.6	163 493.0
Rent on land	1.9	8.1	0.4	1.6
Total current payments	302 322.4	325 662.0	356 305.1	385 390.3
Transfers and subsidies to:				
Provinces and municipalities	527 542.4	570 140.0	603 452.5	650 938.7
Provinces	439 548.9	471 425.7	500 385.4	538 216.0
Provincial revenue funds	439 544.4	471 424.2	500 383.8	538 210.0
Provincial agencies and funds	4.5	1.5	1.6	6.0
Municipalities	87 993.5	98 714.3	103 067.1	112 722.6
Municipal bank accounts	87 993.5	98 714.3	103 033.4	112 722.6
Municipal agencies and funds	0.0	0.0	33.7	–
Departmental agencies and accounts	86 295.3	91 590.9	100 059.6	104 223.9
Social security funds	30.8	19.2	31.4	19.6
Departmental agencies (non-business entities)	86 264.5	91 571.7	100 028.3	104 204.2
Higher education institutions	24 437.7	26 537.1	28 210.1	31 597.3
Foreign governments and international organisations	1 803.0	1 932.9	2 206.9	1 962.6
Public corporations and private enterprises	32 147.0	35 941.8	38 347.7	37 491.1
Public corporations	26 790.2	30 346.7	31 754.5	31 780.4
Subsidies on products or production	9 888.9	10 525.6	10 679.4	12 966.7
Other transfers to public corporations	16 901.3	19 821.1	21 075.1	18 813.7
Private enterprises	5 356.8	5 595.1	6 593.2	5 710.7
Subsidies on products or production	4 519.4	4 682.9	4 899.8	4 700.4
Other transfers to private enterprises	837.3	912.2	1 693.5	1 010.3
Non-profit institutions	3 207.7	3 475.5	4 013.8	4 176.0
Households	132 662.0	141 194.3	150 625.9	166 747.2
Social benefits	124 484.1	133 052.0	144 389.7	156 554.1
Other transfers to households	8 177.9	8 142.3	6 236.2	10 193.0
Total transfers and subsidies	808 095.1	870 812.4	926 916.4	997 136.8
Payments for capital assets				
Buildings and other fixed structures	10 874.8	13 525.7	10 703.5	10 656.9
Buildings	5 986.9	5 373.6	4 894.7	6 822.4
Other fixed structures	4 887.9	8 152.1	5 808.8	3 834.5
Machinery and equipment	4 875.0	4 368.3	3 703.0	4 702.5
Transport equipment	2 069.8	2 049.9	1 878.3	2 238.8
Other machinery and equipment	2 805.2	2 318.4	1 824.7	2 463.8
Heritage assets	137.9	104.4	94.0	146.5
Specialised military assets	4.4	58.1	7.6	1.7
Biological assets	3.4	6.6	7.2	17.7
Land and subsoil assets	226.7	90.6	104.4	–
Software and other intangible assets	78.4	119.4	1 004.5	192.9
Total payments for capital assets	16 200.6	18 273.2	15 624.3	15 718.3
Payments for financial assets	5 282.0	29 875.2	6 639.9	19 355.0
Provisional allocation not assigned to votes	–	–	–	–
Provisional allocation for contingencies not assigned to votes¹	–	–	–	–
Total	1 131 900.1	1 244 622.9	1 305 485.7	1 417 600.4
Contingency reserve	–	–	–	–
National government projected underspending	–	–	–	-3 000.0
Local government repayment to the National Revenue Fund	–	–	–	-1 500.0
Total	1 131 900.1	1 244 622.9	1 305 485.7	1 413 100.4

1. Provision for contingencies related to drought relief in several provinces, support to the water sector and public investment projects supported by improved infrastructure planning.

Table 3 Expenditure by economic classification: 2014/15 to 2020/21

Revised estimate	Medium-term expenditure estimates			R million
	2017/18	2018/19	2019/20	
155 691.0	163 635.7	175 817.6	188 715.5	Current payments
130 458.9	136 333.3	146 863.4	158 757.9	Compensation of employees
25 232.1	27 302.4	28 954.2	29 957.5	Salaries and wages
65 449.2	65 875.7	69 899.7	74 340.1	Social contributions
163 302.1	180 264.1	197 811.4	214 015.0	Goods and services
163 300.5	180 262.7	197 809.9	214 013.4	Interest and rent on land
1.6	1.4	1.5	1.6	Interest (incl. interest on unitary payments)
				Rent on land
384 442.3	409 775.5	443 528.6	477 070.5	Total current payments
649 038.7	689 588.6	738 813.1	795 065.4	Transfers and subsidies to:
538 166.0	571 003.7	611 764.8	657 461.9	Provinces and municipalities
538 160.0	570 997.4	611 758.3	657 455.0	Provinces
6.0	6.3	6.6	6.9	Provincial revenue funds
110 872.6	118 584.9	127 048.2	137 603.5	Provincial agencies and funds
110 872.6	118 584.9	127 048.2	137 603.5	Municipalities
–	–	–	–	Municipal bank accounts
104 216.5	115 873.7	134 119.1	144 722.4	Municipal agencies and funds
19.6	19.9	20.9	22.1	Departmental agencies and accounts
104 196.9	115 853.7	134 098.2	144 700.4	Social security funds
31 597.3	38 578.7	42 252.8	45 117.5	Departmental agencies (non-business entities)
2 097.8	2 086.6	2 157.8	2 274.0	Higher education institutions
35 648.6	36 030.6	39 361.4	41 396.8	Foreign governments and international organisations
29 939.9	30 536.6	32 548.2	34 141.3	Public corporations and private enterprises
12 966.7	12 899.9	13 490.2	14 197.5	Public corporations
16 973.2	17 636.8	19 058.0	19 943.7	Subsidies on products or production
5 708.7	5 494.0	6 813.2	7 255.5	Other transfers to public corporations
4 700.4	4 319.1	4 610.0	4 914.3	Private enterprises
1 008.3	1 175.0	2 203.2	2 341.2	Subsidies on products or production
4 170.1	8 234.0	9 995.0	11 417.1	Other transfers to private enterprises
166 397.1	179 143.4	192 980.7	208 000.4	Non-profit institutions
156 204.0	169 007.5	182 241.8	196 677.4	Households
10 193.0	10 135.9	10 738.9	11 323.0	Social benefits
				Other transfers to households
993 166.1	1 069 535.6	1 159 679.8	1 247 993.7	Total transfers and subsidies
10 087.6	9 323.6	9 449.7	9 587.9	Payments for capital assets
6 253.2	5 546.5	5 493.2	5 409.0	Buildings and other fixed structures
3 834.5	3 777.1	3 956.5	4 178.9	Buildings
4 681.9	4 337.3	4 252.0	5 090.1	Other fixed structures
2 239.3	2 217.8	2 103.4	2 245.3	Machinery and equipment
2 442.6	2 119.6	2 148.6	2 844.9	Transport equipment
96.1	218.5	263.6	276.4	Other machinery and equipment
1.7	2.8	2.0	2.1	Heritage assets
17.7	8.5	8.7	8.8	Specialised military assets
–	–	–	–	Biological assets
192.9	406.0	370.3	384.0	Land and subsoil assets
				Software and other intangible assets
15 077.9	14 296.8	14 346.4	15 349.3	Total payments for capital assets
19 243.5	4 592.3	4 707.9	4 913.7	Payments for financial assets
–	–	2 308.0	2 124.6	Provisional allocation not assigned to votes
–	6 000.0	–	–	Provisional allocation for contingencies not assigned to votes¹
1 411 929.9	1 504 200.2	1 624 570.7	1 747 451.8	Total
–	8 000.0	8 000.0	10 000.0	Contingency reserve
–	–	–	–	National government projected underspending
–	–	–	–	Local government repayment to the National Revenue Fund
1 411 929.9	1 512 200.2	1 632 570.7	1 757 451.8	Total

Table 4 Amounts to be appropriated from the National Revenue Fund for 2018/19

R million	Appropriated (including direct charges)	Current	Transfers	Payments	Payments	To be	Increase/ Decrease ¹	
		payments	and subsidies	for capital assets	for financial assets			appropriated
	2017/18	2018/19						
1	The Presidency	501.5	500.1	0.0	12.2	–	512.3	10.8
2	Parliament ²	2 268.2	1 923.0	438.7	4.1	–	2 365.9	97.6
3	Communications	1 425.1	135.6	1 377.5	0.0	–	1 513.1	88.1
4	Cooperative Governance and Traditional Affairs	78 414.5	3 532.4	80 111.8	7.8	–	83 651.9	5 237.4
5	Home Affairs	7 055.5	5 783.7	2 119.8	11.9	–	7 915.4	859.9
6	International Relations and Cooperation	6 574.9	5 574.9	667.2	310.7	–	6 552.8	-22.1
7	National Treasury	646 656.0	182 636.5	505 177.8	45.8	4 512.3	692 372.5	45 716.5
8	Planning, Monitoring and Evaluation	923.5	471.0	446.5	9.9	–	927.4	3.9
9	Public Enterprises	266.7	270.8	0.0	3.1	–	273.9	7.2
10	Public Service and Administration	897.1	479.7	471.6	5.4	–	956.7	59.5
11	Public Works	7 038.1	951.5	6 478.3	23.5	–	7 453.3	415.2
12	Statistics South Africa	2 146.3	1 986.9	11.6	273.2	–	2 271.7	125.4
13	Women	206.2	146.4	80.7	3.0	–	230.2	24.0
14	Basic Education	23 408.6	2 431.2	18 953.4	1 337.9	–	22 722.4	-686.2
15	Higher Education and Training	68 949.1	9 391.5	80 549.9	8.6	–	89 950.0	21 000.9
16	Health	42 625.7	3 088.4	43 017.0	1 037.5	–	47 142.9	4 517.1
17	Social Development	160 707.8	888.3	172 002.3	11.1	–	172 901.6	12 193.8
18	Correctional Services	22 814.1	23 040.9	132.7	674.9	–	23 848.5	1 034.4
19	Defence and Military Veterans	48 618.8	39 447.5	7 614.4	887.8	–	47 949.7	-669.0
20	Independent Police Investigative Directorate	255.5	310.0	0.6	4.5	–	315.1	59.6
21	Justice and Constitutional Development	18 927.3	15 331.5	2 765.1	1 168.3	–	19 265.0	337.7
22	Office of the Chief Justice and Judicial Administration	1 984.6	1 976.9	67.3	97.7	–	2 141.8	157.2
23	Police	87 025.1	86 942.7	1 145.4	3 746.1	–	91 834.2	4 809.0
24	Agriculture, Forestry and Fisheries	6 807.0	3 039.4	3 997.0	128.6	–	7 165.0	358.0
25	Economic Development	797.2	135.2	932.9	4.5	–	1 072.6	275.4
26	Energy	8 113.5	612.8	6 427.7	4.5	–	7 045.0	-1 068.4
27	Environmental Affairs	6 848.2	2 276.7	4 657.5	178.3	–	7 112.5	264.3
28	Labour	3 065.8	1 946.7	1 273.6	75.0	–	3 295.2	229.4
29	Mineral Resources	1 779.4	876.9	1 001.5	12.4	–	1 890.7	111.2
30	Science and Technology	7 557.2	603.3	7 175.0	12.2	–	7 790.5	233.3
31	Small Business Development	1 449.8	221.1	1 261.6	5.8	–	1 488.5	38.7
32	Telecommunications and Postal Services	1 614.2	403.3	498.9	21.3	–	923.4	-690.8
33	Tourism	2 140.2	555.9	1 481.8	224.1	–	2 261.8	121.7
34	Trade and Industry	9 274.8	1 603.5	7 829.4	29.7	–	9 462.6	187.8
35	Transport	59 805.2	1 197.6	58 606.2	4.7	–	59 808.5	3.3
36	Water and Sanitation	15 107.4	3 293.8	8 633.3	3 644.4	–	15 571.5	464.1
37	Arts and Culture	4 449.8	640.6	3 498.7	232.9	–	4 372.3	-77.6
38	Human Settlements	33 464.3	787.6	31 482.1	6.0	80.0	32 355.7	-1 108.6
39	Rural Development and Land Reform	10 184.2	4 061.3	6 339.0	25.0	–	10 425.2	241.0
40	Sport and Recreation South Africa	1 066.6	278.6	809.8	2.4	–	1 090.8	24.2
Total		1 403 215.4	409 775.5	1 069 535.6	14 296.8	4 592.3	1 498 200.2	94 984.8

1. A positive number reflects an increase and a negative number reflects a decrease.

2. This is the executive's proposal for Parliament's budget, as such the economic classification disaggregation of the vote is not appropriated in the Appropriation Bill (2018).

Table 5a Conditional grants to provinces: 2014/15 to 2020/21¹

R million		Audited outcome			Adjusted appropriation	Revised Estimate	Medium-term expenditure estimates		
		2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
4	Cooperative Governance and Traditional Affairs	86.0	35.6	–	123.4	73.4	123.6	130.9	138.5
11	Public Works	605.7	551.7	761.7	781.2	781.2	824.0	882.3	930.8
14	Basic Education	13 549.8	15 631.8	16 579.6	17 154.3	17 154.3	17 519.0	18 368.9	20 089.3
16	Health	30 171.1	31 904.7	33 981.0	37 570.2	37 570.2	41 122.6	44 423.1	48 211.9
17	Social Development	27.5	47.5	85.5	556.4	556.4	758.4	805.7	858.8
24	Agriculture, Forestry and Fisheries	2 362.2	2 171.5	2 202.5	2 241.7	2 241.7	2 381.1	2 541.6	2 704.0
35	Transport	14 194.2	14 471.2	15 878.5	16 476.5	16 476.5	17 026.0	17 807.4	18 862.2
37	Arts and Culture	1 016.2	1 274.3	1 357.1	1 420.0	1 420.0	1 423.7	1 501.2	1 584.1
38	Human Settlements	17 084.4	18 302.7	18 284.0	19 969.3	19 969.3	18 945.2	19 657.4	20 974.6
40	Sport and Recreation South Africa	525.6	533.2	555.4	585.8	585.8	587.4	620.0	653.9
Total		79 622.6	84 924.2	89 685.2	96 878.9	96 828.9	100 710.9	106 738.6	115 008.1

Table 5b Conditional grants to municipalities: 2014/15 to 2020/21¹

R million		Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
		2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
4	Cooperative Governance and Traditional Affairs	14 971.1	15 145.6	15 469.5	16 357.4	16 207.4	15 658.3	16 069.2	16 953.0
7	National Treasury	1 399.0	1 411.8	1 454.4	1 598.3	1 598.3	1 541.5	1 613.5	2 216.3
11	Public Works	594.6	587.7	664.0	691.4	691.4	692.9	741.9	782.9
26	Energy	1 241.6	2 158.2	2 131.9	2 290.3	2 290.3	2 119.5	2 355.0	2 484.5
35	Transport	5 946.1	6 049.9	5 694.2	6 266.9	6 266.9	6 361.2	6 228.1	6 570.7
36	Water and Sanitation	1 050.8	2 305.0	4 680.8	5 194.5	5 194.5	5 438.1	5 735.7	6 051.0
38	Human Settlements	10 584.7	10 654.3	10 839.5	11 382.2	11 382.2	11 446.1	12 029.9	12 693.3
Total		35 787.7	38 312.7	40 934.2	43 781.0	43 631.0	43 257.6	44 773.3	47 751.7

1. Details provided in the Division of Revenue Bill (2018).

Table 6 Training expenditure per vote: 2014/15 to 2020/21

R million		Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
1	The Presidency	2.0	2.5	3.5	3.2	3.4	3.5	3.3
2	Parliament	10.8	10.9	4.7	16.3	17.2	18.5	18.7
3	Communications	–	0.2	0.1	0.0	0.3	0.4	0.4
4	Cooperative Governance and Traditional Affairs	31.1	2.7	2.2	3.4	3.4	3.7	3.9
5	Home Affairs	8.8	3.5	2.6	4.4	33.1	35.6	35.8
6	International Relations and Cooperation	13.3	9.7	10.2	22.8	27.2	27.0	27.0
7	National Treasury	9.3	5.1	5.9	6.6	7.4	8.2	8.7
8	Planning, Monitoring and Evaluation	1.5	0.9	1.7	2.2	2.3	2.5	2.6
9	Public Enterprises	2.6	1.5	1.3	1.1	1.1	1.2	0.9
10	Public Service and Administration	3.3	3.5	2.4	2.9	4.0	3.2	4.0
11	Public Works	14.5	5.1	6.2	4.9	5.2	5.6	6.0
12	Statistics South Africa	7.4	9.2	8.9	14.6	12.3	12.9	14.1
13	Women	0.7	0.1	0.4	1.1	1.1	1.2	1.2
14	Basic Education	0.8	1.8	1.2	1.5	1.5	1.6	1.9
15	Higher Education and Training	1.3	2.3	2.5	2.9	3.1	3.3	3.5
16	Health	5.9	5.6	5.6	8.7	8.3	8.9	9.6
17	Social Development	7.3	3.3	3.2	8.3	8.8	9.1	10.0
18	Correctional Services	144.3	173.8	169.0	186.1	189.9	195.6	208.3
19	Defence and Military Veterans	256.8	228.3	239.7	269.0	337.3	346.6	361.3
20	Independent Police Investigative Directorate	2.0	0.5	0.7	0.9	2.0	2.1	2.2
21	Justice and Constitutional Development	14.8	16.1	5.8	86.6	88.8	95.6	102.8
22	Office of the Chief Justice and Judicial Administration	0.3	1.1	1.9	6.2	6.5	7.0	7.5
23	Police	1 710.7	1 963.6	2 136.8	1 968.5	2 057.1	2 149.6	2 278.6
24	Agriculture, Forestry and Fisheries	39.1	33.8	37.6	41.6	44.6	47.7	50.8
25	Economic Development	0.2	0.3	0.8	1.0	0.2	0.2	0.2
26	Energy	0.8	4.7	4.0	4.0	4.1	4.3	4.6
27	Environmental Affairs	25.8	17.7	15.4	13.2	11.9	13.1	13.8
28	Labour	13.1	12.5	9.1	15.9	16.8	16.0	16.4
29	Mineral Resources	3.0	1.4	4.9	5.8	6.0	6.4	6.9
30	Science and Technology	3.4	5.0	4.9	8.0	8.6	6.2	6.6
31	Small Business Development	–	–	1.0	1.4	1.4	1.5	1.6
32	Telecommunications and Postal Services	6.9	2.4	3.1	2.1	2.2	2.4	2.6
33	Tourism	2.8	1.2	5.8	2.7	2.8	3.0	3.3
34	Trade and Industry	7.0	6.6	2.9	9.2	11.5	12.7	12.7
35	Transport	5.7	3.1	5.4	4.4	4.6	4.9	5.3
36	Water and Sanitation	17.1	17.0	33.3	32.4	36.4	46.0	48.0
37	Arts and Culture	1.6	1.6	1.3	2.5	2.9	2.7	2.9
38	Human Settlements	8.4	3.7	2.8	4.9	5.6	5.2	5.5
39	Rural Development and Land Reform	2.6	7.9	17.2	22.3	24.0	24.6	26.0
40	Sport and Recreation South Africa	4.0	0.4	1.5	1.3	2.2	2.3	2.5
Total		2 391.0	2 570.5	2 767.0	2 795.0	3 007.2	3 142.3	3 321.8

Table 7a Infrastructure expenditure per vote: 2014/15 to 2020/21¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
4	Cooperative Governance and Traditional Affairs	14 745.4	14 955.8	14 914.0	15 891.3	15 287.7	15 733.7	16 599.1
5	Home Affairs	66.2	123.5	126.0	54.1	244.4	164.1	97.7
6	International Relations and Cooperation	103.6	102.0	173.7	215.6	238.5	251.9	249.4
7	National Treasury	590.4	607.0	591.9	663.4	601.9	621.2	654.9
8	Planning, Monitoring and Evaluation	8.7	0.4	0.1	0.6	0.5	0.2	0.2
11	Public Works	400.9	628.4	633.0	748.2	804.6	849.7	896.4
12	Statistics South Africa	–	–	–	–	–	–	–
14	Basic Education	10 070.6	11 039.7	11 345.3	12 432.1	11 609.3	11 875.3	12 709.0
15	Higher Education and Training	2 700.0	3 301.2	3 396.7	3 520.4	3 688.6	3 883.0	4 082.3
16	Health	5 794.3	6 031.6	5 979.9	6 373.5	6 707.1	6 987.7	7 371.7
17	Social Development	27.5	47.8	5.5	–	–	–	–
18	Correctional Services	854.7	775.8	748.1	759.9	680.4	718.5	758.0
19	Defence and Military Veterans	64.9	82.6	147.9	658.1	529.7	544.0	558.0
21	Justice and Constitutional Development	722.9	739.5	1 023.0	1 078.6	819.8	855.0	902.1
23	Police	884.8	1 192.4	797.3	891.5	824.9	870.7	921.4
24	Agriculture, Forestry and Fisheries	684.0	383.5	145.5	226.2	230.3	154.8	86.0
26	Energy	4 122.7	5 749.8	5 610.3	6 123.0	5 368.2	5 773.3	6 091.1
27	Environmental Affairs	543.8	433.1	572.4	453.5	369.2	342.3	358.5
28	Labour	1.9	0.5	29.2	14.0	16.0	16.0	16.9
30	Science and Technology	984.7	358.9	652.8	1 076.6	1 083.9	1 176.6	1 225.1
32	Telecommunications and Postal Services	–	–	–	53.0	–	63.3	66.8
33	Tourism	–	87.2	159.0	107.5	218.6	199.9	214.8
34	Trade and Industry	805.9	957.3	1 668.4	1 230.3	1 566.6	1 696.5	1 789.8
35	Transport	39 327.2	38 532.6	40 008.9	41 746.2	39 624.7	44 575.4	46 025.3
36	Water and Sanitation	8 699.6	12 518.9	11 897.5	11 802.0	11 165.7	11 805.4	12 426.2
37	Arts and Culture	414.2	325.4	381.3	428.4	489.8	422.1	445.7
38	Human Settlements	27 966.6	28 966.2	29 547.8	32 202.8	30 216.3	31 452.0	33 414.9
39	Rural Development and Land Reform	3.7	0.4	2.4	1.8	2.1	–	–
Total		120 589.1	127 941.4	130 558.1	138 752.7	132 388.5	141 032.4	147 961.2

Table 7b Type of infrastructure investment: 2014/15 to 2020/21¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
	New infrastructure assets	6 365.9	7 204.7	3 597.0	6 131.8	5 462.5	4 450.7	4 254.8
	Existing infrastructure assets	4 533.7	5 891.1	6 998.3	4 948.7	4 506.0	5 540.5	5 696.6
	Upgrading and additions	3 751.3	4 818.4	5 846.5	3 757.8	3 114.3	4 147.1	4 308.7
	Rehabilitation, renovations and refurbishment	407.8	724.6	919.2	841.6	908.7	1 001.3	1 096.3
	Maintenance and repair	374.5	348.1	232.6	349.4	483.0	392.1	291.6
	Infrastructure transfers	109 689.5	114 845.6	119 962.7	127 672.2	122 420.0	131 041.2	138 009.8
	Current	494.9	687.0	709.8	977.3	1 152.0	1 346.3	1 336.7
	Capital	109 194.7	114 158.6	119 253.0	126 694.8	121 268.1	129 695.0	136 673.1
	Total Infrastructure	120 589.1	127 941.4	130 558.1	138 752.7	132 388.5	141 032.4	147 961.2
	<i>Current infrastructure²</i>	<i>869.4</i>	<i>1 035.2</i>	<i>942.4</i>	<i>1 326.7</i>	<i>1 634.9</i>	<i>1 738.4</i>	<i>1 628.3</i>
	<i>Capital infrastructure³</i>	<i>119 719.7</i>	<i>126 906.2</i>	<i>129 615.7</i>	<i>137 426.0</i>	<i>130 753.6</i>	<i>139 294.0</i>	<i>146 332.9</i>

1. Amounts include: Mega infrastructure projects and programmes for which the total cost is at least R1 billion over the project lifecycle; large projects and programmes for which the total cost is at least R250 million but less than R1 billion over the project lifecycle; and small projects and programmes for which the total cost is less than R250 million over the project lifecycle. Amounts also include: infrastructure transfers to other spheres, agencies and entities; and maintenance and repair projects.
2. Current infrastructure refers to the maintenance and repairs of existing infrastructure assets and is aimed at maintaining the capacity and effectiveness of an asset at the designed level.
3. Capital infrastructure refers to the construction, replacement, upgrade, rehabilitation, renovation and refurbishment of infrastructure resulting in a new asset or an increase in the capacity, effectiveness and value of an existing one.

Table 8 Personnel expenditure per vote: 2014/15 to 2020/21

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21	
1	The Presidency	269.0	295.1	308.7	318.2	318.2	328.9	354.0	380.6
2	Parliament	1 358.6	1 242.7	1 317.5	1 341.8	1 341.8	1 388.3	1 494.0	1 606.0
3	Communications	39.8	47.6	65.5	71.2	64.5	81.3	87.7	94.3
4	Cooperative Governance and Traditional Affairs	234.4	258.3	272.4	307.6	307.6	339.5	365.4	392.8
5	Home Affairs	2 600.2	2 845.3	3 069.8	3 198.2	3 198.2	3 308.1	3 559.0	3 825.9
6	International Relations and Cooperation	2 754.7	3 083.7	3 115.6	3 022.0	3 022.0	2 964.5	2 874.5	3 090.1
7	National Treasury	671.5	732.7	786.4	823.3	823.3	807.8	869.3	934.5
8	Planning, Monitoring and Evaluation	161.1	176.9	202.2	243.7	243.7	312.8	331.6	356.4
9	Public Enterprises	141.2	140.0	148.3	156.9	156.9	171.4	184.5	198.3
10	Public Service and Administration	229.1	242.5	254.5	265.2	265.3	288.4	310.4	333.7
11	Public Works	1 591.8	435.9	438.8	458.4	458.4	518.3	557.8	599.7
12	Statistics South Africa	1 184.6	1 288.4	1 371.8	1 352.2	1 352.2	1 442.7	1 460.1	1 575.9
13	Women	57.7	63.6	70.6	71.7	71.7	85.5	91.4	98.3
14	Basic Education	412.7	439.5	454.4	477.1	477.1	504.6	543.1	583.8
15	Higher Education and Training	7 139.8	7 166.4	7 516.6	8 282.3	8 282.3	8 957.0	9 637.7	10 360.5
16	Health	686.3	750.1	837.3	873.4	873.4	828.8	894.3	961.4
17	Social Development	377.5	419.9	454.2	476.8	476.8	490.4	527.4	567.0
18	Correctional Services	12 611.5	13 189.5	14 417.2	15 776.7	15 776.7	16 994.9	18 293.6	19 668.6
19	Defence and Military Veterans	23 005.8	24 788.0	27 059.7	27 448.0	27 448.0	27 116.7	29 193.7	31 365.9
20	Independent Police Investigative Directorate	119.5	149.6	169.2	176.9	176.9	212.3	228.8	246.5
21	Justice and Constitutional Development	8 523.0	9 250.2	9 995.4	10 635.0	10 635.0	11 029.4	11 868.7	12 758.1
22	Office of the Chief Justice and Judicial Administration	1 203.5	1 303.7	1 418.6	1 524.0	1 524.0	1 644.0	1 747.4	1 857.0
23	Police	54 332.2	57 478.4	62 038.1	66 196.8	66 196.8	70 801.9	76 357.7	81 883.2
24	Agriculture, Forestry and Fisheries	1 661.6	1 761.1	1 938.3	2 100.2	2 100.2	2 182.3	2 348.2	2 519.0
25	Economic Development	75.7	79.4	85.0	90.0	90.0	90.8	97.7	105.0
26	Energy	264.3	296.0	321.5	333.2	333.2	360.5	384.3	409.2
27	Environmental Affairs	787.8	909.2	992.7	1 050.1	1 049.6	1 149.0	1 237.5	1 333.1
28	Labour	997.8	1 025.6	1 064.7	1 212.8	1 204.6	1 317.8	1 410.2	1 516.0
29	Mineral Resources	484.6	526.3	558.8	590.8	590.8	617.6	665.2	715.6
30	Science and Technology	276.0	301.1	319.0	326.8	326.8	352.9	380.5	408.4
31	Small Business Development	73.8	93.1	114.0	132.5	132.4	140.8	151.8	163.3
32	Telecommunications and Postal Services	175.5	181.7	205.2	221.2	221.2	224.3	241.4	259.5
33	Tourism	231.5	252.9	266.1	284.9	284.9	310.4	334.4	360.3
34	Trade and Industry	815.3	874.2	915.5	947.7	947.7	987.5	1 046.8	1 073.5
35	Transport	345.9	382.9	392.8	456.8	430.5	496.7	534.7	574.8
36	Water and Sanitation	1 275.7	1 360.4	1 439.9	1 571.9	1 571.9	1 720.2	1 851.3	1 990.2
37	Arts and Culture	206.3	214.4	225.9	232.4	232.4	253.5	272.9	293.3
38	Human Settlements	290.9	310.2	325.3	383.3	383.3	376.9	405.7	436.1
39	Rural Development and Land Reform	1 791.6	1 937.2	2 065.3	2 194.6	2 194.6	2 325.6	2 502.9	2 690.6
40	Sport and Recreation South Africa	82.4	93.8	101.3	106.1	105.9	111.5	120.1	129.1
Total		129 542.2	136 387.3	147 114.2	155 732.7	155 691.0	163 635.7	175 817.6	188 715.5

Table 9 Personnel numbers and unit cost per vote: 2016/17 to 2020/21

	Number of posts Estimated for 31 March 2018		Number and cost of personnel posts filled/ planned for on funded establishment										
	Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate						
			2016/17		2017/18		2018/19		2019/20		2020/21		
			Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	
1	The Presidency	629	66	618	500	607	524	603	545	599	591	597	637
2	Parliament ¹	–	–	–	–	–	–	–	–	–	–	–	–
3	Communications	70	26	100	655	89	725	107	759	108	812	111	849
4	Cooperative Governance and Traditional Affairs	458	2	477	571	493	624	505	672	504	725	503	781
5	Home Affairs	9 947	194	9 521	322	9 391	341	9 224	359	9 201	387	9 180	417
6	International Relations and Cooperation	3 993	75	3 981	783	3 508	861	3 065	967	2 615	1 099	2 725	1 134
7	National Treasury	1 197	124	1 168	673	1 125	732	1 036	780	1 039	837	1 038	900
8	Planning, Monitoring and Evaluation	488	51	415	487	435	560	478	654	466	711	466	765
9	Public Enterprises	211	21	191	777	239	657	231	742	232	795	233	851
10	Public Service and Administration	487	49	546	466	525	505	517	558	518	599	518	644
11	Public Works	1 027	447	1 028	427	1 325	346	797	650	798	699	791	758
12	Statistics South Africa ¹	3 511	58	3 186	431	–	–	–	–	–	–	–	–
13	Women	106	3	113	625	109	658	121	706	120	762	120	819
14	Basic Education	798	100	740	614	706	676	692	729	693	784	689	847
15	Higher Education and Training	36 898	151	32 711	230	33 391	248	33 458	268	33 464	288	33 357	311
16	Health	1 739	–	1 694	494	1 688	517	1 498	553	1 489	601	1 479	650
17	Social Development	903	166	912	498	903	528	864	568	862	612	859	660
18	Correctional Services	39 102	1 305	39 183	368	39 102	403	39 621	429	39 895	459	39 980	492
19	Defence and Military Veterans	75 500	–	76 480	354	75 500	364	75 204	361	74 899	390	74 660	420
20	Independent Police Investigative Directorate	388	6	368	460	372	475	421	504	421	543	421	586
21	Justice and Constitutional Development	24 094	375	24 801	403	24 094	441	23 381	472	23 603	503	23 888	534
22	Office of the Chief Justice and Judicial Administration	2 402	–	2 462	576	2 520	605	2 579	637	2 570	680	2 568	723
23	Police	193 431	–	194 605	319	193 431	342	192 431	368	191 431	399	191 431	428
24	Agriculture, Forestry and Fisheries ¹	6 548	446	5 815	336	–	–	–	–	–	–	–	–
25	Economic Development	134	1	122	697	122	738	125	726	125	782	125	840
26	Energy	551	21	589	546	595	560	582	619	574	669	567	722
27	Environmental Affairs	1 728	373	2 101	473	2 040	515	2 079	553	2 076	596	2 075	642
28	Labour	2 877	16	3 347	318	3 525	342	3 539	372	3 531	399	3 545	428
29	Mineral Resources	1 167	2	1 167	479	1 113	531	1 067	579	1 065	625	1 063	673
30	Science and Technology	492	–	428	745	408	801	410	861	411	926	410	996
31	Small Business Development	199	29	228	500	233	568	229	615	229	663	229	713
32	Telecommunications and Postal Services	303	17	308	666	308	718	271	828	270	894	270	961
33	Tourism	519	–	519	513	519	549	484	641	477	701	471	765
34	Trade and Industry	1 378	116	1 842	497	1 808	524	1 788	552	1 789	585	1 719	624
35	Transport	658	7	687	572	705	611	739	672	744	719	746	771
36	Water and Sanitation	3 707	281	3 517	409	3 529	445	3 604	477	3 597	515	3 597	553
37	Arts and Culture	434	49	472	479	423	549	408	621	407	670	406	722
38	Human Settlements	695	62	684	476	645	594	606	622	606	669	605	721
39	Rural Development and Land Reform	3 917	333	4 358	474	4 718	465	4 467	521	4 454	562	4 429	607
40	Sport and Recreation South Africa	222	14	172	589	174	609	170	656	179	671	187	690
Total		422 908	4 986	421 656	19 799	410 418	20 253	407 401	22 198	406 061	23 920	406 058	25 636

1. Department did not provide all relevant personnel data.

Table 10 Departmental receipts per vote: 2014/15 to 2020/21

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21	
1	The Presidency	1.7	2.9	1.4	1.0	1.0	0.6	0.6	0.6
2	Parliament	49.1	33.7	29.0	19.2	23.5	20.0	17.2	15.2
3	Communications	2.5	3.5	2.6	2.7	2.7	2.6	2.7	2.9
4	Cooperative Governance and Traditional Affairs	1.9	1.1	23.5	1.9	22.6	1.5	1.9	2.3
5	Home Affairs	767.1	1 079.3	1 099.5	1 077.0	956.5	1 131.9	1 183.3	1 249.4
6	International Relations and Cooperation	35.1	34.9	29.0	38.5	38.5	40.4	42.4	43.5
7	National Treasury	18 246.1	19 979.9	19 191.9	20 821.3	19 430.9	10 020.5	3 861.1	4 549.9
8	Planning, Monitoring and Evaluation	0.1	0.4	1.2	1.5	1.3	0.4	0.4	0.5
9	Public Enterprises	0.2	3.4	5.2	1.2	0.2	0.1	0.1	0.2
10	Public Service and Administration	1.0	1.4	0.8	0.7	0.7	0.7	0.7	0.8
11	Public Works	16.1	7.1	14.6	1.8	3.2	1.9	1.9	1.5
12	Statistics South Africa	5.0	10.1	8.6	1.8	1.8	1.6	1.6	1.7
13	Women	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0
14	Basic Education	57.6	18.3	15.5	15.2	15.2	13.8	14.9	16.0
15	Higher Education and Training	11.6	15.4	25.5	29.1	29.1	15.9	16.2	16.3
16	Health	66.1	53.9	59.2	59.5	59.5	7.9	8.1	9.2
17	Social Development	62.9	23.9	77.5	30.0	30.0	12.2	12.8	13.2
18	Correctional Services	139.8	129.3	147.5	148.8	141.1	148.3	155.6	163.1
19	Defence and Military Veterans	923.8	1 082.6	1 387.3	1 051.8	1 051.8	1 085.7	1 145.3	1 202.9
20	Independent Police Investigative Directorate	0.7	0.2	0.3	0.2	0.2	0.2	0.2	0.2
21	Justice and Constitutional Development	337.6	328.6	371.4	397.7	397.7	409.9	430.4	453.8
22	Office of the Chief Justice and Judicial Administration	–	0.8	0.9	1.9	1.9	0.8	1.0	1.1
23	Police	389.4	478.2	756.0	588.5	588.5	518.8	530.4	541.8
24	Agriculture, Forestry and Fisheries	191.7	212.4	202.7	246.2	246.2	258.5	271.5	285.0
25	Economic Development	50.4	50.3	137.3	137.3	137.3	145.4	145.4	145.5
26	Energy	5.3	806.0	956.9	6.0	6.0	6.2	6.3	6.6
27	Environmental Affairs	32.0	11.5	21.2	32.7	32.7	21.0	21.1	21.3
28	Labour	11.2	10.1	11.7	17.2	17.2	11.8	12.6	13.3
29	Mineral Resources	46.2	29.8	38.1	40.3	19.7	40.3	42.6	45.2
30	Science and Technology	1.6	0.5	8.2	8.2	8.4	0.6	0.5	0.5
31	Small Business Development	–	0.1	0.1	0.2	0.2	0.1	0.1	0.1
32	Telecommunications and Postal Services	1 670.2	26 804.4	831.4	654.4	654.4	600.4	600.4	600.4
33	Tourism	3.5	6.8	5.3	1.8	1.8	1.9	1.9	1.9
34	Trade and Industry	82.6	62.0	98.1	68.5	30.4	73.9	77.9	78.5
35	Transport	322.1	209.9	290.3	270.4	270.4	309.5	326.8	344.8
36	Water and Sanitation	15.3	11.0	21.0	7.4	7.4	7.6	8.0	8.2
37	Arts and Culture	3.3	3.0	1.3	1.3	0.6	0.7	0.8	0.8
38	Human Settlements	1.0	1.2	0.5	0.5	0.5	0.2	0.2	0.3
39	Rural Development and Land Reform	87.4	54.6	89.8	98.6	98.6	103.6	108.6	114.1
40	Sport and Recreation South Africa	0.1	0.4	0.1	0.2	0.0	0.3	0.3	0.3
Total departmental receipts as per Estimates of National Expenditure		23 639.3	51 562.9	25 962.9	25 882.5	24 329.8	15 017.9	9 054.4	9 953.0
Less: Parliament (retained departmental receipts)		49.1	33.7	29.0	19.2	23.5	20.0	17.2	15.2
Plus: Public entities conduit ¹ receipts		1 854.3	2 001.1	1 416.6	1 218.4	1 218.4	1 292.4	1 503.5	1 591.2
of which:									
<i>Independent Communications Authority of South Africa (ICASA)</i>		974.0	1 324.6	1 168.6	1 034.3	1 034.3	1 101.9	1 151.5	1 214.7
<i>Competition Commission</i>		880.4	676.5	248.0	184.1	184.1	190.5	352.0	376.5
Plus: South African Revenue Service departmental receipts collection		5 455.0	3 743.4	5 913.4	7 598.3	7 704.4	8 179.9	8 730.7	9 347.0
Total departmental and other receipts as per Budget Review		30 899.6	57 273.7	33 263.8	34 680.0	33 229.1	24 470.2	19 271.3	20 876.0

1. Receipts for which a department serves as a conduit to deposit funds into the National Revenue Fund and hence included as other receipts for consolidation purposes. These receipts are however accordingly excluded from both departmental and entity financial statements.

Information contained in each vote

The Estimates of National Expenditure (ENE) publications describe in detail the planned spending in all national government votes over the three-year medium-term expenditure framework (MTEF) period, government's expenditure planning window.

The ENE publication is tabled in Parliament by the Minister of Finance alongside the main budget. The publication is the explanatory memorandum to the Appropriation Bill. Through the bill and the publication, the executive seeks Parliament's approval and adoption of its spending plans for the first year of the MTEF period. Once the Appropriation Act has been assented to by the president, funds allocated for the first year of the new MTEF period are then appropriated from the National Revenue Fund in terms of the act. Parliament authorises expenditure annually, thus the spending estimates for the two outer years of the MTEF period are not included in the Appropriation Bill. These forward estimates or indicative allocations do, however, form the basis of the planning of the following year's budget.

The main budget expenditure, determined by the fiscal stance adopted, includes direct charges against the National Revenue Fund. Direct charges, such as debt service costs, constitute spending in terms of a statute, and therefore do not require parliamentary approval. Such spending is therefore not contained in the Appropriation Bill, nor is it budgeted for in any particular programme within a vote. Main budget expenditure also includes a contingency reserve and any provisional allocations not assigned to votes for expenditure related to unforeseen circumstances and emerging government policy priorities. Similarly, this expenditure is not contained in the Appropriation Bill.

Information in the Appropriation Bill is divided according to vote. Generally, a vote specifies the total amount appropriated to a department. In some cases, a vote may contain more than one department. Each chapter in the ENE publication relates to a vote.

A separate e-publication is also available for each vote. The ENE e-publications for individual votes provide more comprehensive coverage of vote-specific information, particularly about personnel, entities, donor funding, public-private partnerships, conditional grants¹ to provinces and municipalities, and expenditure information at the level of site service delivery, where appropriate. These publications are available at www.treasury.gov.za.

For each vote, the ENE publications follow the format shown below:

Budget summary

This table shows the budgeted expenditure for the vote for the three-year MTEF period.

R million	2018/19					2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Total expenditure estimates							

Executive authority Minister
Accounting officer Director General / Chief Operating Officer
Website address

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about personnel, entities, donor funding, public-private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of site service delivery, where appropriate.

1. The terms conditional allocation and allocation-in-kind, as contained in legislation, are commonly referred to as conditional grant and indirect grant, respectively, in the budget documentation that accompanies this legislation.

The **2018/19 total** shows the total allocation per programme and the total allocation for the vote for 2018/19, and corresponds with the information in the 2018 Appropriation Bill.

The total vote allocation to be appropriated by Parliament is categorised by economic classification, into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

Current payments are payments made by an institution for its operational requirements.

Transfers and subsidies are payments made by an institution for which the institution does not directly receive anything in return.

Payments for capital assets are payments made by an institution for an asset that can be used for more than one year, and from which future economic benefits or service potential are expected to flow.

Payments for financial assets are mainly payments made by institutions as loans to public corporations or as equity investments in public corporations. Payments are reflected as expenditure rather than financing because the purpose of the transaction is not profit oriented. This column is shown only in votes where such payments have been budgeted for. Payments for theft and losses are included in this category. However, it is not possible to budget for these in advance and, if applicable, payments will appear only in the historical information once they are known.

For **2019/20** and **2020/21**, the estimates of expenditure in the vote are shown for the two outer years of the MTEF period.

MTEF allocation shows the expenditure allocation for the upcoming financial year and the expenditure estimates for the two outer years of the MTEF period for each programme.

Direct charge against the National Revenue Fund is an amount spent in terms of a statute and is not budgeted for in any programme in a particular vote. Hence it is shown as a separate item and is not contained in the Appropriation Bill.

Total expenditure estimates is the sum of expenditure on programmes plus direct charges against the National Revenue Fund.

The last three rows of the table provide accountability information: the vote's executive authority, accounting officer and website address.

Vote purpose

The purpose of the vote captures a department's mandate, objectives or administrative functions, as stated in the Appropriation Bill.

Mandate

The institution's mandate, as contained in the relevant act(s) or policy document(s) that govern(s) the institution's establishment and operations, is described.

Selected performance indicators

This table highlights a vote's performance in terms of key indicators for the past three years, the current year, and the projections for the three-year MTEF period.

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21

The table presents only a selected set of a department or entity's performance indicators and is not intended to provide a comprehensive view of institutional performance. The table, however, contains key indicators linked to strategic and annual performance plans, as informed by the 2014-2019 medium-term strategic framework and ministerial delivery agreements. Managing, monitoring and measuring performance are integral to improving service delivery.

An **Indicator** is a measure that tracks a department's or entity's progress towards meeting the target it has set. An indicator may measure inputs, activities, outputs and outcomes, or, in certain instances, explanatory information relating to the internal or external environment.

The **Programme** links the indicator to the programme associated with it.

The **MTSF outcome** links the indicator to one or more of the 14 outcomes targeted in government's 2014-2019 medium-term strategic framework.

The **Past** column shows what level of performance the institution achieved in the past three financial years.

The **Current** column shows what the institution projects it will have achieved in the current financial year.

The **Projections** column shows what the institution expects to achieve over the three years of the MTEF period.

In the selected performance indicators table, a dash (–) means that information is not available, generally because the indicator was introduced only in subsequent years. However, in all expenditure and revenue tables, a dash (–) indicates that information is either unavailable or equal to zero. Due to rounding off, the line item figures in tables may not necessarily add up to the total of the figures in the table.

Expenditure analysis

This is a narrative discussion that provides an outline of what the institution aims to achieve over the medium term and how it plans to spend its budget in support of this. The discussion centres on the institution's primary focus areas, including its policy and spending focus over the period, as contained in its planning documents. A summary is provided of how the institution's objectives and spending items are aligned with the objectives of the National Development Plan, as set out in the outcomes of government's 2014-2019 medium-term strategic framework.

Significant increases or decreases in expenditure, including in the past, are explained in terms of the institution's performance outcomes, service delivery methods, policies, personnel profiles or any other applicable factors. The average annual estimated growth rates are presented in the tables in nominal, not real, terms.

A summary of key changes to the vote's baseline budget, as approved by Cabinet, is also provided.

Expenditure trends

This table shows audited expenditure for the past three years, and the revised expenditure estimate for the current financial year, by programme and economic classification. For each year, budgeted and adjusted appropriations are provided for comparison with actual expenditure outcomes.

Programmes

1. Administration
2. Programme name

Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
R million														
Programme 1														
Programme 2														
Subtotal														
Direct charge against the National Revenue Fund														
Total														
Change to 2017														
Budget estimate														
Economic classification														
Current payments														
Compensation of employees														
Goods and services														
Transfers and subsidies														
Payments for capital assets														
Payments for financial assets														
Total														

Expenditure over a four-year period is set out first by **Programme** and then by **Economic classification**. Expenditure is classified as current payments, transfers and subsidies, payments for capital assets and payments for financial assets. Where programme structures have been changed in recent years, expenditure and budgets have, to the extent possible, been reallocated to the new approved programme structure for all the years shown, for comparability.

Direct charge against the National Revenue Fund is an amount spent in terms of a statute and is not budgeted for in any programme in a particular vote. Hence it is shown as a separate item and is not contained in the Appropriation Bill.

Annual budget shows the total amount voted at the beginning of a financial year.

Adjusted appropriation shows the adjusted total amount that is voted in a financial year. Most changes are made mid-year at the time of the adjustments budget. These adjustments can be made only in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). These adjustments are included in an adjustments appropriation bill, which Parliament approves before expenditure can take place. Particulars are tabled in acts of Parliament and the accompanying Adjusted Estimates of National Expenditure, and other, publications.

Audited outcomes are presented as they appear in the institution’s annual financial statements. However, reallocations are made for any subsequent approved budget changes to the programme structure.

The **Revised estimate** for 2017/18 shows the current estimate of the institution’s expenditure for the current financial year. This does not imply a change in the amount voted to an institution in the Adjustments Appropriation Act (2017). It is rather an updated estimate of what the department is likely to spend in the current financial year.

The **Average: Outcome/Annual budget (%)** shows annual audited expenditure as a percentage of the annual budget appropriation, averaged over the three-year period.

The **Average: Outcome/Adjusted appropriation (%)** shows annual audited expenditure as a percentage of the annual adjusted budget appropriation, averaged over the three-year period.

Significant amounts and trends are discussed in the expenditure analysis section, particularly in relation to performance and spending.

Expenditure estimates

This table shows the revised expenditure estimate for 2017/18, and expenditure estimates over the three-year MTEF period, by programme and economic classification.

Programmes								
1. Administration								
2. Programme name								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Programme 1								
Programme 2								
Subtotal								
Direct charge against the National Revenue Fund								
Total								
Change to 2017 Budget estimate								
Economic classification								
Current payments								
Compensation of employees								
Goods and services								
Transfers and subsidies								
Payments for capital assets								
Payments for financial assets								
Total								

Expenditure over a four-year period is set out first by **Programme** and then by **Economic classification**. Expenditure is classified as current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Direct charge against the National Revenue Fund is an amount spent in terms of a statute and is not budgeted for in any programme in a particular vote. Hence it is shown as a separate item and is not contained in the Appropriation Bill.

The **Revised estimate 2017/18** shows the current estimate of the institution's expenditure for the current financial year. This does not imply a change in the amount voted to an institution in the Adjustments Appropriation Act (2017). It is rather an updated estimate of what the department is likely to spend in the current financial year.

The **Average growth rate (%)** is the growth rate per year, averaged over the three-year period, expressed as a percentage.

The **Average: Expenditure/Total (%)** shows the proportion of total institutional expenditure an expenditure item comprises, averaged over the three-year period, expressed as a percentage.

The **Medium-term expenditure estimate** shows expenditure estimates for 2018/19, 2019/20 and 2020/21. The estimates for 2018/19 are the appropriations proposed in the 2018 Appropriation Bill considered by Parliament. The estimates for 2019/20 and 2020/21 are indicative allocations, and will form the basis for planning the 2019 Budget.

Significant amounts and trends are discussed in the expenditure analysis section, particularly in relation to performance and spending.

Expenditure trends and estimates for significant spending items

This table shows expenditure trends for significant spending items for the past three years, the revised expenditure estimate for the current financial year, and expenditure estimates over the three-year MTEF period, by spending item.

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total Vote (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total Vote (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Spending item											
Spending item											
Spending item											
Spending item											
Spending item											
Total											

The **Audited outcome** is presented as it appears in the institution's annual financial statements or calculated from the relevant data in the institution's ENE database.

Adjusted appropriation shows the adjusted total amount voted in a financial year. Most changes are made mid-year at the time of the adjustments budget. These adjustments can be made only in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999).

The **Average growth rate (%)** is the growth rate per year, averaged over the three-year period, expressed as a percentage.

The **Average: Expenditure/Total Vote (%)** shows the proportion of total institutional expenditure an expenditure item comprises, averaged over the three-year period, expressed as a percentage.

The **Medium-term expenditure estimate** shows expenditure estimates for 2018/19, 2019/20 and 2020/21.

Significant amounts and trends are discussed in the expenditure analysis section, particularly in relation to performance and spending.

Goods and services expenditure trends and estimates

This table shows goods and services expenditure trends for the past three years, the revised expenditure estimate for the current financial year, and expenditure estimates over the three-year MTEF period, by item.

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Goods and services item											
Goods and services item											
Goods and services item											
Goods and services item											
Goods and services item											
Total											

The **Audited outcome** is presented as it appears in the institution's annual financial statements.

Adjusted appropriation shows the adjusted total amount that is voted in a financial year. Most changes are made mid-year at the time of the adjustments budget. These adjustments can be made only in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999).

The **Average growth rate (%)** is the growth rate per year, averaged over the three-year period, expressed as a percentage.

The **Average: Expenditure/Total (%)** shows the proportion of total institutional expenditure an expenditure item comprises, averaged over the three-year period, expressed as a percentage.

The **Medium-term expenditure estimate** shows expenditure estimates for 2018/19, 2019/20 and 2020/21.

Significant amounts and trends are discussed in the expenditure analysis section, particularly in relation to performance and spending.

Transfers and subsidies expenditure trends and estimates

This table shows the transfers and subsidies expenditure trends for the past three years, the revised expenditure estimate for the current financial year, and expenditure estimates over the three-year MTEF period, by transfer item.

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2015/16	Average: Expenditure/Total (%) 2014/15 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Economic classification item											
Lower level economic classification item											
Current											
Transfer name											
Capital											
Transfer name											
Total											

The **Audited outcome** is presented as it appears in the institution's annual financial statements.

Adjusted appropriation shows the adjusted total amount that is voted in a financial year. Most changes are made mid-year at the time of the adjustments budget. These adjustments can be made only in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999).

The **Average growth rate (%)** is the growth rate per year, averaged over the three-year period, expressed as a percentage.

The **Average: Expenditure/Total (%)** shows the proportion of total institutional expenditure an expenditure item comprises, averaged over the three-year period, expressed as a percentage.

The **Medium-term expenditure estimate** shows expenditure estimates for 2018/19, 2019/2020 and 2020/21.

Significant amounts and trends are discussed in the expenditure analysis section, particularly in relation to performance and spending.

Personnel information

Personnel information relating to salary level bands is set out for a five-year period. The number of posts, the cost to the institution, and the average unit cost of a post are shown as estimated by the department.

Vote personnel numbers and cost by salary level and programme level¹

Programmes														
1. Administration														
2. Programme name														
Department name	Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment									Number		
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Salary level/Total (%)	
		2016/17	2017/18	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20			2020/21
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost
Salary level														
1 – 6														
7 – 10														
11 – 12														
13 – 16														
Other														
Programme														
Programme 1														
Programme 2														

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Details are provided of total personnel numbers by **Salary level** and **Programme**.

Number of funded posts refers to the number of posts in an institution's establishment for which provision is made in its budget.

Number of posts additional to the establishment refers to posts that do not form part of the institution's approved establishment but which have been budgeted for.

Information is provided on the **Number** and **Cost** of posts filled or planned to be filled in the total establishment by salary level.

The **Unit cost** is calculated by dividing the cost by the number of posts.

The **Average growth rate (%)** in the number of posts for the three-year period is shown, expressed as a percentage.

The **Average: Salary level/Total (%)** shows the proportion of total posts per salary level band, on average over the period, expressed as a percentage.

Personnel information is discussed in the expenditure analysis section, particularly in relation to performance and spending.

Departmental receipts

This table provides details of the revenue collected on the vote over a seven-year period.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/Total (%)	
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20			2020/21
Departmental receipts													
Economic classification item													
<i>Lower level economic classification item</i>													
Economic classification Item													
<i>Lower level economic classification item</i>													
<i>Lower level economic classification item</i>													
Total													

Departmental receipts are set out by **Economic classification item**.

The **Audited outcome** is presented as it appears in the institution's annual financial statements.

The **Adjusted estimate** for 2017/18 shows the estimate of the institution's receipts published in the 2017 Adjusted Estimates of National Expenditure.

The **Revised estimate** shows the current estimate of institutional receipts for 2017/18.

The **Average growth rate (%)** shows the growth in revenue as a percentage, averaged over a three-year period.

The **Average: Receipt item/Total (%)** shows the proportion of total departmental revenue receipts in a particular economic classification item comprise, averaged over a three-year period, expressed as a percentage.

Information on each programme

Programme purpose

The purpose of each programme is stated as it is set out in the 2018 Appropriation Bill. The programme purpose outlines the functions and activities of the particular programme, as per the approved budget programme structure. Programme 1 is usually the *Administration* programme, comprising the administrative functions and activities required to keep the department operating. It includes the ministry and deputy ministry, the director general's office and central corporate services.

Objectives

Objectives are stated for each programme, with the exception, in most cases, of the *Administration* programme. A programme objective includes an explanation of its strategic intent, as well as of the specific interventions and progress measures for that objective. Objectives are broadly aligned with institutional strategic plans and annual performance plans, as informed by ministerial service delivery agreements and the national development plan, and articulated in government's 2014-2019 medium-term strategic framework.

Subprogrammes (per programme)

The key activities carried out by each subprogramme are described, generally with the exception of the *Administration* programme. Explanatory notes are provided on transfers to entities or partner organisations, and on subsidies, incentives or financial assistance programmes, where applicable.

Expenditure trends and estimates (per programme)

The table for each programme sets out expenditure by subprogramme and economic classification item over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Subprogramme name											
Total											
Change to 2017 Budget estimate											
Economic classification											
Current payments											
Economic classification item											
Transfers and subsidies											
Economic classification item											
Payments for capital assets											
Economic classification item											
Payments for financial assets											
Total											
Proportion of total programme expenditure to vote expenditure											

Expenditure over the seven-year period is set out, first by **Subprogramme** and then by **Economic classification**, as current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Audited outcome is presented as it appears in the institution's annual financial statements, with amounts reallocated for any subsequent approved changes to the budget programme structure.

Adjusted appropriation shows the adjusted total amount that is voted in a financial year. Most changes are made mid-year at the time of the adjustments budget. These adjustments can be made only in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). These adjustments are

included in an adjustments appropriation bill, which Parliament approves before expenditure can take place. Particulars are tabled in acts of Parliament and the accompanying Adjusted Estimates of National Expenditure, and other, publications.

The **Average growth rate (%)** is the growth rate per year averaged over a three-year period, shown as a percentage.

The **Average: Expenditure/Total (%)** shows the proportion of total programme expenditure that a subprogramme or an expenditure item comprises, averaged over a three-year period, expressed as a percentage.

The **Medium-term expenditure estimate** shows programme expenditure estimates for the MTEF period. The estimates for 2018/19 are the appropriations proposed in the 2018 Appropriation Bill. The estimates for 2019/20 and 2020/21 are indicative allocations and will form the basis for planning the 2019 Budget.

Significant amounts and trends are discussed in the departmental expenditure analysis section, particularly in relation to performance and spending.

Additional programme information

The ENE e-publications for each vote include personnel information for each programme.

Personnel information (per programme)

Personnel information relating to salary level bands is set out for a five-year period. The number of posts, the cost to the institution and the average unit cost of a post are shown as estimated by the department.

Programme personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number			
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)			
		2016/17	Unit cost	2017/18	Unit cost	2018/19	2019/20	2020/21	2017/18 - 2020/21						
Programme name		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level															
1 – 6															
7 – 10															
11 – 12															
13 – 16															
Other															

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Details are provided of total personnel numbers by **Salary level**.

Number of funded posts refers to the number of posts in an institution's programme establishment for which provision is made in its budget.

Number of posts additional to the establishment refers to posts that have been budgeted for ad hoc and that do not form part of the institution's approved establishment.

Information is provided on the **Number** and **Cost** of posts filled or planned to be filled in the total programme establishment by salary level.

The **Unit cost** is calculated by dividing the cost by the number of posts.

The **Average growth rate (%)** in the number of posts for the three-year period is shown, expressed as a percentage.

The **Average: Salary level/Total (%)** shows the proportion of the total programme posts per salary level band, on average over the period, expressed as a percentage.

Programme personnel information is discussed in the expenditure analysis section, particularly in relation to performance and spending.

Entities

The information provided on entities is similar to what is reported on for a department. However, as the basis of accounting used by entities is different from that used by departments, entities' statements of financial performance and financial position are provided.

Entity accounts are prepared using the accrual basis of accounting, whereas departmental accounts are prepared using a modified cash basis of accounting.

In the accrual basis of accounting, a transaction is recorded whenever there is an economic event, regardless of when a cash transaction takes place. This basis of accounting also includes items that do not involve any flow of cash at all, such as adjustments made to account for depreciation.

In the modified cash basis of accounting, a transaction is recorded only if cash has been exchanged and at the time that this exchange takes place.

Information on each of the entities generally consists of the following:

- the entity's legislative mandate
- selected performance indicators relating to the entity's mandate
- an expenditure analysis narrative that provides an outline of what the entity aims to achieve over the medium term and its planned spending in support of this
- expenditure trends and estimates by programme/objective/activity
- statements of historical financial performance and position
- statements of estimates of future financial performance and position
- personnel numbers and cost by salary level.

Additional tables

Summary of expenditure on infrastructure

The table on infrastructure includes spending on new and replacement assets; maintenance and repairs; upgrades and additions; and the rehabilitation, renovation and refurbishment of assets.

Departmental infrastructure refers to direct spending by a department on infrastructure assets that the department will construct.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government institutions for expenditure on infrastructure.

The Estimates of National Expenditure e-publications for each vote may also include the following tables:

Summary of conditional grants to provinces and municipalities

The table provides details of allocations made by national government to provinces, local government or municipalities, on condition that certain requirements are met. The purpose and conditions of such allocations are specified in the 2018 Division of Revenue Bill.

Summary of departmental public-private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public-private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee based on predefined performance criteria.

Project signed is a public-private partnership project that has reached financial close and is being implemented.

Project in preparation is at some stage of inception, feasibility or procurement, but has not yet reached financial close.

Unitary fee refers to the total payment made to the private party for the provision of various services.

Advisory fee is a cost for hiring transaction advisers, who assist government with feasibility studies and procurement in the public-private partnership project process.

Project monitoring cost is associated with the ongoing monitoring and evaluation of public-private partnerships while in operation.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in government's appropriation legislation. Donor funding comprises official development assistance, and other local and international donations. Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants and technical cooperation.

The **Programme** column links the donor funding to the vote programme associated with it.

The **Spending focus** shows what the department aims to achieve by using the donated funds.

Summary of site service expenditure information

A summary of expenditure information estimated by the department at the level of site service delivery may also be included.

Vote 1

The Presidency

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	456.0	444.9	0.0	11.0	487.6	521.0
Executive Support	49.6	48.4	–	1.2	52.4	55.6
Subtotal	505.6	493.4	0.0	12.2	540.0	576.6
Direct charge against the National Revenue Fund						
Salary of the President	3.6	3.6	–	–	3.9	4.2
Salary of the Deputy President	3.1	3.1	–	–	3.3	3.6
Total expenditure estimates	512.3	500.1	0.0	12.2	547.2	584.4

Executive authority Minister in the Presidency: Planning, Monitoring and Evaluation
 Accounting officer Chief Operations Officer in the Presidency
 Website address www.thepresidency.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Facilitate a common programme towards the achievement of the electoral mandate and the enhanced integrity of the state through considered planning, coordination, oversight, mobilisation and support.

Mandate

The mandate of the Presidency is to serve the president in the execution of his responsibilities and duties, supported by the deputy president, as articulated in chapter 5 of the Constitution.

Selected performance indicators

Table 1.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Annual domestic programme of the president developed and approved	Administration	Outcome 12: An efficient, effective and development oriented public service	–1	–1	–1	2018/19 programme signed off by chief operations officer	2019/20 programme signed off by chief operations officer	2020/21 programme signed off by chief operations officer	2021/22 programme signed off by chief operations officer
Annual international relations programme of the president developed and approved	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	–1	–1	–1	2018/19 programme signed off by chief operations officer	2019/20 programme signed off by chief operations officer	2020/21 programme signed off by chief operations officer	2021/22 programme signed off by chief operations officer
Annual domestic programme of the deputy president developed and approved	Administration	Outcome 12: An efficient, effective and development oriented public service	–1	–1	–1	2018/19 programme signed off by chief operations officer	2019/20 programme signed off by chief operations officer	2020/21 programme signed off by chief operations officer	2021/22 programme signed off by chief operations officer
Annual international relations programme of the deputy president developed and approved	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	–1	–1	–1	2018/19 programme signed off by chief operations officer	2019/20 programme signed off by chief operations officer	2020/21 programme signed off by chief operations officer	2021/22 programme signed off by chief operations officer
Annual Cabinet and forum of South African directors general programme developed and approved	Executive Support	Outcome 12: An efficient, effective and development oriented public service	–1	–1	–1	2018/19 programme approved by third quarter	2019/20 programme approved by third quarter	2020/21 programme approved by third quarter	2021/22 programme approved by third quarter

Table 1.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Annual report on the implementation of the annual Cabinet and programme for the forum of South African directors general developed	Executive Support	Outcome 12: An efficient, effective and development oriented public service	-1	-1	-1	Report on the implementation of the 2017 annual Cabinet and programme for the forum of South African directors general developed	Annual report on the implementation of the 2018 annual Cabinet and programme for the forum of South African directors general developed	Five-year term report on the implementation of the 2015-2019 annual Cabinet and programme for the forum of South African directors general developed	Annual report on the implementation of the 2021 annual Cabinet and programme for the forum of South African directors general developed

1. No historical data available.

Expenditure analysis

Chapter 1 of the National Development Plan sets out a vision for increased government integration towards developing policy in a complex domestic and international environment. This is given expression by outcome 11 (create a better South Africa, a better Africa and a better world) and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework, with which the work of the Presidency is closely aligned. Broadly, the department oversees the implementation of the administration's electoral mandate, the National Development Plan and government's 2014-2019 medium-term strategic framework. More specifically, over the medium term, the department intends to focus on: promoting an integrated approach to governance; leading the coordination of government policies and programmes; supporting initiatives that promote nation building and social cohesion; and advancing South Africa's interests in the international arena.

Promoting an integrated approach to governance

Over the MTEF period, the department intends improving the coordination of government departments to ensure that policies are implemented in line with national goals. This entails providing training to and facilitating briefing sessions with relevant senior management officials working in ministerial offices. The department also plans to entrench the integrated approach to governance, which involves coordination between government departments, by providing administrative support to 74 meetings of the forum of South African directors general and 114 Cabinet meetings per year over the medium term. These activities are expected to cost R22.7 million and are budgeted for in the Executive support programme.

The department is in the process of rolling out the transversal e-Cabinet system, which is aimed at enabling members of the executive, heads of department and executive support staff to share, manage and store information securely. Due to delays in obtaining security clearances for newly appointed staff in 2017/18, the system is expected to become operational in 2018/19. Funds for the rollout of the e-Cabinet system are allocated to the *Cabinet Services* subprogramme, which has a total budget of R157.5 million over the MTEF period, of which 50 per cent (R79.5 million) is expected to be used for computer services for the system.

Leading the coordination of government policies and programmes

As government's lead coordinating department, the Presidency seeks to promote good governance on an ongoing basis. In this regard, over the medium term, the department intends providing support to the Siyahlola presidential monitoring and Izimbizo programmes; the President's Coordinating Council; the presidential working groups; Operation Phakisa, which intends to stimulate the economy by providing work opportunities; and statutory bodies such as the Black Economic Empowerment Advisory Council and the Presidential Infrastructure Coordinating Commission. Expenditure of R10.8 million over the medium term on these activities is in the *Support Services to the President* subprogramme.

The department will continue to provide support to the deputy president in his role as the Leader of Government Business; hold engagements with multi-stakeholders like labour, business, civil society and black professionals, and continue to support Youth Career Expos as well as the various other commitments made by government to advance the objectives of youth development.

Promoting nation building and social cohesion

The department plans to continue providing support to initiatives that promote nation building and social cohesion through observing national days of celebration and special days, and officiating and hosting national orders ceremonies. In 2018/19, the department intends celebrating 100 years of Nelson Mandela by means of various events to be hosted across South Africa. The deputy president will continue to lead the Moral Regeneration Movement, a civil society organisation mandated to facilitate and coordinate processes and initiatives aimed at combatting moral degeneration in South Africa and promoting collective activism on issues of moral renewal.

The department's nation building and social cohesion initiatives are funded through the *Support Services to the President* subprogramme, with a total allocation of R210.7 million over the medium term, and *Support Services to the Deputy President* subprogramme, with a total allocation of R176.2 million over the same period. R7 million from the *Management* subprogramme has been allocated over the MTEF period for officiating and hosting national orders ceremonies.

Advancing South Africa's interests

The fundamental role of the Presidency in the international arena is to assist the president and deputy president in advancing South Africa's interests in the global community. Over the MTEF period, the department expects to continue providing strategic and administrative support to unilateral, bilateral and multilateral meetings and summits and state visits; and assist in fulfilling South Africa's obligations to the United Nations, the Brazil-Russia-India-China-South Africa group of countries, the G20, the African Union, the Southern African Development Community, and regional and continental peacekeeping processes. Activities related to advancing South Africa's interests are budgeted for in the *Support Services to the President* subprogramme which has a total allocation of R210.7 million and in the *Support Services to the Deputy President* subprogramme which has a total budget allocation of R176.2 million, over the medium term.

Expenditure trends

Table 1.2 Vote expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Executive Support																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)		
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18					
Programme 1	427.8	428.6	402.0	483.9	443.7	446.2	453.4	454.2	447.7	449.0	454.3	454.3	96.5%	98.3%																			
Programme 2	25.2	24.4	19.3	26.4	32.3	20.5	46.3	35.6	27.6	46.2	46.8	46.8	79.3%	82.2%																			
Subtotal	453.0	453.0	421.3	510.3	475.9	466.7	499.7	489.8	475.3	495.2	501.2	501.2	95.2%	97.1%																			
Direct charge against the National Revenue Fund	3.0	5.5	4.8	5.7	5.7	5.6	6.0	6.0	5.7	6.4	6.4	6.4	106.8%	95.6%																			
Salary of the President	3.0	3.0	2.6	3.1	3.1	2.9	3.3	3.3	3.0	3.4	3.4	3.4	93.3%	93.3%																			
Salary of the Deputy President	–	2.5	2.2	2.6	2.6	2.7	2.8	2.8	2.7	2.9	2.9	2.9	127.5%	98.2%																			
Total	456.0	458.5	426.2	516.1	481.7	472.4	505.7	495.8	481.0	501.5	507.5	507.5	95.3%	97.1%																			
Change to 2017 Budget estimate										6.0																							
Economic classification																																	
Current payments	443.0	442.8	403.3	503.5	465.5	431.4	491.8	479.4	464.8	487.2	487.0	487.0	92.8%	95.3%																			
Compensation of employees	286.3	288.2	269.0	326.4	301.8	295.1	329.0	314.6	308.7	318.4	318.2	318.2	94.5%	97.4%																			
Goods and services	156.7	154.6	134.2	177.1	163.7	136.3	162.8	164.8	156.0	168.8	168.8	168.8	89.5%	91.3%																			
Transfers and subsidies	0.0	1.6	4.0	0.1	0.9	1.1	0.0	2.4	3.2	0.0	6.2	6.2	9767.6%	131.1%																			
Provinces and municipalities	–	0.0	0.0	–	0.0	0.0	–	–	0.0	–	0.0	0.0	–	190.9%																			
Departmental agencies and accounts	0.0	1.0	1.0	0.1	0.1	0.0	0.0	0.0	–	0.0	0.0	0.0	–	–																			
Households	–	0.5	3.0	–	0.8	1.0	–	2.4	3.2	–	6.2	6.2	–	135.3%																			
Payments for capital assets	12.9	14.1	14.1	12.5	15.2	38.8	13.9	14.0	12.1	14.3	14.3	14.3	147.7%	137.4%																			
Machinery and equipment	12.9	14.0	14.1	12.4	15.2	38.8	13.9	14.0	12.1	14.3	14.3	14.3	147.9%	137.7%																			
Software and other intangible assets	–	0.1	–	0.1	0.1	–	–	–	–	–	–	–	–	–																			
Payments for financial assets	–	–	4.9	–	–	1.1	–	–	1.0	–	–	–	–	–																			
Total	456.0	458.5	426.2	516.1	481.7	472.4	505.7	495.8	481.0	501.5	507.5	507.5	95.3%	97.1%																			

Expenditure estimates

Table 1.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Executive Support								
Programme	Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	454.3	2.0%	92.7%	456.0	487.6	521.0	4.7%	89.2%
Programme 2	46.8	24.3%	6.1%	49.6	52.4	55.6	5.9%	9.5%
Subtotal	501.2	3.4%	98.8%	505.6	540.0	576.6	4.8%	98.7%
Direct charge against the National Revenue Fund	6.4	5.4%	1.2%	6.7	7.3	7.8	7.0%	1.3%
Salary of the President	3.4	5.0%	0.6%	3.6	3.9	4.2	7.0%	0.7%
Salary of the Deputy President	2.9	5.8%	0.6%	3.1	3.3	3.6	7.0%	0.6%
Total	507.5	3.4%	100.0%	512.3	547.2	584.4	4.8%	100.0%
Change to 2017 Budget estimate				(9.3)	(9.9)	(10.5)		
Economic classification								
Current payments	487.0	3.2%	94.7%	500.1	534.4	571.0	5.4%	97.3%
Compensation of employees	318.2	3.4%	63.1%	328.9	354.0	380.6	6.1%	64.2%
Goods and services	168.8	3.0%	31.5%	171.2	180.4	190.4	4.1%	33.0%
Transfers and subsidies	6.2	58.3%	0.8%	0.0	0.0	0.0	-81.1%	0.3%
Provinces and municipalities	0.0	7.7%	0.0%	–	–	–	-100.0%	0.0%
Departmental agencies and accounts	0.0	-67.2%	0.1%	0.0	0.0	0.0	5.3%	0.0%
Households	6.2	125.7%	0.7%	–	–	–	-100.0%	0.3%
Payments for capital assets	14.3	0.5%	4.2%	12.2	12.8	13.4	-2.2%	2.4%
Machinery and equipment	14.3	0.6%	4.2%	12.2	12.8	13.4	-2.2%	2.4%
Total	507.5	3.4%	100.0%	512.3	547.2	584.4	4.8%	100.0%

Expenditure trends and estimates for significant spending items

Table 1.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Compensation of employees	269 037	295 098	308 728	318 234	5.8%	63.9%	328 935	354 004	380 555	6.1%	65.1%
Communication	14 894	17 220	11 170	15 199	0.7%	3.1%	13 677	13 990	14 754	-1.0%	2.7%
Computer services	16 177	5 946	23 833	45 137	40.8%	4.9%	41 271	43 477	45 870	0.5%	8.3%
Travel and subsistence	44 631	60 838	59 232	47 883	2.4%	11.4%	59 050	63 004	67 015	11.9%	11.2%
Total	344 739	379 102	402 963	426 453	49.7%	83.3%	442 933	474 475	508 194	17.5%	87.3%

Goods and services expenditure trends and estimates

Table 1.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	1 792	2 767	3 052	1 015	-17.3%	1.4%	2 096	2 377	2 568	36.3%	1.1%
Advertising	906	1 063	447	1 084	6.2%	0.6%	646	673	710	-13.2%	0.4%
Minor assets	2 580	934	776	3 316	8.7%	1.3%	1 854	1 499	1 430	-24.4%	1.1%
Audit costs: External	5 371	4 432	4 618	6 013	3.8%	3.4%	5 368	5 637	5 947	-0.4%	3.2%
Bursaries: Employees	1 075	1 094	1 421	1 446	10.4%	0.8%	1 203	1 263	1 332	-2.7%	0.7%
Catering: Departmental activities	3 011	2 399	2 724	3 336	3.5%	1.9%	3 242	3 255	3 376	0.4%	1.9%
Communication	14 894	17 220	11 170	15 199	0.7%	9.8%	13 677	13 990	14 754	-1.0%	8.1%
Computer services	16 177	5 946	23 833	45 137	40.8%	15.3%	41 271	43 477	45 870	0.5%	24.7%
Consultants: Business and advisory services	3 932	3 779	3 397	8 685	30.2%	3.3%	4 113	4 562	5 088	-16.3%	3.2%
Legal services	6 774	9 110	12 259	5 277	-8.0%	5.6%	7 055	7 790	8 061	15.2%	4.0%
Contractors	4 411	1 207	4 012	4 884	3.5%	2.4%	4 577	4 782	5 043	1.1%	2.7%
Agency and support/outsourced services	6 452	2 517	3 489	5 040	-7.9%	2.9%	5 179	5 388	5 684	4.1%	3.0%
Entertainment	65	7	1	167	37.0%	–	115	115	121	-10.2%	0.1%
Fleet services (including government motor transport)	1 653	2 558	2 926	924	-17.6%	1.4%	1 822	1 879	1 982	29.0%	0.9%
Consumable supplies	5 105	3 538	3 928	4 443	-4.5%	2.9%	4 883	5 086	5 365	6.5%	2.8%
Consumables: Stationery, printing and office supplies	4 186	4 355	5 079	4 759	4.4%	3.1%	5 103	5 282	5 574	5.4%	2.9%

Table 1.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Operating leases	3 930	4 966	5 529	2 189	-17.7%	2.8%	2 511	2 676	2 823	8.8%	1.4%
Rental and hiring	524	1 425	314	485	-2.5%	0.5%	276	292	309	-14.0%	0.2%
Property payments	407	434	823	92	-39.1%	0.3%	214	225	237	37.1%	0.1%
Travel and subsistence	44 631	60 838	59 232	47 883	2.4%	35.7%	59 050	63 004	67 015	11.9%	33.3%
Training and development	2 025	2 507	3 501	3 156	15.9%	1.9%	3 371	3 497	3 308	1.6%	1.9%
Operating payments	3 148	2 319	2 224	2 984	-1.8%	1.8%	2 442	2 528	2 669	-3.7%	1.5%
Venues and facilities	1 178	859	1 236	1 285	2.9%	0.8%	1 094	1 103	1 163	-3.3%	0.7%
Total	134 227	136 274	155 991	168 799	7.9%	100.0%	171 162	180 380	190 429	4.1%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 1.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	997	3	-	36	-66.9%	7.2%	38	40	42	5.3%	2.5%
Communication	-	3	-	36	-	0.3%	38	40	42	5.3%	2.5%
Public Sector Education and Training Authority	997	-	-	-	-100.0%	6.9%	-	-	-	-	-
Households											
Other transfers to households											
Current	2 254	250	204	-	-100.0%	18.7%	-	-	-	-	-
Employee social benefits	2 254	250	204	-	-100.0%	18.7%	-	-	-	-	-
Households											
Social benefits											
Current	706	799	2 994	6 150	105.8%	73.7%	-	-	-	-100.0%	97.4%
Employee social benefits	706	799	2 994	6 150	105.8%	73.7%	-	-	-	-100.0%	97.4%
Provinces and municipalities											
Municipal bank accounts											
Current	9	4	3	5	-17.8%	0.1%	-	-	-	-100.0%	0.1%
Municipal services	9	4	3	5	-17.8%	0.1%	-	-	-	-100.0%	0.1%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	-	-	42	-	-	0.3%	-	-	-	-	-
Public corporations and private enterprises	-	-	42	-	-	0.3%	-	-	-	-	-
Total	3 966	1 056	3 243	6 191	16.0%	100.0%	38	40	42	-81.1%	100.0%

Personnel information

Table 1.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment														Number							
Number of posts estimated for 31 March 2018		Actual												Revised estimate		Medium-term expenditure estimate						Average growth rate (%) 2017/18 - 2020/21	Average Salary level/Total (%)
Number of funded posts	Number of posts additional to the establishment	2016/17			2017/18			2018/19			2019/20			2020/21									
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21						
The Presidency	629	66	618	308.7	0.5	607	318.2	0.5	603	328.9	0.5	599	354.0	0.6	597	380.6	0.6	-0.6%	100.0%				
Salary level																							
1 - 6	267	37	268	60.7	0.2	262	62.2	0.2	259	64.0	0.2	258	69.3	0.3	258	75.3	0.3	-0.5%	43.1%				
7 - 10	178	10	173	75.1	0.4	170	77.2	0.5	170	80.1	0.5	169	86.4	0.5	169	93.7	0.6	-0.2%	28.2%				
11 - 12	107	4	98	71.5	0.7	96	73.0	0.8	96	75.9	0.8	94	81.0	0.9	93	86.9	0.9	-1.1%	15.8%				
13 - 16	77	15	79	101.4	1.3	79	105.9	1.3	78	108.9	1.4	78	117.2	1.5	77	124.6	1.6	-0.9%	13.0%				
Programme	629	66	618	308.7	0.5	607	318.2	0.5	603	328.9	0.5	599	354.0	0.6	597	380.6	0.6	-0.6%	100.0%				
Programme 1	606	64	594	288.7	0.5	583	295.7	0.5	579	305.0	0.5	575	328.3	0.6	573	353.0	0.6	-0.6%	96.0%				
Programme 2	21	2	22	14.3	0.6	22	16.1	0.7	22	17.2	0.8	22	18.4	0.8	22	19.8	0.9	-	3.7%				
Direct charges	2	-	2	5.7	2.9	2	6.4	3.2	2	6.7	3.4	2	7.3	3.6	2	7.8	3.9	-	0.3%				

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 1.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	1 726	2 924	1 365	1 046	1 046	-15.4%	100.0%	613	632	649	-14.7%	100.0%
Sales of goods and services produced by department	347	355	350	326	326	-2.1%	19.5%	332	350	366	3.9%	46.7%
Sales by market establishments of which:	184	179	176	150	150	-6.6%	9.8%	156	164	171	4.5%	21.8%
Rental dwellings	141	179	176	105	105	-9.4%	8.5%	110	115	120	4.6%	15.3%
Rental parking: Covered and open	42	-	-	45	45	2.3%	1.2%	45	48	50	3.6%	6.4%
Services rendered: Commission on insurance and garnishee	-	-	-	-	-	-	-	1	1	1	-	0.1%
Promotion of Access to Information Act (2000)	1	-	-	-	-	-100.0%	-	-	-	-	-	-
Other sales of which:	163	176	174	176	176	2.6%	9.8%	176	186	195	3.5%	24.9%
Services rendered: Commission on insurance and garnishee	117	176	174	116	116	-0.3%	8.3%	115	121	125	2.5%	16.2%
Service rendered: Transport fees	46	-	-	60	60	9.3%	1.5%	61	65	70	5.3%	8.7%
Transfers received	1 046	-	-	-	-	-100.0%	14.8%	-	-	-	-	-
Interest, dividends and rent on land	106	107	59	25	25	-38.2%	4.2%	31	32	33	9.7%	4.1%
Interest	106	107	59	25	25	-38.2%	4.2%	31	32	33	9.7%	4.1%
Sales of capital assets	108	495	107	100	100	-2.5%	11.5%	-	-	-	-100.0%	3.4%
Transactions in financial assets and liabilities	119	1 967	849	595	595	71.0%	50.0%	250	250	250	-25.1%	45.7%
Total	1 726	2 924	1 365	1 046	1 046	-15.4%	100.0%	613	632	649	-14.7%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the Presidency.

Objectives

- Strengthen the implementation of the strategic programme of political principals by providing technical and administrative support on an ongoing basis by:
 - exercising political oversight of the implementation of government policies and programmes
 - leading integrated planning and policy coherence in government to advance socioeconomic transformation and inclusion
 - supporting oversight and coordination structures such as the President's Coordinating Council, the Siyahlola presidential monitoring programme, and performance dialogues with ministers
 - supporting the execution of the deputy president's programmes
 - supporting interventions and participation engagements aimed at enhancing public accountability and integrated communication
 - fast-tracking service delivery and economic development
 - monitoring infrastructure projects
 - supporting presidential working group structures, strategic partnerships, and the promotion of nation building and social cohesion.
- Provide logistical, administrative, communicative, strategic and executive support on the implementation of the annual domestic and international programme by political principals over the medium term.

Subprogrammes

- Management* provides leadership, strategic management and administrative support within the Presidency.
- Support Services to the President* provides strategic, executive and personal support services to the president in the execution of his constitutional responsibilities and in leading the work of government.

- *Support Services to the Deputy President* provides support to the deputy president in the execution of his delegated responsibilities towards the attainment of the electoral mandate and the Presidency's mission.

Expenditure trends and estimates

Table 1.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average: Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)	
R million												
Management	302.5	331.2	336.8	339.7	3.9%	74.9%	335.4	358.8	383.4	4.1%	73.9%	
Support Services to the President	60.4	65.9	63.0	61.8	0.8%	14.3%	65.7	70.2	74.9	6.6%	14.2%	
Support Services to the Deputy President	39.2	49.0	48.0	52.8	10.5%	10.8%	54.9	58.7	62.7	5.9%	11.9%	
Total	402.0	446.2	447.7	454.3	4.2%	100.0%	456.0	487.6	521.0	4.7%	100.0%	
Change to 2017 Budget estimate				5.3			(9.3)	(9.9)	(10.5)			
Economic classification												
Current payments	380.8	406.0	432.4	436.3	4.6%	94.6%	444.9	476.0	508.9	5.3%	97.2%	
Compensation of employees	250.9	273.8	288.7	295.7	5.6%	63.4%	305.0	328.3	353.0	6.1%	66.8%	
Goods and services ¹	129.9	132.2	143.7	140.5	2.6%	31.2%	140.0	147.6	155.9	3.5%	30.4%	
of which:												
<i>Audit costs: External</i>	5.4	4.4	4.6	6.0	3.8%	1.2%	5.4	5.6	5.9	-0.4%	1.2%	
<i>Communication</i>	14.7	17.0	11.1	15.1	0.8%	3.3%	13.5	13.9	14.6	-1.0%	3.0%	
<i>Computer services</i>	16.2	5.9	15.3	22.4	11.5%	3.4%	16.2	17.0	17.9	-7.2%	3.8%	
<i>Legal services</i>	6.8	9.1	12.3	5.3	-8.0%	1.9%	7.1	7.8	8.1	15.2%	1.5%	
<i>Agency and support/outsourced services</i>	6.5	2.5	3.5	5.0	-7.9%	1.0%	5.2	5.4	5.7	4.1%	1.1%	
<i>Travel and subsistence</i>	43.3	59.3	57.6	45.0	1.3%	11.7%	55.9	59.7	63.6	12.2%	11.7%	
Interest and rent on land	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-	
Transfers and subsidies¹	3.7	1.1	2.7	4.9	9.4%	0.7%	0.0	0.0	0.0	-79.5%	0.3%	
Provinces and municipalities	0.0	0.0	0.0	0.0	-17.8%	-	-	-	-	-100.0%	-	
Departmental agencies and accounts	1.0	0.0	-	0.0	-66.9%	0.1%	0.0	0.0	0.0	5.3%	-	
Households	2.7	1.0	2.6	4.8	21.1%	0.6%	-	-	-	-100.0%	0.3%	
Payments for capital assets	12.6	38.0	11.6	13.2	1.5%	4.3%	11.0	11.6	12.1	-2.8%	2.5%	
Machinery and equipment	12.6	38.0	11.6	13.2	1.5%	4.3%	11.0	11.6	12.1	-2.8%	2.5%	
Payments for financial assets	4.8	1.1	1.0	-	-100.0%	0.4%	-	-	-	-	-	
Total	402.0	446.2	447.7	454.3	4.2%	100.0%	456.0	487.6	521.0	4.7%	100.0%	
Proportion of total programme expenditure to vote expenditure	95.4%	95.6%	94.2%	90.7%	-	-	90.2%	90.3%	90.4%	-	-	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Executive Support

Programme purpose

Provide strategic and administrative support to enable Cabinet to foster accountability and policy coherence through integrated planning, policy coordination and the implementation of the strategic agenda of government.

Objectives

- Provide policy advisory support to political principals to ensure policy coherence by implementing Cabinet programmes on an ongoing basis.
- Strengthen technical support provided to the president and other political principals in the Presidency by:
 - participating in Cabinet structures on an ongoing basis
 - implementing the recommendations of the evaluation of coordinating structures, which are aimed at improving systems of governance and compliance for Cabinet and the forum of South African directors general, over the medium term.

Subprogramme

- *Cabinet Services* provides strategic and administrative support to allow Cabinet to foster accountability and policy coherence through integrated planning, policy coordination and the implementation of the strategic agenda of government.

Expenditure trends and estimates

Table 1.10 Executive Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Cabinet Services	19.3	20.5	27.6	46.8	34.4%	100.0%	49.6	52.4	55.6	5.9%	100.0%
Total	19.3	20.5	27.6	46.8	34.4%	100.0%	49.6	52.4	55.6	5.9%	100.0%
Change to 2017 Budget estimate				0.7			–	–	–		
Economic classification	17.6	19.7	26.6	44.4	36.1%	94.8%	48.4	51.2	54.3	6.9%	97.0%
Current payments											
Compensation of employees	13.3	15.7	14.3	16.1	6.6%	52.0%	17.2	18.4	19.8	7.0%	35.0%
Goods and services ¹	4.3	4.0	12.3	28.3	87.5%	42.8%	31.2	32.8	34.5	6.9%	62.0%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	1.1	1.4	1.5	1.4	8.0%	4.7%	1.4	1.4	1.4	1.5%	2.8%
<i>Computer services</i>	0.0	0.1	8.5	22.7	2732.7%	27.4%	25.1	26.5	28.0	7.1%	50.0%
<i>Consumables: Stationery, printing and office supplies</i>	0.1	0.1	0.1	0.1	24.6%	0.4%	0.2	0.2	0.2	5.9%	0.3%
<i>Travel and subsistence</i>	1.4	1.5	1.6	2.9	27.7%	6.4%	3.2	3.3	3.4	6.1%	6.2%
<i>Operating payments</i>	0.3	0.4	0.3	0.4	14.0%	1.2%	0.6	0.6	0.7	16.1%	1.1%
<i>Venues and facilities</i>	0.1	0.1	–	0.4	44.2%	0.6%	0.5	0.5	0.5	5.0%	0.9%
Transfers and subsidies¹	0.2	–	0.6	1.3	75.8%	1.9%	–	–	–	-100.0%	0.6%
Households	0.2	–	0.6	1.3	75.8%	1.9%	–	–	–	-100.0%	0.6%
Payments for capital assets	1.4	0.8	0.4	1.1	-8.1%	3.3%	1.2	1.2	1.3	4.5%	2.3%
Machinery and equipment	1.4	0.8	0.4	1.1	-8.1%	3.3%	1.2	1.2	1.3	4.5%	2.3%
Payments for financial assets	0.0	0.0	0.0	–	-100.0%	–	–	–	–	–	–
Total	19.3	20.5	27.6	46.8	34.4%	100.0%	49.6	52.4	55.6	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	4.6%	4.4%	5.8%	9.3%	–	–	9.8%	9.7%	9.6%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Vote 2

Parliament

This is the executive's proposal for Parliament's budget. The final budget will be determined by Parliament in accordance with the Financial Management of Parliament and Provincial Legislatures Act (2009).

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Strategic Leadership and Governance	96.9	96.5	–	0.4	78.7	102.5
Administration	136.3	135.1	–	1.2	124.2	153.3
Core Business	579.5	578.1	–	1.3	610.4	652.8
Support Services	361.9	360.7	–	1.2	342.8	405.8
Associated Services	698.1	259.4	438.7	–	736.1	780.0
Subtotal	1 872.7	1 429.8	438.7	4.1	1 892.2	2 094.4
Direct charge against the National Revenue Fund						
Members' Remuneration	493.2	493.2	–	–	633.3	599.8
Total expenditure estimates	2 365.9	1 923.0	438.7	4.1	2 525.5	2 694.2
Executive authority	Speaker of the National Assembly and Chairperson of the National Council of Provinces					
Accounting officer	Secretary to Parliament					
Website address	www.parliament.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Provide the support services required by Parliament to fulfil its constitutional functions, assist political parties represented in Parliament to secure administrative support and service constituents, and provide members of Parliament with the necessary facilities.

Mandate

The mandate of Parliament is based on the provisions of chapter 4 of the Constitution, which establishes Parliament and sets out the functions it performs. Parliament is elected to represent the people, ensure government by the people under the Constitution, and represent the interests of provinces in the national sphere of government. Members of Parliament elect the president, provide a national forum for the public consideration of issues, pass legislation, and scrutinise and oversee executive action.

Parliament's policy priorities set out long-term policy and outcomes. These are aligned with the priorities and outcomes of the National Development Plan. To ensure that these outcomes are met over feasible timeframes, 5-year, 10-year and 15-year milestones have been set. The tabled strategic plan for the fifth Parliament is aimed at implementing the first milestone.

Vote 3

Communications

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	64.6	64.6	–	–	70.8	74.2
Communications Policy, Research and Development	11.5	11.5	–	–	13.5	15.4
Industry and Capacity Development	53.3	53.3	–	0.0	53.0	55.5
Entity Oversight	1 383.7	6.1	1 377.5	–	1 451.8	1 538.5
Total expenditure estimates	1 513.1	135.6	1 377.5	0.0	1 589.1	1 683.6

Executive authority Minister of Communications
Accounting officer Director General of Communications
Website address www.doc.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Create an enabling environment for the provision of inclusive communication services to all South Africans in a manner that promotes socioeconomic development and investment through broadcasting, new media, print media and other new technologies, and brand the country locally and internationally.

Mandate

The Department of Communications is responsible for the national communications policy and strategy; information dissemination and publicity; and the branding of South Africa. Improved communication and marketing will promote an informed citizenry and assist the country in promoting investments, economic growth and job creation. The department's mandate is derived from section 192 of the Constitution, which provides for the independence of broadcasting regulation in the public interest, the International Telecommunications Union and the World Intellectual Property Organisation.

The department is responsible for the administration and implementation of:

- the Films and Publications Act (1996)
- the Broadcasting Act (1999)
- the Media Development and Diversity Agency Act (2002)
- the Independent Communications Authority of South Africa Act (2000), a joint responsibility with the Minister of Telecommunications and Postal Services
- the Electronic Communications and Transactions Act (2002), a joint responsibility with the Minister of Telecommunications and Postal Services
- the Electronic Communications and Transactions Act (2005), a joint responsibility with the Minister of Telecommunications and Postal Services.

Selected performance indicators

Table 3.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of digital broadcasting awareness campaigns hosted per year	Industry and Capacity Development	Outcome 14: Nation building and social cohesion	- ¹	- ¹	59 ²	10	10	10	10
Number of reports showing consumer access to digital broadcasting, particularly those supported with set-top boxes per year	Industry and Capacity Development		- ¹	4	4	4	4	4	4
Number of position papers tabled at multilateral engagements per year	Industry and Capacity Development		- ¹	- ¹	2	2	2	2	2
Number of stakeholder engagements coordinated per year	Industry and Capacity Development		- ¹	- ¹	10	10	10	10	10
Number of shareholder compact accountability instruments signed per year	Entity Oversight		- ¹	4	4	4	5	5	5

1. No historical data available.

2. Increase due to additional funds allocated for the digital migration project during the 2016/17 adjusted budget process.

Expenditure analysis

The National Development Plan (NDP) envisages an active citizenry that participates in the social, economic and political life of the country. This is given expression by outcome 14 (nation building and social cohesion) of government's 2014-2019 medium-term strategic framework, which is closely aligned with the work of the Department of Communications. Over the medium term, the department will continue to focus on transforming the communications sector through the rollout of the digital terrestrial television project, developing responsive communications policies and regulatory frameworks, and effectively overseeing public entity within the communications sector.

The number of personnel in the department is expected to increase by 22 over the medium term, mainly to provide capacity for the digital terrestrial television project, the implementation of communications policies such as the media transformation and diversity policy and the audiovisual and digital content policy, and the *Research and Development* and *Entity Oversight* programmes. As a result, spending on compensation of employees is set to increase at an average annual rate of 13.5 per cent, from R64.5 million in 2017/18 to R94.3 million in 2020/21. An estimated 9 per cent (R432.3 million) of the department's total budget over the MTEF period will be used for operational costs, of which R263.3 million is to be spent on compensation of employees, and 39.7 per cent on goods and services. An estimated 91 per cent (R4.4 billion) of the department's total budget over the same period is expected to be transferred to entities for the implementation of communications and broadcasting policies, and 27.9 per cent (R1.3 billion) will be transferred to the Government Communication and Information System to carry out its functions.

Cabinet has approved budget reductions of R36.3 million in 2018/19, R53.5 million in 2019/20 and R57.1 million in 2020/21, particularly on transfers to public entities, as well as the *Administration* programme, in line with government's fiscal consolidation objectives. These reductions will not negatively affect the department's planned outputs over the medium term.

Rolling out digital terrestrial television

Migration to digital terrestrial broadcasting is expected to have a positive impact on South African society as it will provide for an informed citizenry that is responsive to the needs, challenges and opportunities of the country. Once the migration is complete, high definition television telecast facilities will be available, along with expanded community, FM and satellite radio services to the entire population. In this regard, the implementation of the department's digital terrestrial migration project will be monitored to ensure that 1.5 million set-top boxes and other devices related to digital terrestrial television are installed over the MTEF period. To eliminate cross border interference during the migration process, provinces that border neighbouring countries (Mpumalanga, Limpopo, KwaZulu-Natal, Eastern Cape, Free State, Northern Cape and North West) will be targeted first. Over the medium term, the department plans to compile 12 reports on consumer access to digital broadcasting; coordinate 30 public awareness and registration campaigns in provinces; target non-subsidised households that rely on the retail market to acquire digital terrestrial devices;

and conduct national, provincial and regional road shows to raise awareness and communicate timelines associated with the rollout process.

To roll out the digital terrestrial television project, Cabinet has approved an additional allocation of R91.7 million over the medium term for these activities in the *Broadcasting Digital Migration* subprogramme in the *Industry and Capacity Development* programme. Spending is mainly on travel, accommodation, advertising and catering in relation to project management, awareness campaigns, media engagements, technology and engineering support, and performance monitoring and evaluation.

Developing a responsive communications policy and regulatory framework

Over the medium term, the department will continue to develop policies that improve government communications and the communications sector as a whole. It is within this context that the department plans to develop a media transformation and diversity charter that aims to transform the media sector and set equity targets. As such, over the MTEF period, the department will continue to develop and implement several policies and regulations to address transformation in the media industry, citizen participation and access, and new developments in the sector.

The media transformation and diversity policy is informed by the Media Development and Diversity Agency Act (2002), and aims to encourage diversity in media content and the transformation of media ownership. The audiovisual and digital content policy aims to maintain and strengthen citizen participation and access to the community media sector. The department has successfully submitted the White Paper on Audiovisual and Digital Content for South Africa to Cabinet for approval towards the development of a draft audiovisual and digital content bill over the medium term. Once Cabinet approves the White Paper on Audiovisual and Digital Content for South Africa, the department will amend the Independent Communications Authority of South Africa Act (2000) to align it with the white paper, which outlines a new mandate for the authority. The department will commence with the implementation of the Independent Communications Authority of South Africa Amendment Bill in 2020/21.

In promoting the growth and development of creative industries, the department plans to develop an audiovisual content strategy over the medium term to ensure that the sector has adequate content for a multiplatform digital environment. This will inform the implementation of the audiovisual and digital content policy. The department also plans to continue to support parliamentary processes on the finalisation and implementation of the Films and Publications Amendment Bill, and the Broadcasting Amendment Bill.

Over the MTEF period, the department plans to continue strengthening and supporting the South African Broadcast Production Advisory Body, the function of which is to advise the Minister of Communications on how the development, production and display of local television and radio content can be supported. The board will produce 2 reports on policies related to children's content and funding for sport development. Other policy work relates to the regulation of broadcasting and content services such as audio, video and other, mainly internet, media products without specific broadcast operators.

Spending on activities related to the development of regulatory frameworks is projected to be R2.8 million in 2018/19, R2.9 million in 2019/20 and R3 million in 2020/21 in the *Broadcasting Policy* subprogramme in the *Communications Policy, Research and Development* programme.

Driving effective entity oversight

The department is required to oversee planning, budgeting and reporting processes in the public entities within its portfolio to enable them to meet government's policy objectives in a financially sustainable manner. To ensure that the department's entities are well managed, the entity oversight unit plans to compile 30 annual reviews of these entities' corporate plans, and 60 quarterly reports over the medium term to assess their compliance with the Public Finance Management Act (1999), the Companies Act (2008) and National Treasury Regulations on public entities. Funding for these activities is provided through the *Entity Oversight* programme, which has an allocation of R4.4 billion over the medium term.

Expenditure trends

Table 3.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Communications Policy, Research and Development														
3. Industry and Capacity Development														
4. Entity Oversight														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	12.8	24.8	24.4	42.4	42.4	48.2	45.1	57.1	57.3	62.8	67.4	60.8	116.9%	99.5%
Programme 2	6.5	6.5	6.5	7.9	7.9	4.9	8.4	7.7	6.3	8.5	6.9	6.9	78.7%	84.8%
Programme 3	9.3	9.3	9.3	10.2	20.2	20.4	10.9	47.7	35.2	22.3	28.2	28.2	176.5%	88.3%
Programme 4	1 193.0	1 226.6	1 246.9	1 220.4	1 220.4	1 214.6	1 281.0	1 237.2	1 237.0	1 331.5	1 325.9	1 325.9	100.0%	100.3%
Total	1 221.6	1 267.2	1 287.2	1 280.9	1 290.9	1 288.0	1 345.4	1 349.7	1 335.7	1 425.1	1 428.3	1 421.7	101.1%	99.9%
Change to 2017 Budget estimate	3.2													
Economic classification														
Current payments	32.0	44.0	43.7	70.1	80.1	76.3	75.1	114.0	99.8	100.2	104.4	97.8	114.5%	92.7%
Compensation of employees	28.1	40.1	39.8	56.0	56.0	47.6	59.2	68.2	65.5	76.7	71.2	64.5	98.8%	92.3%
Goods and services	3.9	3.9	3.9	14.1	24.1	28.7	16.0	45.8	34.4	23.5	33.2	33.2	174.5%	93.6%
Transfers and subsidies	1 189.3	1 222.9	1 243.2	1 210.2	1 210.2	1 210.2	1 270.2	1 231.9	1 232.1	1 324.9	1 322.3	1 322.3	100.3%	100.4%
Departmental agencies and accounts	1 024.1	1 057.7	1 016.0	1 037.2	1 037.2	1 037.2	1 088.1	1 049.8	1 049.8	1 151.1	1 147.8	1 147.8	-	-
Public corporations and private enterprises	165.2	165.2	227.2	172.9	172.9	172.9	182.1	182.1	182.1	173.8	173.8	173.8	108.9%	108.9%
Households	-	-	-	-	-	0.0	-	0.1	0.2	-	0.7	0.7	-	124.2%
Payments for capital assets	0.3	0.3	0.3	0.7	0.7	1.6	0.1	3.8	3.8	0.0	1.6	1.6	650.0%	113.6%
Machinery and equipment	0.3	0.3	0.3	0.7	0.7	1.6	0.1	3.8	3.8	0.0	1.6	1.6	650.0%	113.6%
Total	1 221.6	1 267.2	1 287.2	1 280.9	1 290.9	1 288.0	1 345.4	1 349.7	1 335.7	1 425.1	1 428.3	1 421.7	101.1%	99.9%

Expenditure estimates

Table 3.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Communications Policy, Research and Development									
3. Industry and Capacity Development									
4. Entity Oversight									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Programme 1	60.8	34.8%	3.6%	64.6	70.8	74.2	6.9%	4.4%	
Programme 2	6.9	1.8%	0.5%	11.5	13.5	15.4	30.8%	0.8%	
Programme 3	28.2	44.5%	1.7%	53.3	53.0	55.5	25.4%	3.1%	
Programme 4	1 325.9	2.6%	94.2%	1 383.7	1 451.8	1 538.5	5.1%	91.8%	
Total	1 421.7	3.9%	100.0%	1 513.1	1 589.1	1 683.6	5.8%	100.0%	
Change to 2017 Budget estimate				(7.5)	(23.2)	(24.6)			
Economic classification									
Current payments	97.8	30.4%	6.0%	135.6	143.6	153.1	16.1%	8.5%	
Compensation of employees	64.5	17.2%	4.1%	81.3	87.7	94.3	13.5%	5.3%	
Goods and services	33.2	103.6%	1.9%	54.3	55.9	58.9	21.0%	3.3%	
Transfers and subsidies	1 322.3	2.6%	93.9%	1 377.5	1 445.5	1 530.5	5.0%	91.4%	
Departmental agencies and accounts	1 147.8	2.8%	79.7%	1 190.1	1 246.5	1 320.5	4.8%	79.0%	
Public corporations and private enterprises	173.8	1.7%	14.2%	187.4	199.0	210.0	6.5%	12.4%	
Households	0.7	-	0.0%	-	-	-	-100.0%	0.0%	
Payments for capital assets	1.6	71.0%	0.1%	0.0	0.0	0.0	-68.7%	0.0%	
Machinery and equipment	1.6	71.0%	0.1%	0.0	0.0	0.0	-68.7%	0.0%	
Total	1 421.7	3.9%	100.0%	1 513.1	1 589.1	1 683.6	5.8%	100.0%	

Expenditure trends and estimates for significant spending items

Table 3.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17		2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21		
R thousand											
Government Communication and Information System	371 392	365 476	385 256	401 450	2.6%	28.6%	420 485	441 683	471 442	5.5%	28.0%
Independent Communications Authority of South Africa	376 221	393 619	373 071	430 383	4.6%	29.5%	443 961	461 241	486 609	4.2%	29.4%
Brand South Africa	167 686	173 160	181 186	194 300	5.0%	13.4%	200 430	211 654	223 294	4.7%	13.4%
Film and Publication Board	78 901	82 359	86 472	91 684	5.1%	6.4%	94 577	99 873	105 366	4.7%	6.3%
Total	994 200	1 014 614	1 025 985	1 117 817	17.3%	77.9%	1 159 453	1 214 451	1 286 711	19.1%	77.1%

Goods and services expenditure trends and estimates

Table 3.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21		
R thousand											
Administrative fees	–	280	556	807	–	1.6%	883	987	1 302	17.3%	2.0%
Advertising	–	3 163	1 462	192	–	4.8%	12 050	10 907	11 251	288.4%	17.0%
Minor assets	–	89	136	84	–	0.3%	66	68	74	-4.1%	0.1%
Audit costs: External	–	–	790	880	–	1.7%	750	792	834	-1.8%	1.6%
Bursaries: Employees	–	62	32	4	–	0.1%	20	21	22	82.2%	–
Catering: Departmental activities	–	1 085	2 519	724	–	4.3%	107	113	119	-45.2%	0.5%
Communication	28	1 887	5 675	1 242	254.0%	8.8%	1 894	2 161	2 278	22.4%	3.7%
Computer services	684	34	253	261	-27.5%	1.2%	4	4	4	-75.1%	0.1%
Consultants: Business and advisory services	–	31	39	141	–	0.2%	1 650	1 768	1 754	131.7%	2.6%
Legal services	–	2 416	2 149	1 967	–	6.5%	1 960	2 078	2 191	3.7%	4.1%
Contractors	2 413	342	104	123	-62.9%	3.0%	210	222	234	23.9%	0.4%
Agency and support/outsourced services	–	98	32	128	–	0.3%	126	136	143	3.8%	0.3%
Entertainment	–	11	9	53	–	0.1%	57	60	64	6.5%	0.1%
Fleet services (including government motor transport)	–	2 317	3 924	2 794	–	9.0%	2 613	3 068	3 238	5.0%	5.8%
Inventory: Other supplies	–	–	–	–	–	–	–	–	6	–	–
Consumable supplies	–	139	99	311	–	0.5%	365	380	403	9.1%	0.7%
Consumables: Stationery, printing and office supplies	–	967	703	529	–	2.2%	1 910	2 013	2 124	59.0%	3.2%
Operating leases	–	201	219	293	–	0.7%	365	389	411	11.9%	0.7%
Rental and hiring	–	279	1 122	2 000	–	3.4%	5 141	5 449	5 749	42.2%	9.1%
Property payments	–	–	–	–	–	–	2 849	3 020	3 188	–	4.5%
Travel and subsistence	808	14 454	13 602	19 976	191.3%	48.7%	20 504	21 648	22 805	4.5%	42.0%
Training and development	–	207	106	31	–	0.3%	–	10	11	-29.2%	–
Operating payments	–	625	654	572	–	1.8%	779	643	680	5.9%	1.3%
Venues and facilities	–	–	177	100	–	0.3%	–	–	–	-100.0%	–
Total	3 933	28 687	34 362	33 211	103.6%	100.0%	54 303	55 937	58 885	21.0%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 3.6 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21		
R thousand											
Households											
Social benefits											
Current	–	49	199	733	–	–	–	–	–	-100.0%	–
Households	–	49	199	733	–	–	–	–	–	-100.0%	–

Table 3.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Other transfers to public corporations											
Current	227 168	172 927	182 093	173 766	-8.5%	15.1%	187 421	199 016	209 963	6.5%	13.6%
South African Broadcasting Corporation: Channel Africa	47 413	49 640	52 271	54 885	5.0%	4.1%	58 068	61 320	64 693	5.6%	4.2%
South African Broadcasting Corporation: Public broadcaster	97 199	101 785	107 180	105 947	2.9%	8.2%	115 669	123 246	130 025	7.1%	8.4%
South African Broadcasting Corporation: Community radio stations	9 373	9 804	10 324	–	-100.0%	0.6%	–	–	–	–	–
South African Broadcasting Corporation: Programme productions	11 183	11 698	12 318	12 934	5.0%	1.0%	13 684	14 450	15 245	5.6%	1.0%
South African Broadcasting Corporation: Broadcasting digital migration	62 000	–	–	–	-100.0%	1.2%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 016 015	1 037 229	1 049 799	1 147 822	4.1%	84.9%	1 190 122	1 246 466	1 320 487	4.8%	86.4%
Media Development and Diversity Agency	21 815	22 615	23 814	30 005	11.2%	2.0%	30 669	32 015	33 776	4.0%	2.2%
Brand South Africa	167 686	173 160	181 186	194 300	5.0%	14.3%	200 430	211 654	223 294	4.7%	14.6%
Government Communication and Information System	371 392	365 476	385 256	401 450	2.6%	30.4%	420 485	441 683	471 442	5.5%	30.6%
Independent Communications Authority of South Africa	376 221	393 619	373 071	430 383	4.6%	31.4%	443 961	461 241	486 609	4.2%	32.1%
Film and Publication Board	78 901	82 359	86 472	91 684	5.1%	6.8%	94 577	99 873	105 366	4.7%	6.9%
Total	1 243 183	1 210 205	1 232 091	1 322 321	2.1%	100.0%	1 377 543	1 445 482	1 530 450	5.0%	100.0%

Personnel information

Table 3.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Communications Policy, Research and Development																			
3. Industry and Capacity Development																			
4. Entity Oversight																			
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17	Unit cost	Cost	2017/18	Unit cost	Cost	2018/19		2019/20		2020/21				2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Communications																			
Salary level	70	26	100	65.5	0.7	89	64.5	0.7	107	81.3	0.8	108	87.7	0.8	111	94.3	0.8	7.6%	100.0%
1 – 6	13	11	27	5.9	0.2	16	4.3	0.3	21	5.7	0.3	21	5.9	0.3	23	7.0	0.3	12.9%	19.5%
7 – 10	23	–	23	8.4	0.4	21	8.8	0.4	25	11.6	0.5	27	13.3	0.5	29	15.3	0.5	11.4%	24.6%
11 – 12	15	3	19	11.4	0.6	19	10.8	0.6	24	14.8	0.6	23	15.7	0.7	23	16.9	0.7	6.6%	21.4%
13 – 16	17	12	29	35.7	1.2	31	36.6	1.2	35	44.7	1.3	35	48.0	1.4	34	49.9	1.5	3.1%	32.5%
Other	2	–	2	4.2	2.1	2	4.2	2.1	2	4.5	2.2	2	4.8	2.4	2	5.1	2.5	–	1.9%
Programme	70	26	100	65.5	0.7	89	64.5	0.7	107	81.3	0.8	108	87.7	0.8	111	94.3	0.8	7.6%	100.0%
Programme 1	55	5	64	42.6	0.7	67	40.0	0.6	81	49.9	0.6	81	53.0	0.7	81	55.4	0.7	6.5%	74.7%
Programme 2	6	–	7	4.8	0.7	6	5.2	0.9	9	8.5	0.9	10	10.4	1.0	11	11.6	1.1	22.4%	8.7%
Programme 3	5	20	24	13.4	0.6	11	15.5	1.4	12	18.9	1.6	12	20.2	1.7	12	21.6	1.8	2.9%	11.3%
Programme 4	4	1	5	4.7	0.9	5	3.8	0.8	5	4.0	0.8	5	4.1	0.8	7	5.7	0.8	11.9%	5.3%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 3.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	2 527	3 486	2 579	2 712	2 712	2.4%	100.0%	2 625	2 745	2 896	2.2%	100.0%
Sales of goods and services produced by department	381	12	61	74	74	-42.1%	4.7%	88	92	97	9.4%	3.2%
Sales by market establishments	374	5	50	62	62	-45.1%	4.3%	73	76	80	8.9%	2.7%
of which:												
Market Establishment: Rental parking (covered and open)	374	5	50	62	62	-45.1%	4.3%	73	76	80	8.9%	2.7%
Other sales	7	7	11	12	12	19.7%	0.3%	15	16	17	12.3%	0.5%
of which:												
Commission on insurance	7	7	11	12	12	19.7%	0.3%	15	16	17	12.3%	0.5%
Interest, dividends and rent on land	1 885	3 406	2 239	2 462	2 462	9.3%	88.4%	2 352	2 458	2 593	1.7%	89.9%
Interest	1 885	3 406	2 239	2 462	2 462	9.3%	88.4%	2 352	2 458	2 593	1.7%	89.9%
Transactions in financial assets and liabilities	261	68	279	176	176	-12.3%	6.9%	185	195	206	5.4%	6.9%
Total	2 527	3 486	2 579	2 712	2 712	2.4%	100.0%	2 625	2 745	2 896	2.2%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 3.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	12.0	12.0	8.4	10.4	-4.7%	21.7%	10.0	10.7	11.4	3.2%	15.3%
Departmental Management	0.9	28.7	31.6	34.0	239.8%	48.3%	27.2	26.7	27.0	-7.4%	41.5%
Internal Audit	-	-	0.9	1.0	-	0.9%	0.8	2.4	2.6	39.2%	2.5%
Corporate Services	6.8	4.9	9.9	12.0	20.9%	17.0%	15.7	17.2	18.5	15.5%	22.9%
Financial Management	4.8	2.6	6.5	10.0	28.0%	12.1%	10.9	13.7	14.7	13.5%	17.8%
Total	24.4	48.2	57.3	67.4	40.2%	100.0%	64.6	70.8	74.2	3.3%	100.0%
Change to 2017 Budget estimate				67.4			64.6	70.8	74.2		
Economic classification											
Current payments	24.4	47.3	56.0	65.2	38.7%	97.8%	64.6	70.8	74.2	4.4%	99.2%
Compensation of employees	24.4	29.3	42.6	46.6	24.1%	72.5%	49.9	53.0	55.4	5.9%	74.0%
Goods and services ¹	0.0	18.0	13.3	18.6	771.8%	25.3%	14.8	17.8	18.8	0.5%	25.2%
of which:											
Audit costs: External	-	-	0.8	0.9	-	0.8%	0.8	0.8	0.8	-1.8%	1.2%
Communication	0.0	1.1	1.2	1.0	226.4%	1.7%	1.2	1.5	1.6	16.8%	1.9%
Legal services	-	0.6	0.2	1.7	-	1.2%	1.5	1.5	1.6	-1.2%	2.3%
Fleet services (including government motor transport)	-	2.3	3.3	2.7	-	4.2%	2.2	2.6	2.8	0.7%	3.7%
Property payments	-	-	-	-	-	-	2.8	3.0	3.2	-	3.3%
Travel and subsistence	-	11.7	6.1	9.9	-	14.1%	4.5	6.7	6.8	-11.8%	10.1%
Transfers and subsidies¹	-	0.0	-	0.6	-	0.3%	-	-	-	-100.0%	0.2%
Households	-	0.0	-	0.6	-	0.3%	-	-	-	-100.0%	0.2%
Payments for capital assets	0.0	0.8	1.3	1.6	462.2%	1.9%	-	-	-	-100.0%	0.6%
Machinery and equipment	0.0	0.8	1.3	1.6	462.2%	1.9%	-	-	-	-100.0%	0.6%
Total	24.4	48.2	57.3	67.4	40.2%	100.0%	64.6	70.8	74.2	3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.9%	3.7%	4.3%	4.7%	-	-	4.3%	4.5%	4.4%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	-	0.0	-	0.6	-	0.3%	-	-	-	-100.0%	0.2%
Households	-	0.0	-	0.6	-	0.3%	-	-	-	-100.0%	0.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Communications Policy, Research and Development

Programme purpose

Conduct research and develop communications and broadcasting policies.

Objectives

- Improve universal access to broadcasting services by conducting research on the number of South African households with access to television and radio services by March 2019.
- Broaden access to information to all citizens by conducting research on the number of South African households with access to information, to develop appropriate media policies by March 2019.
- Ensure the equitable allocation of broadcasting spectrum to public, private and community stakeholders by conducting research on broadcaster requirements and developing the appropriate casting spectrum policy by March 2019.
- Promote socioeconomic development and investment by conducting research to assess South African and international stakeholder views on the reputation of South Africa, and developing appropriate branding policies by March 2019.

Subprogrammes

- *Broadcasting Policy* oversees the development and implementation of public and community broadcasting policies and strategies, policies and strategies to promote the commercial broadcasting tier; and facilitates the implementation of policies by regulatory institutions in the sector.
- *Technology and Engineering Services* conducts research and develops broadcasting spectrum policy and plans, develops standards, and manages technology and engineering services.

Expenditure trends and estimates

Table 3.10 Communications Policy, Research and Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Broadcasting Policy	6.5	4.9	6.3	5.5	-5.5%	94.3%	9.1	12.1	13.9	36.0%	85.7%
Technology and Engineering Services	–	0.0	–	1.4	–	5.7%	2.4	1.4	1.5	3.8%	14.3%
Total	6.5	4.9	6.3	6.9	1.8%	100.0%	11.5	13.5	15.4	30.8%	100.0%
Change to 2017 Budget estimate				(55.9)			(54.8)	(64.6)	(68.2)		
Economic classification											
Current payments	6.5	4.3	6.2	6.9	2.3%	96.8%	11.5	13.5	15.4	30.8%	100.0%
Compensation of employees	5.4	3.8	4.8	5.2	-1.2%	77.6%	8.5	10.4	11.6	30.4%	75.3%
Goods and services ¹	1.0	0.5	1.5	1.7	17.2%	19.1%	3.0	3.1	3.9	31.8%	24.7%
of which:											
Communication	–	0.0	1.0	0.1	–	4.4%	0.1	0.1	0.1	24.3%	0.9%
Consultants: Business and advisory services	–	–	–	0.1	–	0.2%	0.1	0.1	–	-100.0%	0.5%
Agency and support/outsource services	–	0.0	–	–	–	–	0.1	0.1	0.1	–	0.8%
Consumables: Stationery, printing and office supplies	–	0.1	0.0	0.1	–	0.8%	0.3	0.3	0.3	66.3%	2.0%
Travel and subsistence	–	0.3	0.2	0.9	–	5.6%	2.0	2.0	2.8	45.3%	16.3%
Operating payments	–	–	0.0	0.2	–	0.7%	0.2	0.2	0.2	8.2%	1.5%
Transfers and subsidies¹	–	–	0.1	–	–	0.2%	–	–	–	–	–
Households	–	–	0.1	–	–	0.2%	–	–	–	–	–
Payments for capital assets	0.1	0.6	0.0	–	-100.0%	3.0%	–	–	–	–	–
Machinery and equipment	0.1	0.6	0.0	–	-100.0%	3.0%	–	–	–	–	–
Total	6.5	4.9	6.3	6.9	1.8%	100.0%	11.5	13.5	15.4	30.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.4%	0.5%	0.5%	–	–	0.8%	0.9%	0.9%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Industry and Capacity Development

Programme purpose

Manage enterprise development, broadcasting digital migration, and industry research and analysis. Implement a structured programme of engagement with stakeholders in support of the department's programmes and projects.

Objectives

- Build a competitive communications industry through the implementation of targeted interventions to support the growth and development of creative industries by March 2019.
- Manage digital broadcasting migration through the registration of households, and the distribution and installation of various devices to ensure the successful migration from analogue to digital television in South Africa by September 2019.
- Conduct industry research and analysis to ensure evidence-based policy making through the provision of qualitative and quantitative analysis on an ongoing basis.
- Develop and implement structured programmes of intergovernmental and stakeholder engagement by hosting bilateral meetings with all spheres of government, as well as statutory and non-statutory bodies, to leverage support for the department's strategic priorities by March 2019.

Subprogrammes

- *Enterprise Development* manages enterprise development; implements policy; manages and supports creative industries and media transformation; compiles skills profiles; and develops skills development programmes. This subprogramme also develops and implements strategies and plans to develop the broadcasting industry.
- *Broadcasting Digital Migration* manages broadcasting digital migration with the aim of migrating from analogue to digital broadcasting, and plays an important role in creating and supporting small, medium and micro enterprises in the digital domain.
- *Industry Research and Analysis* manages industry research and analysis.
- *Intergovernmental Relations and Stakeholder Management* manages intergovernmental relations and stakeholder relations.

Expenditure trends and estimates

Table 3.11 Industry and Capacity Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Enterprise Development	6.0	2.4	0.2	2.8	-22.9%	12.2%	0.0	–	–	-100.0%	1.4%
Broadcasting Digital Migration	3.3	15.3	27.9	20.5	83.5%	72.0%	47.9	47.2	49.3	33.8%	86.7%
Industry Research and Analysis	–	1.7	5.4	2.9	–	10.8%	3.3	3.5	3.8	9.0%	7.1%
Inter-governmental Relations and Stakeholder Management	–	1.0	1.7	1.9	–	5.0%	2.2	2.3	2.5	8.7%	4.7%
Total	9.3	20.4	35.2	28.2	44.5%	100.0%	53.3	53.0	55.5	25.4%	100.0%
Change to 2017 Budget estimate				19.7			43.4	41.2	42.8		

Table 3.11 Industry and Capacity Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 -	2017/18	2018/19	2019/20	2020/21	2017/18 -	2020/21
Current payments	9.2	20.3	32.6	28.0	45.0%	96.9%	53.3	53.0	55.5	25.6%	99.9%
Compensation of employees	7.1	11.0	13.4	15.5	29.6%	50.6%	18.9	20.2	21.6	11.6%	40.1%
Goods and services ¹	2.1	9.3	19.2	12.5	82.5%	46.3%	34.4	32.8	33.9	39.5%	59.8%
<i>of which:</i>											
Administrative fees	–	0.0	0.3	0.2	–	0.5%	0.6	0.6	0.7	56.6%	1.1%
Advertising	–	3.0	1.3	–	–	4.7%	12.0	10.9	11.2	–	17.9%
Consultants: Business and advisory services	–	0.0	0.0	0.0	–	–	1.5	1.6	1.7	337.7%	2.5%
Consumables: Stationery, printing and office supplies	–	0.4	0.4	0.1	–	1.0%	1.0	1.0	1.1	122.4%	1.7%
Rental and hiring	–	0.2	1.1	2.0	–	3.6%	5.1	5.4	5.7	42.2%	9.6%
Travel and subsistence	–	2.2	7.1	8.9	–	19.6%	12.8	11.7	11.9	10.1%	23.8%
Transfers and subsidies¹	–	–	0.1	0.1	–	0.2%	–	–	–	-100.0%	0.1%
Households	–	–	0.1	0.1	–	0.2%	–	–	–	-100.0%	0.1%
Payments for capital assets	0.1	0.1	2.5	–	-100.0%	2.9%	0.0	0.0	0.0	–	0.1%
Machinery and equipment	0.1	0.1	2.5	–	-100.0%	2.9%	0.0	0.0	0.0	–	0.1%
Total	9.3	20.4	35.2	28.2	44.5%	100.0%	53.3	53.0	55.5	25.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	1.6%	2.6%	2.0%	–	–	3.5%	3.3%	3.3%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Entity Oversight

Programme purpose

Monitor the implementation of policies by state-owned entities and regulatory institutions, and provide guidance and oversight on their governance matters.

Objectives

- Ensure strategic alignment with departmental priorities by monitoring the implementation of communications and branding policies by state-owned entities on an ongoing basis.
- Ensure strategic alignment with the department's priorities by continually issuing policy directives to regulatory institutions as and when required.
- Ensure the viability and sustainability of state-owned entities by providing funding on an ongoing basis.

Subprogrammes

- *Programme Management for Entity Oversight* strengthens the capacity of the department and its state-owned entities to deliver effectively on their mandates.
- *Broadcasting and Community Media* monitors the implementation of broadcasting and community media policies, and provides guidance in and oversight of the governance matters of state-owned entities.
- *Communication and Branding* monitors the implementation of communications and branding policies, and provides guidance in and oversight of the governance matters of state-owned entities.
- *Regulatory Institutions* monitors the implementation of policies, and provides guidance in and oversight of the governance matters of regulatory institutions.

Expenditure trends and estimates

Table 3.12 Entity Oversight expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Programme Management for Entity Oversight	–	2.6	4.1	1.5	–	0.2%	1.8	1.7	3.1	27.0%	0.1%
Broadcasting and Community Media	252.7	196.9	206.9	205.1	-6.7%	17.1%	219.9	232.9	245.8	6.2%	15.9%
Communication and Branding	539.1	539.1	566.4	595.8	3.4%	44.6%	621.4	653.9	695.3	5.3%	45.0%
Regulatory Institutions	455.1	476.0	459.5	523.5	4.8%	38.1%	540.6	563.3	594.3	4.3%	39.0%
Total	1 246.9	1 214.6	1 237.0	1 325.9	2.1%	100.0%	1 383.7	1 451.8	1 538.5	5.1%	100.0%
Change to 2017 Budget estimate				1 303.6			1 354.4	1 429.6	1 514.9		
Economic classification											
Current payments	3.6	4.4	5.0	4.3	5.5%	0.3%	6.1	6.3	8.0	23.3%	0.4%
Compensation of employees	2.8	3.5	4.7	3.8	10.0%	0.3%	4.0	4.1	5.7	14.6%	0.3%
Goods and services ¹	0.8	0.9	0.3	0.5	-14.8%	0.1%	2.1	2.2	2.3	67.0%	0.1%
<i>of which:</i>											
Communication	–	0.0	0.1	0.1	–	–	0.3	0.3	0.3	44.9%	–
Consumables: Stationery, printing and office supplies	–	0.0	0.0	0.0	–	–	0.3	0.3	0.3	182.7%	–
Operating leases	–	–	–	0.0	–	–	0.1	0.2	0.2	60.1%	–
Travel and subsistence	0.8	0.3	0.2	0.2	-33.9%	–	1.2	1.2	1.3	77.7%	0.1%
Operating payments	–	–	–	0.0	–	–	0.1	0.1	0.1	143.3%	–
Transfers and subsidies¹	1 243.2	1 210.2	1 232.0	1 321.6	2.1%	99.7%	1 377.5	1 445.5	1 530.5	5.0%	99.6%
Departmental agencies and accounts	1 016.0	1 037.2	1 049.8	1 147.8	4.1%	84.6%	1 190.1	1 246.5	1 320.5	4.8%	86.1%
Public corporations and private enterprises	227.2	172.9	182.1	173.8	-8.5%	15.0%	187.4	199.0	210.0	6.5%	13.5%
Households	–	–	0.1	–	–	–	–	–	–	–	–
Payments for capital assets	0.1	0.0	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	0.1	0.0	–	–	-100.0%	–	–	–	–	–	–
Total	1 246.9	1 214.6	1 237.0	1 325.9	2.1%	100.0%	1 383.7	1 451.8	1 538.5	5.1%	100.0%
Proportion of total programme expenditure to vote expenditure	96.9%	94.3%	92.6%	92.8%	–	–	91.4%	91.4%	91.4%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 016.0	1 037.2	1 049.8	1 147.8	4.1%	84.6%	1 190.1	1 246.5	1 320.5	4.8%	86.1%
Media Development and Diversity Agency	21.8	22.6	23.8	30.0	11.2%	2.0%	30.7	32.0	33.8	4.0%	2.2%
Brand South Africa	167.7	173.2	181.2	194.3	5.0%	14.3%	200.4	211.7	223.3	4.7%	14.6%
Government Communication and Information System	371.4	365.5	385.3	401.5	2.6%	30.3%	420.5	441.7	471.4	5.5%	30.4%
Independent Communications Authority of South Africa	376.2	393.6	373.1	430.4	4.6%	31.3%	444.0	461.2	486.6	4.2%	32.0%
Film and Publication Board	78.9	82.4	86.5	91.7	5.1%	6.8%	94.6	99.9	105.4	4.7%	6.9%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	227.2	172.9	182.1	173.8	-8.5%	15.0%	187.4	199.0	210.0	6.5%	13.5%
South African Broadcasting Corporation: Channel Africa	47.4	49.6	52.3	54.9	5.0%	4.1%	58.1	61.3	64.7	5.6%	4.2%
South African Broadcasting Corporation: Public broadcaster	97.2	101.8	107.2	105.9	2.9%	8.2%	115.7	123.2	130.0	7.1%	8.3%
South African Broadcasting Corporation: Community radio stations	9.4	9.8	10.3	–	-100.0%	0.6%	–	–	–	–	–
South African Broadcasting Corporation: Programme productions	11.2	11.7	12.3	12.9	5.0%	1.0%	13.7	14.5	15.2	5.6%	1.0%
South African Broadcasting Corporation: Broadcasting digital migration	62.0	–	–	–	-100.0%	1.2%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Other departments within the vote

Government Communication and Information System

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	164.2	163.4	0.0	0.7	171.9	182.4
Content Processing and Dissemination	145.0	143.6	–	1.4	152.5	162.9
Intergovernmental Coordination and Stakeholder Management	111.3	110.2	0.0	1.1	117.3	126.1
Total expenditure estimates	420.5	417.2	0.1	3.2	441.7	471.4
Executive authority	Minister of Communications					
Accounting officer	Director General of Government Communication and Information System					
Website address	www.gcis.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Department purpose

Provide a comprehensive communication service on behalf of government to facilitate the involvement of the majority of South Africans in governance, reconstruction and development, nation building, and reconciliation.

Mandate

The mandate of the Government Communication and Information System is derived from section 195(g) of the Constitution, which stipulates that the public should be provided with information that is timely, accurate and accessible. This is in support of the constitutional principles of freedom of expression, transparency and openness of government. The department is responsible for providing strategic leadership and coordinating government communication to ensure that the public are informed and have access to government programmes and policies that benefit them.

Selected performance indicators

Table 3.13 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections	
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of cluster reports issued on perceptions of government delivery and performance reports per year	Content Processing and Dissemination	Outcome 14: Nation building and social cohesion	14	14	10	10	10	10
Number of copies of Vuk'uzenzele newspaper published per year	Content Processing and Dissemination		18.7 million	18.7 million	21.4 million	18.7 million	18.7 million	18.7 million
Number of radio advertisements and dramas produced per year	Content Processing and Dissemination		80	41	48	48	48	20
Number of video programmes produced per year	Content Processing and Dissemination		92	183	120	120	120	200
Number of requests for photographic coverage handled per year ¹	Content Processing and Dissemination		884	564	500	500	500	500
Number of live broadcasts on community radio stations per year	Content Processing and Dissemination		80	66	54	54	54	48
Number of government and national events covered by video per year ¹	Content Processing and Dissemination		783	572	400	400	400	500
Number of graphic designs produced per year ¹	Content Processing and Dissemination		584	294	160	160	160	400
Number of requests for media briefings received from government departments per year	Intergovernmental Coordination and Stakeholder Management		100	21	100	100	100	100
Number of community and stakeholder liaison visits per year	Intergovernmental Coordination and Stakeholder Management		2 750	2 170	2 127	1 800	1 800	1 800
Number of development communication projects aligned with the government communication programme per year ¹	Intergovernmental Coordination and Stakeholder Management		2 184	1 920	1 839	1 200	1 200	1 200
Number of reports on rapid response facilitated per year ¹	Intergovernmental Coordination and Stakeholder Management		311	23	311	24	24	24
Number of marketing events per Thusong service centre per year	Intergovernmental Coordination and Stakeholder Management		484	580	555	486	486	486

1. Fluctuations in targets due to indicator being driven by demand.

Expenditure analysis

Chapter 15 of the NDP emphasises the need to unite all South Africans around a common goal, ensure that citizens are active in their own development, and build a capable and developmental state. This is given expression by outcome 12 (an efficient, effective and development oriented public service) and outcome 14 (nation building and social cohesion) of government's 2014-2019 medium-term strategic framework, with which the work of the Government Communication and Information System is closely aligned. Over the medium term, the department will continue to focus on providing strategic communications and facilitating active citizen participation by conducting research on government communications strategies and compiling government communications products such as the Vuk'uzenzele newspaper.

Cabinet has approved budget reductions of R10.8 million in 2018/19, R18.8 million in 2019/20 and R19.8 million in 2020/21 in the department's *Administration* programme in line with fiscal consolidation objectives. The department will accommodate these reductions by revising its operational outputs, projects and programmes. As the department's work is labour intensive, spending on compensation of employees, for 441 personnel, is expected to account for 60.6 per cent of its total budget over the MTEF period.

Providing and facilitating strategic government communications

The department is responsible for informing the public about government policies, plans, programmes and activities. Over the medium term, the department plans to publish 111 editions of communication products. This includes the production and distribution of 18.7 million copies of 24 editions of the Vuk'uzenzele newspaper in the 11 official languages, as well as 9 600 copies in braille each year. Information published in Vuk'uzenzele focuses on key government priorities, such as issues affecting the youth, service delivery, rural development and advertisements for vacancies in government. The production and distribution of the newspaper is funded through the *Products and Platforms* subprogramme in the *Content Processing and Dissemination* programme, with a budget allocation of R95.2 million over the medium term.

The department collects public opinion, research and analysis, and media content to understand the communications environment and inform government messages. As such, over the medium term, the department plans to facilitate a rapid response mechanism through its media engagement facility to hasten government's response to issues arising in the media, as well as greater coordination with its parliamentary office. The media engagement facility also manages the interface between government and commercial and community media, and coordinates support across government departments for key communications projects of the president and the deputy president, as well as cluster media programmes. To foster and build relationships between government and the media, the department also plans to hold 33 engagements over the medium term between state officials and senior journalists.

The department plans to produce 90 research advisory reports over the MTEF period, including for various national departments and premiers' offices, to aid government communicators in developing communication strategies. In partnership with the National School of Government, the department will continue to expand the coordination of the emerging in-house initiative to build capacity and professionalism among government communicators to equip them with skills and techniques for communicating government messages.

Other communications activities include compiling annual online editions of the South Africa Yearbook and Pocket Guide to South Africa, providing daily government news and updates on sanews.gov.za, updating content on government's website (www.gov.za), and producing 12 annual reports on the performance of government's social media accounts. These activities are expected to be funded through the *Content Processing and Dissemination* programme, which has a total budget of R460.4 million over the medium term. An estimated 38.9 per cent (R179.3 million) of the programme's budget over the medium term will be spent on operational costs such as research (R18.6 million), and travel and subsistence for videographers and photographers to cover the domestic and foreign engagements of the president and deputy president (R24.4 million).

Over the MTEF period, the department plans to provide media production and bulk buying services for other government departments to reduce government's advertising costs in mainstream media. The department

aims to provide more than 2 000 communication services over the medium term. These include advertisements, the hosting of talk shows, the compilation of voiceovers, and video and photographic services to client departments and public entities. These services are funded through the communications budget allocation of client departments and entities.

The department expects to compile 30 cluster reports over the MTEF period to provide strategic communication advice, coordination and support to departments; and hold 4 engagements with national department heads of communications and 10 internal communicator forums to share best practices and content on government programmes.

To cater for the provision and facilitation of strategic government communications, the *Intergovernmental Coordination and Stakeholder Management* programme has a total budget of R354.7 million over the medium term. 83.5 per cent (R300.4 million) of this allocation is for spending on compensation of employees, while 15.3 per cent (R54.3 million) is for operational expenditure.

Facilitating active citizen participation

The department will work to improve and strengthen campaign management, support project management practices, and improve the coherence and alignment of government messages over the medium term. This will enable the department to conduct a planned 10 458 outreach campaigns to improve public participation in the development and implementation of government policies, plans and programmes. The department also plans to conduct 1 200 development communication campaigns and 1 800 community and stakeholder liaison visits per year over the medium term. These initiatives are expected to deliver information to more than 1 million people per month through direct and indirect communication with citizens, community radio talk shows, community newspapers and awareness campaigns. R6 million has been allocated for communication development projects, R3 million for community and stakeholder liaison visits, and R2.5 million for the marketing of Thusong service centres per year in the *Provincial and Local Liaison* subprogramme in the *Intergovernmental Coordination and Stakeholder Management* programme. The department expects to spend a further R1 million per year over the MTEF period on the imbizo programme, which facilitates interactions between political principals and the public; and develop content for print and electronic communications products, including leaflets for the state of the nation address.

Expenditure trends

Table 3.14 Departmental expenditure trends by programme and economic classification

Programmes																															
1. Administration																															
2. Content Processing and Dissemination																															
3. Intergovernmental Coordination and Stakeholder Management																															
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Annual Outcome/budget (%)		Average: Adjusted appropriation (%)	
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18			2014/15 - 2017/18															
Programme 1	141.4	134.6	133.6	139.8	139.8	144.9	143.1	144.2	147.4	154.3	150.7	157.6	100.8%	102.5%																	
Programme 2	150.0	145.6	137.3	130.9	130.9	126.9	133.6	136.1	134.8	140.4	143.6	139.3	97.0%	96.8%																	
Programme 3	121.7	99.3	93.9	94.7	94.7	93.5	105.5	104.9	97.9	110.1	107.2	104.5	90.2%	96.0%																	
Total	413.1	379.5	364.9	365.5	365.5	365.2	382.2	385.3	380.1	404.8	401.5	401.4	96.6%	98.7%																	
Change to 2017 Budget estimate	(3.3)																														
Economic classification																															
Current payments	388.0	374.8	356.2	364.5	363.9	362.9	381.0	384.1	377.0	403.5	399.7	399.6	97.3%	98.2%																	
Compensation of employees	200.1	188.3	181.6	210.0	209.4	202.5	222.8	222.8	216.5	236.8	229.9	229.9	95.5%	97.7%																	
Goods and services	187.9	186.5	174.6	154.5	154.5	160.4	158.2	161.3	160.4	166.7	169.8	169.8	99.7%	99.0%																	
Transfers and subsidies	21.8	0.6	1.0	0.1	0.7	1.0	0.1	0.1	1.2	0.1	0.5	0.5	17.0%	195.2%																	
Departmental agencies and accounts	21.8	0.6	0.6	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	-	-																	
Households	-	0.0	0.4	-	0.6	1.0	-	-	1.2	-	0.5	0.5	-	256.3%																	

Table 3.14 Departmental expenditure trends by programme and economic classification

	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Payments for capital assets	3.3	4.0	7.6	0.9	0.9	1.2	1.1	1.1	1.6	1.2	1.2	1.2	180.1%	160.9%
Buildings and other fixed structures	-	-	0.5	-	-	0.1	-	-	0.0	-	-	-	-	-
Machinery and equipment	3.0	3.8	7.1	0.7	0.7	1.1	0.9	0.9	1.5	1.2	1.2	1.2	190.8%	168.3%
Software and other intangible assets	0.3	0.3	-	0.2	0.2	-	0.3	0.3	0.1	(0.0)	(0.0)	(0.0)	7.4%	7.4%
Payments for financial assets	-	-	0.0	-	-	0.2	-	-	0.3	-	-	-	-	-
Total	413.1	379.5	364.9	365.5	365.5	365.2	382.2	385.3	380.1	404.8	401.5	401.4	96.6%	98.7%

Expenditure estimates

Table 3.15 Departmental expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Content Processing and Dissemination								
3. Intergovernmental Coordination and Stakeholder Management								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2019/20	2020/21		
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	157.6	5.4%	38.6%	164.2	171.9	182.4	5.0%	39.0%
Programme 2	139.3	-1.5%	35.6%	145.0	152.5	162.9	5.4%	34.6%
Programme 3	104.5	1.7%	25.8%	111.3	117.3	126.1	6.4%	26.5%
Total	401.4	1.9%	100.0%	420.5	441.7	471.4	5.5%	100.0%
Change to 2017 Budget estimate				(10.8)	(18.8)	(19.8)		
Economic classification								
Current payments	399.6	2.2%	98.9%	417.2	439.4	469.1	5.5%	99.4%
Compensation of employees	229.9	6.9%	54.9%	254.0	273.3	293.8	8.5%	60.6%
Goods and services	169.8	-3.1%	44.0%	163.2	166.1	175.3	1.1%	38.9%
Transfers and subsidies	0.5	-4.1%	0.2%	0.1	0.1	0.1	-50.1%	0.0%
Departmental agencies and accounts	0.1	-52.9%	0.0%	0.1	0.1	0.1	4.3%	0.0%
Households	0.5	121.0%	0.2%	-	-	-	-100.0%	0.0%
Payments for capital assets	1.2	-33.3%	0.8%	3.2	2.2	2.2	23.2%	0.5%
Machinery and equipment	1.2	-31.8%	0.7%	3.2	2.2	2.2	23.2%	0.5%
Software and other intangible assets	(0.0)	-115.9%	0.0%	-	-	-	-100.0%	0.0%
Total	401.4	1.9%	100.0%	420.5	441.7	471.4	5.5%	100.0%

Expenditure trends and estimates for significant spending items

Table 3.16 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Compensation of employees	181 649	202 461	216 536	229 939	8.2%	54.9%	253 983	273 302	293 800	8.5%	60.6%
Computer services	16 009	15 129	14 604	14 289	-3.7%	4.0%	16 013	17 129	18 149	8.3%	3.8%
Operating leases	43 465	47 556	51 688	50 775	5.3%	12.8%	54 602	56 038	59 423	5.4%	12.7%
Operating payments	35 808	30 833	36 811	39 352	3.2%	9.4%	34 156	34 937	36 971	-2.1%	8.4%
Travel and subsistence	20 577	21 137	17 486	18 671	-3.2%	5.2%	17 474	16 568	17 350	-2.4%	4.0%
Total	297 508	317 116	337 125	353 026	9.8%	86.3%	376 228	397 974	425 693	17.7%	89.5%

Goods and services expenditure trends and estimates

Table 3.17 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	663	478	537	652	-0.6%	0.4%	641	668	681	1.5%	0.4%
Advertising	7 827	5 078	2 645	5 529	-10.9%	3.2%	3 635	3 533	3 546	-13.8%	2.4%
Minor assets	693	156	282	128	-43.1%	0.2%	99	38	31	-37.7%	-
Audit costs: External	2 077	2 349	2 467	2 030	-0.8%	1.3%	2 511	2 661	2 650	9.3%	1.5%
Bursaries: Employees	350	460	702	450	8.7%	0.3%	450	450	450	-	0.3%
Catering: Departmental activities	1 350	679	891	938	-11.4%	0.6%	460	340	367	-26.9%	0.3%
Communication	12 550	9 988	8 628	8 927	-10.7%	6.0%	7 944	8 250	8 445	-1.8%	5.0%
Computer services	16 009	15 129	14 604	14 289	-3.7%	9.0%	16 013	17 129	18 149	8.3%	9.7%
Consultants: Business and advisory services	2 098	2 349	84	2 132	0.5%	1.0%	515	170	745	-29.6%	0.5%
Laboratory services	2	-	5	-	-100.0%	-	-	-	-	-	-
Legal services	945	740	796	432	-23.0%	0.4%	432	538	538	7.6%	0.3%
Contractors	5 571	3 895	3 294	3 607	-13.5%	2.5%	2 526	2 195	2 574	-10.6%	1.6%
Agency and support/outsourced services	6 323	3 460	4 718	6 616	1.5%	3.2%	5 796	6 250	6 628	0.1%	3.7%
Fleet services (including government motor transport)	2 505	2 000	1 423	1 129	-23.3%	1.1%	978	1 057	1 056	-2.2%	0.6%
Consumable supplies	986	709	523	649	-13.0%	0.4%	662	651	596	-2.8%	0.4%
Consumables: Stationery, printing and office supplies	6 164	3 118	2 782	3 671	-15.9%	2.4%	3 379	3 576	3 684	0.1%	2.1%
Operating leases	43 465	47 556	51 688	50 775	5.3%	29.1%	54 602	56 038	59 423	5.4%	32.7%
Rental and hiring	115	109	141	148	8.8%	0.1%	78	63	99	-12.5%	0.1%
Property payments	6 543	8 799	9 302	7 056	2.5%	4.8%	9 571	10 242	10 670	14.8%	5.6%
Travel and subsistence	20 577	21 137	17 486	18 671	-3.2%	11.7%	17 474	16 568	17 350	-2.4%	10.4%
Training and development	1 692	827	617	1 927	4.4%	0.8%	1 227	727	646	-30.5%	0.7%
Operating payments	35 808	30 833	36 811	39 352	3.2%	21.5%	34 156	34 937	36 971	-2.1%	21.6%
Venues and facilities	246	545	17	660	39.0%	0.2%	50	60	35	-62.4%	0.1%
Total	174 559	160 394	160 443	169 768	-0.9%	100.0%	163 199	166 141	175 334	1.1%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 3.18 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	568	56	45	60	-52.7%	19.4%	60	64	68	4.3%	34.1%
Communication	39	56	45	60	15.4%	5.3%	60	64	68	4.3%	34.1%
Public Service Sector Education and Training Authority	529	-	-	-	-100.0%	14.1%	-	-	-	-	-
Households											
Social benefits											
Current	413	963	1 160	486	5.6%	80.6%	-	-	-	-100.0%	65.9%
Employee social benefits	413	963	1 160	486	5.6%	80.6%	-	-	-	-100.0%	65.9%
Total	981	1 019	1 205	546	-17.7%	100.0%	60	64	68	-50.1%	100.0%

Personnel information

Table 3.19 Departmental personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21				
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost	
Government Communication and Information System		429	31	430	216.5	0.5	435	229.9	0.5	441	254.0	0.6	440	273.3	0.6	437	293.8	0.7	0.2%	100.0%
Salary level		429	31	430	216.5	0.5	435	229.9	0.5	441	254.0	0.6	440	273.3	0.6	437	293.8	0.7	0.2%	100.0%
1 – 6	114	18	111	26.0	0.2	112	28.2	0.3	112	30.5	0.3	111	32.6	0.3	108	34.3	0.3	-1.2%	25.3%	
7 – 10	199	9	201	85.9	0.4	201	93.5	0.5	203	101.9	0.5	203	110.1	0.5	203	118.9	0.6	0.3%	46.2%	
11 – 12	76	3	77	54.1	0.7	77	57.4	0.7	77	61.9	0.8	77	66.9	0.9	77	72.3	0.9	–	17.6%	
13 – 16	40	1	41	46.9	1.1	45	50.7	1.1	49	59.6	1.2	49	63.8	1.3	49	68.3	1.4	2.9%	11.0%	
Other	–	–	–	3.6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Programme	429	31	430	216.5	0.5	435	229.9	0.5	441	254.0	0.6	440	273.3	0.6	437	293.8	0.7	0.2%	100.0%	
Programme 1	138	19	132	60.2	0.5	133	65.2	0.5	136	74.5	0.5	135	79.8	0.6	132	85.3	0.6	-0.3%	30.6%	
Programme 2	130	8	134	77.6	0.6	136	80.1	0.6	137	86.8	0.6	137	93.5	0.7	137	100.8	0.7	0.2%	31.2%	
Programme 3	161	4	164	78.7	0.5	166	84.5	0.5	168	92.7	0.6	168	100.0	0.6	168	107.7	0.6	0.4%	38.2%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 3.20 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
	R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
Departmental receipts	747	4 203	3 995	4 773	4 773	85.6%	100.0%	1 269	1 339	1 413	-33.4%	100.0%
Sales of goods and services produced by department	379	3 537	3 389	3 384	3 384	107.5%	77.9%	299	316	333	-53.8%	49.3%
Sales by market establishments of which:	146	141	136	132	132	-3.3%	4.0%	139	147	155	5.5%	6.5%
Market establishment: Rental parking: Covered and open	146	141	136	132	132	-3.3%	4.0%	139	147	155	5.5%	6.5%
Other sales of which:	233	3 396	3 253	3 252	3 252	140.8%	73.9%	160	169	178	-62.0%	42.7%
Services rendered: Commission on insurance and garnishee	129	73	75	116	116	-3.5%	2.9%	122	129	136	5.4%	5.7%
Sales: Departmental publications and production	104	3 323	3 178	3 136	3 136	211.3%	71.0%	38	40	42	-76.3%	37.0%
Sales of scrap, waste, arms and other used current goods of which:	2	1	2	4	4	26.0%	0.1%	4	4	4	–	0.2%
Sales: Waste paper	2	1	2	4	4	26.0%	0.1%	4	4	4	–	0.2%
Interest, dividends and rent on land	105	224	255	257	257	34.8%	6.1%	271	286	302	5.5%	12.7%
Interest	105	224	255	257	257	34.8%	6.1%	271	286	302	5.5%	12.7%
Sales of capital assets	–	–	7	–	–	–	0.1%	–	–	–	–	–
Transactions in financial assets and liabilities	261	441	342	1 128	1 128	62.9%	15.8%	695	733	774	-11.8%	37.9%
Total	747	4 203	3 995	4 773	4 773	85.6%	100.0%	1 269	1 339	1 413	-33.4%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates**Table 3.21 Administration expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average Expenditure/ Total (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R million											
Departmental Management	5.4	6.5	5.6	6.6	7.2%	4.2%	8.2	8.8	9.4	12.3%	4.9%
Corporate Services	49.1	50.8	47.2	52.4	2.2%	34.6%	54.2	57.3	60.4	4.9%	33.5%
Financial Administration	26.6	29.8	32.3	31.8	6.2%	20.9%	37.5	39.6	42.2	10.0%	22.6%
Internal Audit	7.0	7.7	7.9	8.1	4.7%	5.3%	8.6	9.3	9.9	7.0%	5.4%
Office Accommodation	45.5	50.1	54.3	51.8	4.4%	35.0%	55.7	56.9	60.5	5.3%	33.6%
Total	133.6	144.9	147.4	150.7	4.1%	100.0%	164.2	171.9	182.4	6.6%	100.0%
Change to 2017 Budget estimate				(3.6)			0.7	(1.2)	(1.7)		
Economic classification											
Current payments	128.2	144.0	146.4	150.0	5.4%	98.6%	163.4	171.2	181.7	6.6%	99.6%
Compensation of employees	51.0	59.5	60.2	65.2	8.6%	40.9%	74.5	79.8	85.3	9.3%	45.5%
Goods and services ¹	77.2	84.5	86.2	84.8	3.2%	57.7%	88.9	91.3	96.4	4.4%	54.0%
of which:											
Audit costs: External	2.1	2.3	2.5	2.0	-0.8%	1.5%	2.5	2.7	2.7	9.3%	1.5%
Computer services	9.1	12.1	11.1	11.4	7.7%	7.6%	12.2	13.2	13.9	6.8%	7.6%
Operating leases	42.8	46.7	50.9	49.7	5.2%	33.0%	53.5	54.9	58.2	5.4%	32.3%
Property payments	6.5	8.7	9.2	6.9	2.4%	5.4%	9.5	10.1	10.5	14.9%	5.5%
Travel and subsistence	3.3	3.7	2.2	2.7	-6.4%	2.0%	2.6	2.8	2.9	2.5%	1.6%
Operating payments	2.6	3.0	3.1	3.2	7.2%	2.1%	1.8	1.4	1.7	-18.9%	1.2%
Transfers and subsidies¹	0.8	0.2	0.3	0.4	-23.9%	0.3%	0.0	0.1	0.1	-47.5%	0.1%
Departmental agencies and accounts	0.6	0.0	0.0	0.0	-56.0%	0.1%	0.0	0.1	0.1	4.0%	-
Households	0.3	0.1	0.2	0.3	5.0%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	4.6	0.7	0.6	0.3	-58.4%	1.1%	0.7	0.7	0.7	30.3%	0.4%
Buildings and other fixed structures	0.5	0.1	0.0	-	-100.0%	0.1%	-	-	-	-	-
Machinery and equipment	4.1	0.6	0.6	0.3	-56.9%	1.0%	0.7	0.7	0.7	30.3%	0.4%
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	133.6	144.9	147.4	150.7	4.1%	100.0%	164.2	171.9	182.4	6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	36.6%	39.7%	38.8%	37.5%	-	-	39.0%	38.9%	38.7%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Content Processing and Dissemination**Programme purpose**

Provide strategic leadership in government communication to ensure coherence, coordination, consistency, quality, impact and responsiveness.

Objectives

- Provide strategic leadership and support in government communications by conducting research on public opinion and analysis of media coverage to understand the communications environment and inform government messages over the medium term.
- Grow the share of government's voice and messages in the public domain by producing government's communications products and services over the medium term.
- Improve the dissemination of information by providing effective and efficient marketing and distribution services, cost effective media bulk buying services, and media products and services for government on an ongoing basis.
- Maintain a positive image of government through the management of government's corporate identity by conducting identity workshops per year over the medium term.

Subprogrammes

- *Programme Management for Content Processing and Dissemination* coordinates strategic planning for communications in the department and other government departments, and ensures adherence to government communications standards.
- *Policy and Research* conducts research through independent service providers to assess how government

should address the public's information needs; monitors media coverage of issues affecting government and the country; provides analyses on how the media interprets government policies and programmes; formulates policy proposals where they are required; and assesses public perceptions in relation to government performance.

- *Products and Platforms* develops content for the department; provides language services for products that require translation, editing and proofreading; manages the development of the websites of national and provincial government departments; produces government publications; and develops the national communications strategy.
- *Communications Service Agency* provides media bulk buying services and media production services to all spheres of government; develops distribution strategies for all government communications; oversees the outsourcing of distribution services to service providers; manages government's corporate identity; and provides marketing services for the department and other government departments.

Expenditure trends and estimates

Table 3.22 Content Processing and Dissemination expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Programme Management for Content Processing and Dissemination	3.4	3.0	2.8	3.6	2.3%	2.4%	3.8	4.1	4.4	6.4%	2.6%
Policy and Research	29.8	29.6	31.5	35.0	5.5%	23.2%	36.3	38.3	41.1	5.4%	25.0%
Products and Platforms	49.0	42.4	44.4	50.7	1.1%	34.4%	50.5	52.5	56.6	3.7%	34.8%
Communication Service Agency	55.1	51.9	56.1	54.2	-0.6%	40.0%	54.4	57.6	60.9	4.0%	37.6%
Total	137.3	126.9	134.8	143.6	1.5%	100.0%	145.0	152.5	162.9	4.3%	100.0%
Change to 2017 Budget estimate				3.2			(4.3)	(7.3)	(7.5)		
Economic classification											
Current payments	134.9	126.0	134.0	143.1	2.0%	99.1%	143.6	151.6	162.0	4.2%	99.4%
Compensation of employees	62.4	70.4	77.6	79.3	8.3%	53.4%	86.8	93.5	100.8	8.3%	59.7%
Goods and services ¹	72.4	55.6	56.4	63.8	-4.2%	45.7%	56.8	58.0	61.2	-1.4%	39.7%
of which:											
Advertising	5.5	3.8	1.8	3.8	-11.9%	2.8%	2.2	2.1	2.0	-19.4%	1.7%
Communication	5.7	3.5	2.7	2.4	-25.0%	2.6%	2.7	2.7	2.7	4.3%	1.7%
Computer services	6.9	3.1	3.5	2.9	-25.0%	3.0%	3.8	4.0	4.3	13.8%	2.5%
Agency and support/outsourced services	6.3	3.4	4.7	6.5	1.4%	3.8%	5.8	6.3	6.6	0.6%	4.2%
Travel and subsistence	8.9	9.5	7.7	8.2	-2.6%	6.3%	7.9	8.1	8.4	0.9%	5.4%
Operating payments	31.1	26.7	33.1	34.9	3.9%	23.2%	31.2	32.3	33.9	-0.9%	21.9%
Transfers and subsidies ¹	0.1	0.6	0.1	0.1	1.1%	0.2%	-	-	-	-100.0%	-
Households	0.1	0.6	0.1	0.1	1.1%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	2.4	0.2	0.5	0.4	-44.4%	0.7%	1.4	0.9	0.9	31.7%	0.6%
Machinery and equipment	2.4	0.2	0.5	0.4	-44.4%	0.6%	1.4	0.9	0.9	31.6%	0.6%
Software and other intangible assets	-	-	0.1	(0.0)	-	-	-	-	-	-100.0%	-
Payments for financial assets	0.0	0.0	0.3	-	-100.0%	0.1%	-	-	-	-	-
Total	137.3	126.9	134.8	143.6	1.5%	100.0%	145.0	152.5	162.9	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	37.6%	34.7%	35.5%	35.8%	-	-	34.5%	34.5%	34.6%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Intergovernmental Coordination and Stakeholder Management

Programme purpose

Implement development communication through mediated and unmediated communication channels, and foster sound stakeholder relations and partnerships.

Objectives

- Improve interdepartmental coordination to ensure that all government messages are coherent and aligned by jointly planning and sharing communications messages across the three spheres of government over the medium term.
- Ensure an informed and empowered citizenry on government's policies, plans, programmes and achievements; and increase public participation in government's activities through engaging with stakeholders over the medium term.
- Implement a proactive and reactive media engagement system by building, maintaining and improving relations with the media, and driving government's communications agenda over the medium term.

Subprogrammes

- *Programme Management for Intergovernmental Coordination and Stakeholder Management* ensures a well functioning communication system that proactively informs and engages the public, and manages and oversees roles regarding the implementation of development communication. It does this by building sound stakeholder relations and partnerships, and ensuring that the public is informed about government policies and programmes.
- *Provincial and Local Liaison* ensures that the national communications strategy framework is aligned with provincial and local communications strategies, procures time on media channels and platforms to promote government messages to the public at the local government level, promotes the Thusong service centres to the public, and coordinates the imbizo programme of government.
- *Media Engagement* leads and drives interaction and communication between government and the media; ensures effective liaison between ministers and the media; manages ongoing media liaison services to government by providing government information; establishes, strengthens and maintains relationships with foreign and independent media; and establishes relations with South African missions with the view of disseminating government information and key targeted messages.
- *Cluster Supervision (Human Development, Social Protection and Governance and Administration)* provides strategic cluster communications advice and support to national departments and leadership on key cluster communications issues and campaigns; and coordinates Cabinet cluster communications and the development of the government communications programme. This subprogramme also develops communications strategies and key messages for the campaigns of the departments in these clusters.
- *Cluster Supervision (Economic and Infrastructure, Justice and International)* provides strategic cluster communications advice and support to national departments and leadership on key cluster communications issues and campaigns; and coordinates Cabinet cluster communications and the development of the government communications programme. This subprogramme also develops communications strategies and key messages for the campaigns of the departments in these clusters.

Expenditure trends and estimates

Table 3.23 Intergovernmental Coordination and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average: Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
R million											
Programme Management for Intergovernmental Coordination and Stakeholder Management	2.7	2.9	2.0	2.1	-7.2%	2.4%	3.0	3.2	3.5	17.9%	2.5%
Provincial and Local Liaison	70.0	68.0	70.1	76.3	2.9%	72.5%	78.6	81.8	87.8	4.8%	70.3%
Media Engagement	12.8	13.2	12.2	12.4	-1.2%	12.9%	13.3	14.6	15.8	8.4%	12.2%
Cluster Supervision (Human Development, Social Protection and Governance and Administration)	4.6	5.5	6.6	8.7	23.9%	6.5%	8.7	9.3	10.0	4.9%	7.9%
Cluster Supervision (Economic and Infrastructure, Justice and International)	3.8	3.9	7.1	7.7	26.6%	5.7%	7.8	8.4	9.0	5.3%	7.1%
Total	93.9	93.5	97.9	107.2	4.5%	100.0%	111.3	117.3	126.1	5.6%	100.0%
Change to 2017 Budget estimate				(2.9)			(7.2)	(10.2)	(10.6)		

Table 3.23 Intergovernmental Coordination and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	93.2	92.8	96.6	106.7	4.6%	99.2%	110.2	116.7	125.5	5.6%	99.4%
Current payments											
Compensation of employees	68.3	72.6	78.7	85.4	7.8%	77.7%	92.7	100.0	107.7	8.0%	83.5%
Goods and services ¹	24.9	20.2	17.9	21.2	-5.2%	21.5%	17.5	16.7	17.7	-5.8%	15.8%
<i>of which:</i>											
Advertising	1.7	0.8	0.6	1.2	-11.3%	1.1%	1.0	1.1	1.1	-1.5%	0.9%
Communication	4.9	4.9	4.4	5.1	0.8%	4.9%	4.1	4.4	4.5	-3.6%	3.9%
Consumables: Stationery, printing and office supplies	0.7	0.8	0.5	0.9	9.8%	0.7%	0.8	0.9	1.0	0.8%	0.8%
Operating leases	0.5	0.6	0.5	0.7	16.9%	0.6%	0.8	0.9	0.9	8.0%	0.7%
Travel and subsistence	8.4	7.9	7.7	7.8	-2.6%	8.1%	7.0	5.7	6.1	-8.1%	5.7%
Operating payments	2.1	1.2	0.7	1.3	-15.5%	1.3%	1.2	1.2	1.3	1.2%	1.1%
Transfers and subsidies¹	0.0	0.3	0.9	0.1	20.6%	0.3%	0.0	0.0	0.0	-43.8%	-
Households	0.0	0.3	0.9	0.1	17.8%	0.3%	-	-	-	-100.0%	-
Payments for capital assets	0.7	0.3	0.5	0.5	-11.5%	0.5%	1.1	0.6	0.6	8.1%	0.6%
Machinery and equipment	0.7	0.3	0.5	0.5	-11.5%	0.5%	1.1	0.6	0.6	8.1%	0.6%
Payments for financial assets	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Total	93.9	93.5	97.9	107.2	4.5%	100.0%	111	117	126	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	25.7%	25.6%	25.8%	26.7%	-	-	26.5%	26.6%	26.7%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

Independent Communications Authority of South Africa

Mandate

The Independent Communications Authority of South Africa was established by the Independent Communications Authority of South Africa Act (2000) to regulate the South African communications, broadcasting and postal services sectors. The regulator's mandate is defined in the Electronic Communications Act (2005) as licensing and regulating electronic communications and broadcasting services, and in the Postal Services Act (1998) as regulating the postal services sector. Enabling legislation also empowers the regulator to monitor licensee compliance with licence terms and conditions, develop regulations for the three sectors, plan and manage the radio frequency spectrum, and protect consumers in relation to these services.

Selected performance indicators

Table 3.24 Independent Communications Authority of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Access to high demand spectrum from 566.695MHz to 890.305MHz per year ¹	Licensing		566.695MHz	566.695MHz	810MHz	850.305MHz	890.305MHz	890.305MHz	890.305MHz
Number of electronic communication services per year	Licensing		77	475	515	545	595	595	595
Number of new spectrum licences issued per year	Licensing	Outcome 14: Nation building and social cohesion	2 972	5 022	7 072	9 172	12 272	12 272	12 272
Number of community television licences issued per year	Licensing		- ²	5	11	11	27	27	27
Number of community radio broadcasters per year	Licensing		40	279	279	285	- ³	- ³	- ³

¹ This section has been compiled with the latest available information from the entities concerned.

Table 3.24 Independent Communications Authority of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of channel authorisations per year	Licensing	Outcome 14: Nation building and social cohesion	12	633	673	650	-3	-3	-3
Number of electronic communications network services per year	Licensing		75	546	596	636	-3	-3	-3
Percentage of consumer complaints resolved per year	Compliance and consumer affairs		-2	91% (4 095/ 4 500)	92% (4 324/ 4 700)	85%	85%	85%	85%
Number of broadcasting licensees monitored per year	Compliance and consumer affairs		-2	64	69	50	50	50	50
Number of economic communications network service licensees monitored per year	Compliance and consumer affairs		-2	55	94	50	50	50	50
Number of high site investigations conducted per year	Regions		-2	1 220	1 748	1 250	1 300	1 350	1 400

1. Old indicator selected for publication in the Estimates of National Expenditure.

2. No historical data available.

3. Indicator discontinued.

Expenditure analysis

The NDP recognises the need for universal access to and the availability of a wide range of services at a cost and quality at least equal to South Africa's main peers and competitors. Over the medium term, the Independent Communications Authority of South Africa will focus on increasing access to wireless broadband services to meet the demand for them; protecting consumers against harmful practices employed by operators in the use of premium rated services; increasing competition in the telecommunications and broadcasting sector; and developing a framework for dynamic spectrum management. The authority contributes to outcome 14 (nation building and social cohesion), and indirectly to outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 12 (an efficient, effective and development oriented public service), of government's 2014-2019 medium-term strategic framework.

The authority plans to increase competition in the telecommunications and broadcast sector by regulating the industry and making sure that all licensees have equal opportunities. The authority plans to protect consumers against harmful practices employed by operators in the use of premium rated services by reviewing the number of portability regulations in the telecommunications sector. In the commercial broadcasting sector, the authority is set to license the multiplex 3 frequency spectrum and free to air television services. These activities are budgeted for in the licensing programme with an allocation of R168.3 million over the medium term. To promote competition in the sector, the authority seeks to increase access of the high demand spectrum from the current 566.695MHz to 890.305MHz by 2020/21. Access to spectrum will enable the authority to rollout wireless broadband infrastructure by licences.

To meet the demand for wireless broadband services, the authority is set to increase mobile network coverage by 15 per cent and extend network traffic measurements to include data as well as voice calls. The authority also plans to obtain inputs from the 5G Forum global network, and update the national radio frequency plan and radio frequency migration strategy. A projected R58.5 million is allocated in the engineering and technology programme over the medium term to facilitate effective competition in the ICT sector by 2020/21.

The number of personnel in the authority is expected to increase from 328 in 2017/18 to 356 in 2020/21. Additional personnel will provide support to broadcasting licensees in Limpopo, Northern Cape and North West, and will assist in implementing the broadcasting programmes of the authority. Spending on compensation of employees accounts for 64.6 per cent of the authority's total budget of R1.5 billion over the medium term, and is set to increase from R285.2 million in 2017/18 to R335.4 million in 2020/21, at an average annual rate of 5.6 per cent.

The authority expects to derive 93.9 per cent of its revenue over the medium term through transfers from the department and 6.1 per cent from licence fees. Revenue is expected to increase from R457.4 million in 2017/18 to R518.4 million in 2020/21, at an average annual rate of 4.3 per cent.

Programmes/Objectives/Activities

Table 3.25 Independent Communications Authority of South Africa expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
Administration	212 854	294 984	325 347	271 315	8.4%	67.5%	274 994	282 812	298 367	3.2%	58.6%
Licensing	38 629	42 673	48 094	50 180	9.1%	11.0%	53 090	56 063	59 146	5.6%	11.3%
Engineering and technology	45 690	11 823	27 898	19 464	-24.8%	6.6%	17 281	18 249	22 942	5.6%	4.0%
Policy research and analysis	33 219	15 412	15 844	22 799	-11.8%	5.5%	17 819	18 817	26 873	5.6%	4.5%
Compliance and consumer affairs	22 476	19 973	24 677	23 727	1.8%	5.6%	27 753	29 307	27 967	5.6%	5.6%
Regions	–	–	–	70 535	–	3.8%	74 626	78 805	83 139	5.6%	15.9%
Total	352 868	384 865	441 860	458 020	9.1%	100.0%	465 563	484 053	518 434	4.2%	100.0%

Statements of historical financial performance and position

Table 3.26 Independent Communications Authority of South Africa statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average Outcome/Budget (%)
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2014/15 - 2017/18
Revenue									
Non-tax revenue	5 512	14 367	10 000	22 084	11 000	24 393	11 000	27 000	234.2%
Other non-tax revenue	5 512	14 367	10 000	22 084	11 000	24 393	11 000	27 000	234.2%
Transfers received	376 221	386 672	393 619	418 816	414 481	443 898	430 383	430 383	104.0%
Total revenue	381 733	401 039	403 619	440 900	425 481	468 291	441 383	457 383	107.0%
Expenses									
Current expenses	384 103	352 868	392 262	384 865	414 490	441 860	440 188	458 020	100.4%
Compensation of employees	232 007	235 959	253 685	221 569	242 288	254 668	257 310	285 185	101.2%
Goods and services	133 314	101 752	120 577	147 788	155 685	169 778	165 337	154 651	99.8%
Depreciation	18 782	15 157	18 000	15 503	16 517	17 251	17 541	18 184	93.3%
Interest, dividends and rent on land	–	–	–	5	–	163	–	–	–
Total expenses	384 103	352 868	392 262	384 865	414 490	441 860	440 188	458 020	100.4%
Surplus/(Deficit)	(2 370)	48 171	11 357	56 035	10 991	26 431	1 195	(637)	
Statement of financial position									
Carrying value of assets	208 000	109 335	203 000	120 893	197 300	141 387	209 138	171 760	66.5%
<i>of which:</i>									
Acquisition of assets	(31 412)	(25 865)	(9 300)	(28 203)	(9 839)	(40 617)	(10 410)	(32 997)	209.4%
Inventory	530	492	550	580	560	490	594	509	92.7%
Receivables and prepayments	8 100	754 742	8 300	756 005	8 600	822 375	9 116	853 625	9 340.9%
Cash and cash equivalents	23 000	574 602	23 500	711 180	23 500	754 960	24 910	783 648	2 975.9%
Total assets	239 630	1 439 171	235 350	1 588 658	229 960	1 719 212	243 758	1 809 542	691.1%
Accumulated surplus/(deficit)	207 006	227 445	198 900	282 495	190 560	301 675	201 994	313 139	140.9%
Capital reserve fund	–	93 309	–	–	–	–	–	–	–
Finance lease	324	324	2 250	1 048	1 400	2 244	1 484	2 329	108.9%
Trade and other payables	4 000	24 436	4 500	1 287 510	5 000	1 395 600	5 300	1 473 633	22 240.3%
Provisions	28 300	2 582	29 700	17 605	33 000	19 693	34 980	20 441	47.9%
Managed funds (e.g. poverty alleviation fund)	–	1 091 075	–	–	–	–	–	–	–
Total equity and liabilities	239 630	1 439 171	235 350	1 588 658	229 960	1 719 212	243 758	1 809 542	691.1%

Statements of estimates of financial performance and position

Table 3.27 Independent Communications Authority of South Africa statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average Expenditure/Total (%)	
	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21		
Revenue									
Non-tax revenue	27 000	23.4%	4.9%	28 566	30 166	31 825	5.6%	6.1%	
Other non-tax revenue	27 000	23.4%	4.9%	28 566	30 166	31 825	5.6%	6.1%	
Transfers received	430 383	3.6%	95.1%	443 961	461 241	486 609	4.2%	93.9%	
Total revenue	457 383	4.5%	100.0%	472 527	491 407	518 434	4.3%	100.0%	
Expenses									
Current expenses	458 020	9.1%	100.0%	465 563	484 053	518 434	4.2%	100.0%	
Compensation of employees	285 185	6.5%	61.1%	298 704	314 055	335 397	5.6%	64.0%	
Goods and services	154 651	15.0%	34.9%	147 621	149 682	161 604	1.5%	31.9%	
Depreciation	18 184	6.3%	4.0%	19 238	20 316	21 433	5.6%	4.1%	
Total expenses	458 020	9.1%	100.0%	465 563	484 053	518 434	4.2%	100.0%	
Surplus/(Deficit)	(637)			6 964	7 354	–			

Table 3.27 Independent Communications Authority of South Africa statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R thousand								
Carrying value of assets	171 760	16.2%	8.2%	181 722	166 898	176 078	0.8%	8.9%
of which:								
Acquisition of assets	(32 997)	8.5%	-1.9%	(33 645)	(11 631)	(12 270)	-28.1%	-1.2%
Inventory	509	1.1%	0.0%	538	568	600	5.6%	0.0%
Receivables and prepayments	853 625	4.2%	48.8%	903 136	953 711	1 006 165	5.6%	47.5%
Cash and cash equivalents	783 648	10.9%	43.0%	829 100	875 530	923 684	5.6%	43.6%
Total assets	1 809 542	7.9%	100.0%	1 914 495	1 996 707	2 106 526	5.2%	100.0%
Accumulated surplus/(deficit)	313 139	11.2%	17.1%	331 301	349 854	369 095	5.6%	17.4%
Finance lease	2 329	93.0%	0.1%	2 464	2 602	2 746	5.6%	0.1%
Trade and other payables	1 473 633	292.2%	61.3%	1 559 104	1 621 413	1 710 591	5.1%	81.3%
Provisions	20 441	99.3%	0.9%	21 627	22 838	24 094	5.6%	1.1%
Total equity and liabilities	1 809 542	7.9%	100.0%	1 914 495	1 996 707	2 106 526	5.2%	100.0%

Personnel information

Table 3.28 Independent Communications Authority of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21												
The Independent Communications Authority of South Africa		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost				
Salary level	356	356	327	254.7	0.8	328	285.2	0.9	355	298.7	0.8	356	314.1	0.9	356	335.4	0.9	5.6%	100.0%
1 – 6	1	1	–	–	–	–	–	–	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	–	0.2%
7 – 10	206	206	187	101.7	0.5	193	113.9	0.6	206	116.7	0.6	206	123.2	0.6	206	131.4	0.6	4.9%	58.1%
11 – 12	74	74	71	58.2	0.8	66	65.2	1.0	73	69.9	1.0	74	73.4	1.0	74	78.6	1.1	6.4%	20.6%
13 – 16	74	74	68	92.3	1.4	68	103.4	1.5	74	109.1	1.5	74	114.4	1.5	74	122.2	1.7	5.7%	20.8%
17 – 22	1	1	1	2.5	2.5	1	2.8	2.8	1	2.7	2.7	1	2.9	2.9	1	3.0	3.0	2.8%	0.3%

1. Rand million.

South African Broadcasting Corporation

Mandate

The South African Broadcasting Corporation is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). Its mandate is set out in its charter and in the Broadcasting Act (1999), and requires it to provide radio and television broadcasting services to South Africa.

Selected performance indicators

Table 3.29 South African Broadcasting Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of television audience share achieved per year	Local content delivery: Television	Outcome 12: An efficient, effective and development oriented public service	51%	52%	50%	50%	50%	50%	50%
Percentage of radio share achieved per year	Local content delivery: Radio		69%	70%	70%	70%	70%	70%	70%
Number of new/additional programmes broadcast with sign language per year	Local content delivery: Television		2	3	3	3	3	4	4
Number of companies controlled/owned by people with disabilities from which content was procured per year	Local content delivery: Television		3	3	2	3	3	3	3
Number of provincial programmes and inserts broadcast per year	Local content delivery: Television		26	26	100	200 ¹	200	200	200

1. More provincial programmes were broadcast than anticipated, hence the 100 per cent increase from the current plan.

Expenditure analysis

Over the medium term, the South African Broadcasting Corporation will focus on improving the quality, diversity and accessibility of content, and embracing diversity by acquiring and/or producing content from various demographic groups. The corporation contributes towards the NDP's vision of developing South Africa

into an informed and literate nation. Its work is aligned with outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework.

The corporation plans to facilitate diverse programming by producing content that represents all demographic groups within the country, as well as content in marginalised languages. The corporation projects to spend R184.1 million over the MTEF period in the administration programme on producing multilingual broadcasts on Channel Africa in Southern Africa, East Africa and West Africa. An estimated R412 million will be spent over the medium term to produce educational programmes on all channels.

Over the medium term, the corporation will continue to improve the quality, diversity and accessibility of content by producing news and current affairs content, and acquiring television and radio programmes. An estimated R7.9 billion is allocated over the MTEF period in the local content delivery: television programme for this. The corporation plans to spend a further R1.8 billion in the sports programme over the same period to broadcast all sporting codes of national interest, and buy film and sports rights for the 2019 rugby and cricket world cups.

As at 31 October 2017, the corporation had 3 588 filled posts and 129 vacant posts, which are expected to be filled by 2020/21. Spending on compensation of employees accounts for 39.8 per cent (R9.5 billion) of the corporation's total budget of R23.9 billion over the medium term.

The corporation expects to generate 97.2 per cent of its revenue over the medium term from licence fees, commercial revenue from advertising, and sport sponsorship across television, radio and online platforms. Revenue is expected to increase from R7.6 billion in 2017/18 to R8.5 billion in 2020/21, at an average annual rate of 3.8 per cent. Investment in capital expenditure on broadcasting infrastructure, such as production studios and outside broadcast equipment, will be reduced from R407 million to an estimated R350 million over the MTEF period to ensure that the corporation maintains its financial sustainability.

Programmes/Objectives/Activities

Table 3.30 South African Broadcasting Corporation expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	1 285.0	1 845.3	1 900.0	1 740.9	10.7%	21.0%	1 751.0	1 809.0	1 955.3	3.9%	23.2%
Local content delivery:	2 604.4	2 729.3	3 042.0	2 488.3	-1.5%	33.7%	2 539.8	2 596.9	2 804.8	4.1%	33.3%
Television											
Local content delivery: Radio	990.5	1 098.2	1 141.3	893.0	-3.4%	12.8%	944.8	973.1	1 051.0	5.6%	12.3%
Universal access transmitter rollout news	804.0	875.8	818.9	766.5	-1.6%	10.2%	781.3	805.2	869.8	4.3%	10.3%
Sports of national interest and mandate	811.8	885.4	857.8	565.3	-11.4%	9.6%	570.1	582.6	629.2	3.6%	7.5%
Digital terrestrial migration and technology	1 009.1	1 135.7	954.1	988.8	-0.7%	12.7%	999.2	1 054.8	1 142.2	4.9%	13.4%
Total	7 504.8	8 569.7	8 714.1	7 442.8	-0.3%	100.0%	7 586.3	7 821.6	8 452.3	4.3%	100.0%

Statements of historical financial performance and position

Table 3.31 South African Broadcasting Corporation statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget Revised estimate estimate		Average Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	7 023.1	7 438.8	8 266.5	7 945.9	9 032.4	7 560.2	9 869.3	7 358.0	88.6%
Sale of goods and services other than capital assets	6 969.2	6 873.1	7 341.6	7 287.8	8 317.8	7 103.7	9 088.1	6 887.2	88.8%
of which:									
Administrative fees	1 106.7	986.2	1 040.7	986.4	1 147.0	915.1	1 208.9	1 055.0	87.5%
Sales by market establishment	5 862.5	5 886.8	6 300.8	6 301.4	7 170.8	6 188.6	7 879.1	5 832.2	89.0%
Other non-tax revenue	53.9	565.8	924.9	658.2	714.7	456.5	781.3	470.8	86.9%
Transfers received	744.4	203.9	194.7	212.1	233.0	253.5	180.4	233.4	66.8%
Total revenue	7 767.5	7 642.7	8 461.1	8 158.1	9 265.5	7 737.3	10 049.7	7 591.3	87.6%

Table 3.31 South African Broadcasting Corporation statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Expenses									
Current expenses	7 806.5	7 916.7	8 367.8	8 724.2	9 255.7	8 714.1	9 878.2	7 440.8	92.9%
Compensation of employees	2 320.6	2 928.4	2 676.0	3 264.8	2 999.8	3 169.4	3 210.2	2 983.9	110.2%
Goods and services	5 145.8	4 742.2	5 407.0	5 203.6	6 005.3	5 364.4	6 411.6	4 178.2	84.8%
Depreciation	325.0	211.1	270.1	201.6	237.5	172.5	251.7	233.3	75.5%
Interest, dividends and rent on land	15.2	35.1	14.6	54.2	13.1	7.9	4.6	45.5	300.2%
Transfers and subsidies	57.8	-	74.2	7.9	6.4	6.4	7.0	2.0	11.2%
Total expenses	7 864.3	7 504.8	8 442.0	8 569.7	9 262.1	8 714.1	9 885.2	7 442.8	90.9%
Surplus/(Deficit)	(97.0)	138.0	19.0	(412.0)	3.0	(977.0)	164.0	149.0	
Statement of financial position									
Carrying value of assets	1 242.4	1 609.8	1 489.3	1 694.5	1 812.2	1 782.5	1 965.3	1 873.8	106.9%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(350.0)</i>	<i>(190.7)</i>	<i>(650.2)</i>	<i>(323.9)</i>	<i>(432.2)</i>	<i>(313.5)</i>	<i>(450.0)</i>	<i>(240.0)</i>	<i>56.7%</i>
Investments	896.8	36.2	156.9	11.1	158.7	9.7	175.1	10.9	4.9%
Inventory	677.0	696.1	652.7	761.8	786.2	773.8	866.7	841.5	103.0%
Receivables and prepayments	1 055.8	1 290.8	1 599.9	1 248.9	1 476.9	865.3	1 620.5	894.0	74.7%
Cash and cash equivalents	20.0	1 014.2	1 200.7	874.7	900.0	81.7	895.6	0.0	65.3%
Defined benefit plan assets	-	75.4	-	805.4	-	1 333.7	-	1 600.5	-
Taxation	-	266.3	-	113.9	-	-	-	-	-
Derivatives financial instruments	6.8	11.2	8.2	9.8	13.8	-	15.3	-	47.6%
Total assets	3 898.9	5 000.1	5 107.7	5 520.1	5 148.0	4 846.7	5 538.5	5 220.7	104.5%
Accumulated surplus/(deficit)	1 206.4	2 011.5	1 962.0	2 448.5	2 001.3	2 139.4	2 051.1	2 287.9	123.1%
Capital and reserves	5.8	9.4	7.0	8.3	11.8	8.1	13.3	10.2	95.0%
Capital reserve fund	326.7	461.3	341.5	400.3	270.7	328.6	237.0	368.2	132.5%
Borrowings	-	-	-	2.6	32.2	-	52.2	330.2	394.8%
Finance lease	0.2	22.6	-	0.7	-	56.5	-	43.3	54 980.9%
Deferred income	115.4	93.0	204.1	49.1	106.0	56.3	116.9	103.0	55.6%
Trade and other payables	899.6	601.0	1 134.5	852.8	737.3	685.1	793.0	768.0	81.6%
Taxation	-	282.1	-	281.4	-	19.8	-	(112.8)	-
Provisions	1 317.2	1 491.7	257.3	1 449.0	1 961.3	1 525.5	2 247.6	1 402.0	101.5%
Managed funds (e.g. poverty alleviation fund)	-	-	1 173.9	-	-	-	-	-	-
Derivatives financial instruments	27.6	27.4	27.4	27.4	27.4	27.4	27.4	20.8	93.8%
Total equity and liabilities	3 898.9	5 000.1	5 107.7	5 520.1	5 148.0	4 846.7	5 538.5	5 220.7	104.5%

Statements of estimates of financial performance and position**Table 3.32 South African Broadcasting Corporation statements of estimates of financial performance and position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Revenue									
Non-tax revenue	7 358.0	-0.4%	97.3%	7 638.1	7 931.6	8 287.8	4.0%	97.4%	
Sale of goods and services other than capital assets	6 887.2	0.1%	90.4%	7 143.5	7 412.1	7 742.3	4.0%	91.1%	
<i>of which:</i>									
<i>Administrative fees</i>	<i>1 055.0</i>	<i>2.3%</i>	<i>12.7%</i>	<i>1 072.9</i>	<i>1 091.2</i>	<i>1 105.4</i>	<i>1.6%</i>	<i>13.5%</i>	
<i>Sales by market establishment</i>	<i>5 832.2</i>	<i>-0.3%</i>	<i>77.8%</i>	<i>6 070.6</i>	<i>6 320.9</i>	<i>6 636.9</i>	<i>4.4%</i>	<i>77.6%</i>	
Other non-tax revenue	470.8	-5.9%	6.9%	494.5	519.5	545.5	5.0%	6.3%	
Transfers received	233.4	4.6%	2.9%	187.4	199.0	210.0	-3.5%	2.6%	
Total revenue	7 591.3	-0.2%	100.0%	7 825.5	8 130.6	8 497.7	3.8%	100.0%	
Expenses									
Current expenses	7 440.8	-2.0%	101.8%	7 586.3	7 821.6	8 452.3	4.3%	100.0%	
Compensation of employees	2 983.9	0.6%	38.4%	3 013.9	3 099.9	3 347.9	3.9%	39.8%	
Goods and services	4 178.2	-4.1%	60.4%	4 373.3	4 471.4	4 829.1	4.9%	57.0%	
Depreciation	233.3	3.4%	2.6%	199.1	250.2	275.2	5.7%	3.1%	
Interest, dividends and rent on land	45.5	9.1%	0.5%	-	-	-	-100.0%	0.2%	
Transfers and subsidies	2.0	-	0.0%	-	-	-	-100.0%	0.0%	
Total expenses	7 442.8	-0.3%	100.0%	7 586.3	7 821.6	8 452.3	4.3%	100.0%	
Surplus/(Deficit)	149.0			239.0	309.0	45.0			

Table 3.32 South African Broadcasting Corporation statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Carrying value of assets of which:	1 873.8	5.2%	33.9%	1 920.6	1 899.4	2 024.2	2.6%	34.9%
Acquisition of assets	(240.0)	8.0%	-5.2%	(350.0)	(350.0)	(400.0)	18.6%	-6.0%
Investments	10.9	-33.0%	0.3%	12.1	13.4	14.8	10.7%	0.2%
Inventory	841.5	6.5%	15.0%	930.4	980.0	950.5	4.1%	16.7%
Receivables and prepayments	894.0	-11.5%	20.9%	936.2	989.6	1 027.4	4.7%	17.4%
Cash and cash equivalents	0.0	-96.4%	9.5%	(1.5)	321.4	439.1	1 991.2%	3.3%
Defined benefit plan assets	1 600.5	176.8%	18.6%	1 490.5	1 490.5	1 490.5	-2.3%	27.5%
Total assets	5 220.7	1.5%	100.0%	5 288.4	5 694.4	5 946.5	4.4%	100.0%
Accumulated surplus/(deficit)	2 287.9	4.4%	43.1%	2 527.1	2 836.1	2 881.5	8.0%	47.5%
Capital and reserves	10.2	2.6%	0.2%	11.3	12.5	13.9	11.0%	0.2%
Capital reserve fund	368.2	-7.2%	7.6%	307.1	317.3	317.3	-4.8%	5.9%
Borrowings	330.2	—	1.6%	69.2	—	—	-100.0%	1.9%
Finance lease	43.3	24.2%	0.6%	30.1	16.8	3.9	-55.2%	0.4%
Deferred income	103.0	3.4%	1.5%	134.4	142.1	353.3	50.8%	3.2%
Trade and other payables	768.0	8.5%	14.1%	546.2	338.7	359.7	-22.3%	9.3%
Taxation	(112.8)	-173.7%	2.2%	57.8	113.8	—	-100.0%	0.2%
Provisions	1 402.0	-2.0%	28.6%	1 587.4	1 902.1	2 002.1	12.6%	31.0%
Derivatives financial instruments	20.8	-8.8%	0.5%	17.9	14.9	14.9	-10.5%	0.3%
Total equity and liabilities	5 220.7	1.5%	100.0%	5 288.4	5 694.4	5 946.5	4.4%	100.0%

Personnel information

Table 3.33 South African Broadcasting Corporation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate/level/Total (%)	Average Salary level/Total (%)				
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost	
South African Broadcasting Corporation Limited		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	3 717	3 717	3 752	3 169.4	0.8	3 599	2 983.9	0.8	3 599	3 013.9	0.8	3 599	3 099.9	0.9	3 599	3 347.9	0.9	3.9%	100.0%
1 – 6	81	81	82	12.0	0.1	81	11.2	0.1	81	11.9	0.1	81	12.6	0.2	81	13.4	0.2	6.0%	2.2%
7 – 10	2 440	2 440	2 463	2 057.4	0.8	2 323	1 947.1	0.8	2 323	1 914.9	0.8	2 323	1 934.9	0.8	2 323	2 113.0	0.9	2.8%	64.5%
11 – 12	899	899	907	684.4	0.8	897	638.2	0.7	897	676.5	0.8	897	717.1	0.8	897	760.1	0.8	6.0%	24.9%
13 – 16	282	282	284	363.9	1.3	284	339.3	1.2	284	359.6	1.3	284	381.2	1.3	284	404.1	1.4	6.0%	7.9%
17 – 22	15	15	15	51.6	3.4	14	48.1	3.5	14	51.0	3.7	14	54.1	3.9	14	57.3	4.2	6.0%	0.4%

1. Rand million.

Other entities

Comprehensive coverage of the following public entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- **Brand South Africa** develops and implements a proactive and coordinated international marketing and communications strategy for South Africa to contribute to job creation and poverty reduction; and to attract inward investment, trade and tourism. The organisation's total budget for 2018/19 is R200.4 million.
- **The Film and Publication Board** regulates and controls the creation, production, possession, exhibition and distribution of certain films, interactive computer games and publications in terms of the Films and Publications Act (1996). The board is also responsible for monitoring age restricted business premises for compliance with their licence and registration terms. The board's total budget for 2018/19 is R94.6 million.
- The **Media Development and Diversity Agency** promotes media development and diversity to ensure that all citizens can access information in a language of their choice; and to transform media access, ownership and control patterns in South Africa. The agency's total budget for 2018/19 is R66.9 million.

Vote 4

Cooperative Governance and Traditional Affairs

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	258.6	253.2	0.1	5.3	275.7	294.0
Regional and Urban Development and Legislative Support	103.5	42.6	60.9	–	109.7	116.3
Institutional Development	63 111.5	185.9	62 925.6	–	69 376.4	76 110.8
National Disaster Management Centre	592.2	95.6	494.2	2.5	570.3	602.6
Local Government Support and Intervention Management	15 716.2	86.0	15 630.1	–	16 181.0	17 072.3
Community Work Programme	3 869.9	2 869.1	1 000.8	–	4 084.1	4 311.6
Total expenditure estimates	83 651.9	3 532.4	80 111.8	7.8	90 597.3	98 507.6

Executive authority Minister of Cooperative Governance and Traditional Affairs

Accounting officer Director General of Cooperative Governance and Director General of Traditional Affairs

Website address www.cogta.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Improve cooperative governance across the three spheres of government, in partnership with institutions of traditional leadership, to ensure that provinces and municipalities carry out their service delivery and development functions effectively.

Mandate

The Department of Cooperative Governance is mandated to: develop and monitor the implementation of national policy and legislation aimed at transforming and strengthening key institutions and mechanisms of governance in national, provincial and local government to fulfil their developmental role; develop, promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation within government; and promote sustainable development by providing support to and exercising oversight of provincial and local government. This mandate is derived from the following legislation:

- the Intergovernmental Relations Framework Act (2005)
- the Municipal Property Rates Act (2004)
- the Municipal Systems Act (2000)
- the Municipal Structures Act (1998)
- the Disaster Management Act (2002).

Selected performance indicators

Table 4.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of secondary cities supported per year to improve spatial and economic planning by implementing the integrated urban development framework	Regional and Urban Development and Legislative Support	Outcome 9: Responsive, accountable, effective and efficient developmental local government	-1	-1	-1	10	15	25	30
Number of municipalities assessed and guided to comply with the rating criteria of the Municipal Property Rates Act (2004) per year	Institutional Development		40	-2	193	110	110	110	110
Number of municipalities where Back to Basics interventions are implemented per year	Local Government Support and Intervention Management		-1	-1	36	47	80	80	80
Percentage of spending by municipalities on the municipal infrastructure grant per year	Local Government Support and Intervention Management		89% (R13.1bn/ R14.7bn)	92% (R13.8bn/ R14.9bn)	90% (R13.4bn/ R14.9bn)	100% (R15.9bn)	100%	100%	100%
Total number of work opportunities provided through the community work programme	Community Work Programme		187 021	197 000	220 556	258 400	259 157	226 812	227 010

1. No historical data available.

2. The department increased the number of municipalities to be assisted to comply with the requirements of the Municipal Property Rates Act (2004) after the act was amended.

Expenditure analysis

Chapter 13 of the National Development Plan outlines a vision for building a capable and developmental state through interdepartmental coordination and strengthening local government. This vision is given expression by outcome 9 (responsive, accountable, effective and efficient local government system) of government's 2014-2019 medium-term strategic framework, with which the work of the Department of Cooperative Governance is closely aligned. Over the medium term, as part of implementing the Back to Basics strategy, the department intends focusing on providing sustainable basic services, improving access to basic services through municipal infrastructure, alleviating poverty through employment creation, and providing disaster relief.

The department has a total budget of R272.8 billion over the MTEF period. Of this, 94 per cent (R256.5 billion) is allocated for transfers and subsidies to provinces and municipalities, mainly for the local government equitable share and the municipal infrastructure grant. 3.8 per cent (R9.7 billion) of the department's total budget over the MTEF period is for goods and services, mainly for the payment of participants in the community work programme. The 22.4 per cent decrease in expenditure in the Regional and Urban Development and Legislative Support programme is due to the discontinuation of the municipal demarcation transition grant in 2017/18.

The department anticipates an increase in personnel over the medium term, from 493 in 2017/18 to 503 in 2020/21, to strengthen capacity in the Institutional Development and Community Work Programme programmes. As such, spending on compensation of employees is expected to increase at an average annual rate of 8.5 per cent, from R307.6 million in 2017/18 to R392.8 million in 2020/21.

Providing sustainable basic services

The department administers the local government equitable share to municipalities to fund core municipal functions, such as the operations and maintenance of infrastructure for basic services such as water and sanitation, electricity, refuse removal, and sports and recreation facilities. The local government equitable share constitutes 99.4 per cent (R207.3 billion) of the Institutional Development programme's total allocation over the MTEF period. Expenditure in the programme is expected to increase at an average annual rate of 11.0 per cent, from R57.3 billion in 2017/18 to R76.1 billion in 2020/21, due to an additional

allocation of R3.4 billion to the local government equitable share to cater for the increased bulk costs of providing basic services. This additional allocation will enable poor households to continue receiving free basic services such as water and sanitation, refuse removal, and electricity.

Improving access to basic services through municipal infrastructure

The department manages the municipal infrastructure grant, which allocates funds to local municipalities to deliver infrastructure and enable access to basic services. The grant accounts for a projected 97.1 per cent (R47.6 billion) of the Local Government Support and Intervention Management programme's allocation over the MTEF period. Despite budget reductions of R5.6 billion, as approved by Cabinet, which were effected on the municipal infrastructure grant over the medium term, the programme's expenditure is expected to increase from R15.9 billion in 2017/18 to R16.6 billion in 2020/21.

Since 2017/18, the department has taken a proactive approach to identify municipalities' shortcomings in spending funds from the municipal infrastructure grant. This has led to the strategic realignment of the grant to prioritise spending where there is capacity, while strengthening the capacity of struggling municipalities. The department plans to continue with this approach over the MTEF period, as well as provide technical support through the Municipal Infrastructure Support Agent, which receives transfers from the department amounting to R1.1 billion over the medium term. To eradicate bucket sanitation in formal areas, in 2018/19, Cabinet approved the reprioritisation of R220 million within the municipal infrastructure grant towards the bucket eradication programme.

Alleviating poverty through employment creation

The community work programme is intended to provide work opportunities on projects including food gardens, home-based care and auxiliary care for vulnerable individuals. The programme is funded through the department's Community Work Programme, which has a total budget of R12.3 billion to create an estimated 712 979 work opportunities over the MTEF period. An additional R196.5 million is allocated to the programme over the medium term to increase the number of participants. The anticipated decrease in spending on goods and services in the programme over the MTEF period is due to the restructuring of the programme's delivery model. As per the new model, non-profit institutions will receive transfers from the department to implement the non-wage component of the programme. As a result, transfers to non-profit institutions account for 22.6 per cent of all transfers, amounting to R3.6 billion over the medium term.

Providing disaster relief

In recent years, South Africa has experienced various natural disasters, ranging from floods to droughts, which the department is responsible for responding to. For this purpose, the department administers the disaster relief grant to provide for immediate relief as and when disasters occur. Allocations to the grant have increased significantly, from R118.1 million in 2016/17 to R423.7 million in 2017/18, and are expected to increase further at an average annual rate to 5.1 per cent over the medium term, to R492.4 million in 2020/21.

Expenditure trends

Table 4.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Regional and Urban Development and Legislative Support														
3. Institutional Development														
4. National Disaster Management Centre														
5. Local Government Support and Intervention Management														
6. Community Work Programme														
Programme	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	252.1	238.5	236.4	236.5	228.6	236.5	266.5	263.7	267.3	247.3	244.3	244.3	98.2%	101.0%
Programme 2	33.1	30.0	80.3	76.2	76.2	93.0	397.0	423.6	389.3	210.3	248.6	248.6	113.2%	104.2%
Programme 3	59 729.4	59 966.4	42 040.2	65 898.4	67 407.6	49 818.6	52 887.7	52 888.0	50 931.0	57 372.8	57 373.1	55 673.1	84.1%	83.5%
Programme 4	650.8	831.4	385.9	606.8	606.8	258.2	598.9	588.9	295.3	521.9	548.1	348.1	54.1%	50.0%
Programme 5	289.5	129.7	15 085.0	120.4	120.4	15 317.1	15 652.8	15 666.5	15 598.2	16 366.4	16 409.8	16 409.8	192.5%	193.1%
Programme 6	2 257.8	2 257.8	1 558.7	2 375.9	2 375.9	2 374.2	3 191.2	3 191.2	2 371.1	3 695.9	3 640.1	3 190.1	82.4%	82.8%
Total	63 212.7	63 453.9	59 386.5	69 314.2	70 815.5	68 097.5	72 994.0	73 021.9	69 852.2	78 414.5	78 463.9	76 113.9	96.3%	95.7%
Change to 2017 Budget estimate	49.4													
Economic classification														
Current payments	2 690.7	2 689.8	1 975.3	2 808.6	2 811.5	2 759.6	3 801.7	3 826.5	2 815.7	4 346.2	4 275.6	3 825.6	83.4%	83.6%
Compensation of employees	256.6	246.6	234.4	271.8	271.8	258.3	320.5	320.5	272.4	338.9	307.6	307.6	90.3%	93.6%
Goods and services	2 434.1	2 443.2	1 740.9	2 536.8	2 539.7	2 501.3	3 481.2	3 505.9	2 543.3	4 007.2	3 967.9	3 517.9	82.7%	82.7%
Transfers and subsidies	60 513.3	60 755.4	57 393.0	66 497.8	67 997.4	65 290.9	69 185.0	69 188.0	67 027.0	74 060.8	74 180.7	72 280.7	96.9%	96.3%
Provinces and municipalities	60 024.5	60 261.7	56 901.3	66 007.2	67 506.1	64 799.2	68 301.7	68 301.7	66 178.5	73 439.1	73 493.1	71 593.1	96.9%	96.3%
Departmental agencies and accounts	477.2	481.8	481.9	478.5	484.9	484.9	567.4	570.4	574.6	608.4	622.9	622.9	-	-
Foreign governments and international organisations	-	0.3	0.9	-	-	-	-	-	-	1.3	1.3	1.3	168.7%	140.2%
Non-profit institutions	11.7	11.7	8.6	12.1	6.3	6.3	6.6	6.6	9.1	12.1	18.0	18.0	99.0%	98.8%
Households	-	-	0.4	-	0.1	0.5	309.3	309.3	264.8	-	45.5	45.5	100.6%	87.7%
Payments for capital assets	8.7	8.7	17.9	7.8	6.5	46.1	7.3	7.3	9.3	7.5	7.5	7.5	257.9%	268.7%
Machinery and equipment	7.7	7.7	17.8	7.8	6.5	46.1	7.3	7.3	9.3	7.5	7.5	7.5	265.9%	277.5%
Heritage assets	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1.0	1.0	-	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	0.3	-	0.1	0.9	-	0.1	0.2	-	0.1	0.1	-	517.9%
Total	63 212.7	63 453.9	59 386.5	69 314.2	70 815.5	68 097.5	72 994.0	73 021.9	69 852.2	78 414.5	78 463.9	76 113.9	96.3%	95.7%

Expenditure estimates

Table 4.3 Vote expenditure estimates by programme and economic classification

Programmes													
1. Administration													
2. Regional and Urban Development and Legislative Support													
3. Institutional Development													
4. National Disaster Management Centre													
5. Local Government Support and Intervention Management													
6. Community Work Programme													
Programme	Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)					
R million	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21					
Programme 1	244.3	0.8%	0.4%	258.6	275.7	294.0	6.4%	0.3%					
Programme 2	248.6	102.3%	0.3%	103.5	109.7	116.3	-22.4%	0.2%					
Programme 3	55 673.1	-2.4%	72.6%	63 111.5	69 376.4	76 110.8	11.0%	75.8%					
Programme 4	348.1	-25.2%	0.5%	592.2	570.3	602.6	20.1%	0.6%					
Programme 5	16 409.8	402.0%	22.8%	15 716.2	16 181.0	17 072.3	1.3%	18.7%					
Programme 6	3 190.1	12.2%	3.5%	3 869.9	4 084.1	4 311.6	10.6%	4.4%					
Total	76 113.9	6.3%	100.0%	83 651.9	90 597.3	98 507.6	9.0%	100.0%					
Change to 2017 Budget estimate				(1 461.9)	(463.1)	(169.8)							

Table 4.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18
R million	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18
Current payments	3 825.6	12.5%	4.2%	3 532.4	3 589.4	3 662.0	-1.4%	4.2%
Compensation of employees	307.6	7.7%	0.4%	339.5	365.4	392.8	8.5%	0.4%
Goods and services	3 517.9	12.9%	3.8%	3 192.9	3 224.0	3 269.2	-2.4%	3.8%
Transfers and subsidies	72 280.7	6.0%	95.8%	80 111.8	86 999.7	94 837.0	9.5%	95.8%
Provinces and municipalities	71 593.1	5.9%	94.9%	78 513.8	85 173.7	92 775.0	9.0%	94.0%
Departmental agencies and accounts	622.9	8.9%	0.8%	582.4	610.5	645.6	1.2%	0.7%
Foreign governments and international organisations	1.3	70.2%	0.0%	1.9	2.0	2.2	18.9%	0.0%
Non-profit institutions	18.0	15.5%	0.0%	1 013.6	1 213.5	1 414.2	328.5%	1.0%
Households	45.5	-	0.1%	-	-	-	-100.0%	0.0%
Payments for capital assets	7.5	-4.8%	0.0%	7.8	8.2	8.6	4.8%	0.0%
Machinery and equipment	7.5	-0.9%	0.0%	7.8	8.2	8.6	4.8%	0.0%
Payments for financial assets	0.1	-	0.0%	-	-	-	-100.0%	0.0%
Total	76 113.9	6.3%	100.0%	83 651.9	90 597.3	98 507.6	9.0%	100.0%

Expenditure trends and estimates for significant spending items

Table 4.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18
Employment programmes	1 564 800	2 380 516	2 380 215	3 647 016	32.6%	3.6%	3 877 256	4 091 884	4 319 792	5.8%	4.6%
Municipal equitable share	41 592 070	49 366 507	50 708 988	57 012 141	11.1%	72.7%	62 731 845	68 973 465	75 683 326	9.9%	75.8%
Municipal infrastructure grant	14 745 445	14 955 762	14 914 028	15 891 252	2.5%	22.1%	15 287 685	15 733 731	16 599 086	1.5%	18.2%
Municipal disaster relief grant	35 532	-	118 075	300 281	103.7%	0.2%	370 597	335 488	353 940	5.6%	0.4%
Provincial disaster relief grant	85 951	35 588	-	123 432	12.8%	0.1%	123 591	130 904	138 489	3.9%	0.1%
Total	58 023 798	66 738 373	68 121 306	76 974 122	162.7%	98.7%	82 390 974	89 265 472	97 094 633	26.7%	99.1%

Goods and services expenditure trends and estimates

Table 4.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18
Administrative fees	6 019	11 949	11 580	7 386	7.1%	0.3%	8 491	9 496	10 028	10.7%	0.3%
Advertising	2 340	2 438	16 224	6 657	41.7%	0.3%	6 622	6 658	7 021	1.8%	0.2%
Minor assets	2 881	8 804	1 109	1 897	-13.0%	0.1%	2 013	2 139	2 259	6.0%	0.1%
Audit costs: External	6 872	6 678	7 622	12 170	21.0%	0.3%	14 199	15 429	16 278	10.2%	0.4%
Bursaries: Employees	937	1 086	845	3 703	58.1%	0.1%	2 013	2 126	2 243	-15.4%	0.1%
Catering: Departmental activities	3 119	5 198	3 292	12 405	58.4%	0.2%	13 385	14 142	14 919	6.3%	0.4%
Communication	6 632	11 671	4 661	9 312	12.0%	0.3%	14 232	13 009	13 781	14.0%	0.4%
Computer services	18 000	16 754	23 815	60 297	49.6%	1.1%	40 247	43 214	46 691	-8.2%	1.4%
Consultants: Business and advisory services	239 805	232 359	196 536	226 863	-1.8%	8.3%	249 521	264 222	277 711	7.0%	7.5%
Infrastructure and planning services	501	519	-	-	-100.0%	-	-	-	-	-	-
Legal services	6 156	3 850	-	3 918	-14.0%	0.1%	3 144	4 377	4 618	5.6%	0.1%
Science and technological services	-	-	4 429	-	-	-	-	-	-	-	-
Contractors	1 274 367	1 817 448	2 032 592	2 766 649	29.5%	73.4%	1 929 431	1 897 658	1 869 768	-12.2%	62.0%
Agency and support/outsourced services	871	5 784	7 946	1 429	17.9%	0.1%	1 577	1 665	1 757	7.1%	-
Entertainment	-	60	61	43	-	-	49	51	53	7.2%	-
Fleet services (including government motor transport)	1 952	225	2 814	1 684	-4.8%	0.1%	1 919	2 025	2 135	8.2%	0.1%
Inventory: Clothing material and accessories	22 154	-	-	-	-100.0%	0.2%	-	-	-	-	-
Inventory: Food and food supplies	-	10	-	11	-	-	12	13	14	8.4%	-
Inventory: Fuel, oil and gas	127	83	-	90	-10.8%	-	95	100	105	5.3%	-
Inventory: Learner and teacher support material	-	2	-	544	-	-	576	608	641	5.6%	-
Inventory: Materials and supplies	27 336	87 778	16 760	719 421	197.5%	7.9%	672 013	709 391	753 907	1.6%	20.9%
Inventory: Medical supplies	-	8	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	360	-	778	-	-	820	867	915	5.6%	-

Table 4.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Consumable supplies	4 552	121 851	73 776	3 885	-5.1%	1.9%	4 432	4 679	4 936	8.3%	0.1%
Consumables: Stationery, printing and office supplies	6 014	8 769	5 289	24 627	60.0%	0.4%	19 734	20 839	21 983	-3.7%	0.6%
Operating leases	4 711	6 670	39 910	3 023	-13.7%	0.5%	3 105	3 278	3 458	4.6%	0.1%
Rental and hiring	-	-	368	57	-	-	61	65	69	6.6%	-
Property payments	45 597	40 035	14 944	44 958	-0.5%	1.4%	46 595	49 204	51 911	4.9%	1.4%
Transport provided: Departmental activity	-	295	6 808	308	-	0.1%	326	344	363	5.6%	-
Travel and subsistence	29 448	29 745	23 844	43 581	14.0%	1.2%	47 604	48 358	51 055	5.4%	1.4%
Training and development	26 471	74 015	41 853	3 840	-47.5%	1.4%	103 812	104 022	104 241	200.5%	2.3%
Operating payments	1 461	1 737	4 478	1 772	6.6%	0.1%	1 834	1 935	2 042	4.8%	0.1%
Venues and facilities	2 562	5 106	1 753	6 624	37.3%	0.1%	5 016	4 121	4 347	-13.1%	0.1%
Total	1 740 885	2 501 287	2 543 309	3 967 932	31.6%	100.0%	3 192 878	3 224 035	3 269 249	-6.3%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 4.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	481 895	484 949	574 607	622 920	8.9%	0.8%	582 430	610 466	645 618	1.2%	0.7%
Public Service Sector Education and Training Authority	735	-	-	-	-100.0%	-	-	-	-	-	-
Municipal Demarcation Board	44 230	45 793	59 220	57 631	9.2%	0.1%	53 568	56 568	59 679	1.2%	0.1%
Department of Traditional Affairs	115 864	125 928	133 998	152 506	9.6%	0.2%	153 306	163 351	173 912	4.5%	0.2%
South African Local Government Association	26 904	9 215	31 500	31 300	5.2%	-	33 100	34 954	36 876	5.6%	-
Municipal Infrastructure Support Agent	294 162	304 013	349 889	381 483	9.1%	0.5%	342 456	355 593	375 151	-0.6%	0.4%
Households											
Other transfers to households											
Current	-	55	34	37	-	-	-	-	-	-100.0%	-
Employee social benefits	-	55	34	37	-	-	-	-	-	-100.0%	-
Households											
Social benefits											
Current	357	472	264 734	45 454	403.1%	0.1%	-	-	-	-100.0%	-
Employee social benefits	357	472	2 491	54	-46.7%	-	-	-	-	-100.0%	-
Non-returning local government councillors	-	-	262 243	45 400	-	0.1%	-	-	-	-100.0%	-
Non-profit institutions											
Current	8 638	6 286	9 119	17 972	27.7%	-	1 013 578	1 213 495	1 414 237	328.5%	1.1%
South African Cities Network	6 071	6 286	9 119	6 950	4.6%	-	7 353	7 765	8 192	5.6%	-
United Cities and Local Governments of Africa - South African Regional Office	2 567	-	-	10 923	62.0%	-	5 426	5 730	6 045	-17.9%	-
Disaster Management Institute of Southern Africa	-	-	-	99	-	-	-	-	-	-100.0%	-
National bodies: Community care	-	-	-	-	-	-	1 000 799	1 200 000	1 400 000	-	1.1%
Provinces and municipalities											
Municipal bank accounts											
Current	41 879 778	49 621 685	51 124 510	57 452 239	11.1%	75.8%	63 081 231	69 309 065	76 037 384	9.8%	79.1%
Vehicle licences	24	22	25	103	62.5%	-	106	112	118	4.6%	-
Municipal demarcation transition grant	-	3 714	297 422	139 714	-	0.2%	-	-	-	-100.0%	-
Municipal systems improvement grant	252 152	251 442	-	-	-100.0%	0.2%	-	-	-	-	-
Local government equitable share	41 592 070	49 366 507	50 708 988	57 012 141	11.1%	75.3%	62 731 845	68 973 465	75 683 326	9.9%	78.7%
Municipal disaster relief grant	35 532	-	118 075	300 281	103.7%	0.2%	349 280	335 488	353 940	5.6%	0.4%
Capital	14 935 547	15 141 883	15 054 028	15 917 399	2.1%	23.1%	15 309 002	15 733 731	16 599 086	1.4%	18.9%
Municipal disaster recovery grant	190 102	186 121	140 000	26 147	-48.4%	0.2%	21 317	-	-	-100.0%	-
Municipal infrastructure grant	14 745 445	14 955 762	14 914 028	15 891 252	2.5%	22.9%	15 287 685	15 733 731	16 599 086	1.5%	18.9%

Table 4.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Foreign governments and international organisations											
Current	880	–	–	1 281	13.3%	–	1 946	2 032	2 151	18.9%	–
Commonwealth Local Government Forum	238	–	–	–	-100.0%	–	590	600	640	–	–
United Cities and Local Governments of Africa - Moroccan office	642	–	–	1 281	25.9%	–	1 356	1 432	1 511	5.7%	–
Provinces and municipalities											
Provincial revenue funds											
Current	85 951	35 593	–	123 432	12.8%	0.1%	123 591	130 904	138 489	3.9%	0.2%
Vehicle licences	–	5	–	–	–	–	–	–	–	–	–
Provincial disaster relief grant	85 951	35 588	–	123 432	12.8%	0.1%	123 591	130 904	138 489	3.9%	0.2%
Total	57 393 046	65 290 923	67 027 032	74 180 734	8.9%	100.0%	80 111 778	86 999 693	94 836 965	8.5%	100.0%

Personnel information

Table 4.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Regional and Urban Development and Legislative Support																			
3. Institutional Development																			
4. National Disaster Management Centre																			
5. Local Government Support and Intervention Management																			
6. Community Work Programme																			
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)							
		2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21												
Cooperative Governance and Traditional Affairs		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Salary level	458	2	477	272.4	0.6	493	307.6	0.6	505	339.5	0.7	504	365.4	0.7	503	392.8	0.8	0.7%	100.0%
1 – 6	125	–	133	53.9	0.4	114	37.4	0.3	126	46.1	0.4	125	49.8	0.4	125	54.0	0.4	3.1%	24.4%
7 – 10	131	–	136	62.3	0.5	161	83.6	0.5	160	88.4	0.6	160	95.4	0.6	159	102.4	0.6	-0.4%	31.9%
11 – 12	92	–	93	49.6	0.5	104	74.7	0.7	101	79.2	0.8	101	85.5	0.8	101	92.4	0.9	-1.0%	20.3%
13 – 16	108	2	113	102.4	0.9	112	107.7	1.0	116	121.4	1.0	116	129.9	1.1	116	138.9	1.2	1.2%	22.9%
Other	2	–	2	4.2	2.1	2	4.2	2.1	2	4.4	2.2	2	4.7	2.4	2	5.1	2.5	–	0.4%
Programme	458	2	477	272.4	0.6	493	307.6	0.6	505	339.5	0.7	504	365.4	0.7	503	392.8	0.8	0.7%	100.0%
Programme 1	223	2	238	121.8	0.5	215	125.2	0.6	228	141.5	0.6	227	152.2	0.7	226	163.6	0.7	1.7%	44.7%
Programme 2	32	–	37	17.9	0.5	38	20.4	0.5	45	27.6	0.6	45	29.7	0.7	45	31.9	0.7	5.8%	8.6%
Programme 3	39	–	37	28.7	0.8	37	30.6	0.8	43	38.1	0.9	43	41.0	1.0	43	44.1	1.0	5.1%	8.3%
Programme 4	30	–	30	19.7	0.7	45	29.6	0.7	33	25.0	0.8	33	26.9	0.8	33	28.9	0.9	-9.8%	7.2%
Programme 5	80	–	80	55.7	0.7	89	64.4	0.7	82	62.9	0.8	82	67.7	0.8	82	72.8	0.9	-2.7%	16.7%
Programme 6	54	–	55	28.5	0.5	69	37.5	0.5	74	44.4	0.6	74	47.9	0.6	74	51.4	0.7	2.4%	14.5%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 4.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	1 916	1 116	23 451	1 875	22 623	127.7%	100.0%	1 532	1 945	2 320	-53.2%	100.0%
Sales of goods and services produced by department	173	157	167	375	102	-16.1%	1.2%	375	395	450	64.0%	4.7%
Sales by market establishments of which:	173	157	167	375	102	-16.1%	1.2%	370	390	450	64.0%	4.6%
Rental parking: Covered and open	173	157	167	375	49	-34.3%	1.1%	370	390	450	109.4%	4.4%
Commission: Insurance and garnishee	–	–	–	–	53	–	0.1%	–	–	–	-100.0%	0.2%

Table 4.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Other sales	-	-	-	-	-	-	-	5	5	-	-	-
<i>of which:</i>												
Replacement of security cards	-	-	-	-	-	-	-	5	5	-	-	-
Sales of scrap, waste, arms and other used current goods	1	1	-	-	-	-100.0%	-	7	10	-	-	0.1%
<i>of which:</i>												
Sales of paper	1	1	-	-	-	-100.0%	-	7	10	-	-	0.1%
Interest, dividends and rent on land	1	291	1 218	1 100	762	813.4%	4.6%	1 010	1 000	1 220	17.0%	14.0%
Interest	1	-	-	-	-	-100.0%	-	10	-	20	-	0.1%
Dividends	-	291	1 218	1 100	762	-	4.6%	1 000	1 000	1 200	16.3%	13.9%
<i>of which:</i>												
Bank accounts	-	291	1 218	1 100	712	-	4.5%	1 000	1 000	1 200	19.0%	13.8%
Interest received private sector	-	-	-	-	50	-	0.1%	-	-	-	-100.0%	0.2%
Sales of capital assets	53	-	40	50	50	-1.9%	0.3%	40	40	50	-	0.6%
Transactions in financial assets and liabilities	1 688	667	22 026	350	21 709	134.3%	93.9%	100	500	600	-69.8%	80.6%
Total	1 916	1 116	23 451	1 875	22 623	127.7%	100.0%	1 532	1 945	2 320	-53.2%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 4.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
R million												
Ministry	32.9	27.8	32.1	26.7	-6.7%	12.1%	29.4	31.5	33.7	8.0%	11.3%	
Management	16.5	20.1	14.4	18.3	3.4%	7.0%	18.4	19.8	21.2	5.1%	7.2%	
Corporate Services	109.8	111.2	139.8	104.9	-1.5%	47.3%	113.5	121.1	129.3	7.2%	43.7%	
Financial Services	25.3	30.0	27.2	36.4	12.9%	12.1%	40.6	43.3	46.3	8.4%	15.5%	
Internal Audit and Risk Management	8.6	11.9	7.4	16.5	24.2%	4.5%	13.6	14.6	15.5	-1.9%	5.6%	
Office Accommodation	43.3	35.6	46.3	41.6	-1.3%	16.9%	43.0	45.4	47.9	4.9%	16.6%	
Total	236.4	236.5	267.3	244.3	1.1%	100.0%	258.6	275.7	294.0	6.4%	100.0%	
Change to 2017				(3.0)			(1.0)	(1.0)	(1.0)			
Budget estimate												
Economic classification												
Current payments	224.2	225.6	260.3	239.0	2.1%	96.4%	253.2	270.1	288.0	6.4%	97.9%	
Compensation of employees	110.3	109.1	121.8	125.2	4.3%	47.4%	141.5	152.2	163.6	9.3%	54.3%	
Goods and services ¹	113.9	116.5	138.5	113.8	-	49.0%	111.7	117.9	124.4	3.0%	43.6%	
<i>of which:</i>												
Audit costs: External	6.9	6.6	6.6	7.7	3.7%	2.8%	9.2	9.7	10.3	10.2%	3.4%	
Communication	4.1	9.1	2.5	5.1	7.5%	2.1%	6.8	5.3	5.6	3.3%	2.1%	
Computer services	14.3	12.2	18.4	7.4	-19.6%	5.3%	4.8	5.4	5.7	-8.3%	2.2%	
Consultants: Business and advisory services	5.4	10.1	6.4	11.3	27.7%	3.4%	7.1	9.6	10.1	-3.6%	3.5%	
Property payments	45.6	40.0	14.9	45.0	-0.5%	14.8%	46.6	49.2	51.9	4.9%	18.0%	
Travel and subsistence	12.3	9.6	3.9	9.1	-9.8%	3.5%	10.1	10.5	11.1	7.0%	3.8%	
Transfers and subsidies¹	1.0	0.4	0.2	0.2	-46.8%	0.2%	0.1	0.1	0.1	-7.7%	-	
Provinces and municipalities	0.0	0.0	0.0	0.1	62.5%	-	0.1	0.1	0.1	4.6%	-	
Departmental agencies and accounts	0.7	-	-	-	-100.0%	0.1%	-	-	-	-	-	
Households	0.2	0.4	0.2	0.0	-41.9%	0.1%	-	-	-	-100.0%	-	
Payments for capital assets	10.9	9.5	6.6	5.1	-22.6%	3.3%	5.3	5.5	5.8	4.8%	2.0%	
Machinery and equipment	10.9	9.5	6.6	5.1	-22.6%	3.3%	5.3	5.5	5.8	4.8%	2.0%	
Payments for financial assets	0.3	0.9	0.2	0.1	-27.6%	0.1%	-	-	-	-100.0%	-	
Total	236.4	236.5	267.3	244.3	1.1%	100.0%	258.6	275.7	294.0	6.4%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.4%	0.3%	0.4%	0.3%	-	-	0.3%	0.3%	0.3%	-	-	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Regional and Urban Development and Legislative Support

Programme purpose

Provide policy analysis and development in order to transform local government and improve cooperative governance.

Objectives

- Facilitate the restructuring of the municipal spatial economy by continually monitoring the implementation of the integrated urban development framework.
- Develop and institutionalise an effective intergovernmental relations system across the three spheres of government by continually introducing and monitoring institutional and governance reforms.

Subprogrammes

- *Management: Regional and Urban Development and Legislative Support* provides strategic leadership to the programme to ensure compliance with and the achievement of departmental targets in line with the Back to Basics strategy.
- *Local Government Legislative Support and Institutional Establishment* drafts, amends primary and secondary legislation administered by the department, and provides legal opinions to the department's stakeholders on the interpretation of legislation and matters affecting the mandate of the department. This subprogramme also provides technical support and advice on the redetermination of municipal boundaries, provincial boundary issues, and local government elections.
- *Urban Development Planning* facilitates and monitors the implementation of the integrated urban development framework policy and local economic development plans. This subprogramme also supports municipalities with the implementation of various tools to facilitate integrated urban development and spatial contracts in key restructuring zones.
- *Spatial Planning Districts and Regions* facilitates the implementation of planning frameworks to promote integrated development across government and build the capacity of geographic information systems in district and local municipalities to enhance evidence-based decision-making.
- *Intergovernmental Policy and Practice* reviews, clarifies and strengthens the policy and the institutional environment for the assignment and management of municipal powers and functions. This subprogramme is also responsible for strengthening collaborative intergovernmental management and practice between sectors, provinces and local government.
- *Municipal Demarcation Transition Grant* makes transfers to assist municipalities in building in-house capacity to perform their functions, and stabilise institutional and government systems. This grant ended in 2017/18.
- *Municipal Demarcation Board* makes transfers to the Municipal Demarcation Board to fund operational activities such as capacity assessments, ward delimitation and boundary redetermination. This subprogramme's budget is transferred in full to the board.
- *South African Cities Network* makes transfers to the South African Cities Network to fund operational activities, including enabling cooperation between South African cities. This subprogramme's budget is transferred in full to the network.

Expenditure trends and estimates

Table 4.10 Regional and Urban Development and Legislative Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Management Regional and Urban Development and Legislative Support	3.3	6.1	0.4	1.5	-22.7%	1.4%	3.4	3.7	3.9	36.2%	2.2%
Local Government Legislative Support and Institutional Establishment	6.8	5.6	4.0	3.4	-20.3%	2.4%	6.3	6.7	7.2	28.2%	4.1%
Urban Development Planning	7.0	8.8	4.9	18.5	38.3%	4.8%	10.6	11.3	12.0	-13.6%	9.1%
Spatial Planning Districts and Regions	6.5	8.8	9.9	12.4	24.0%	4.6%	11.5	12.3	13.1	1.6%	8.5%
Intergovernmental Policy and Practice	6.4	7.8	4.3	8.3	9.1%	3.3%	10.7	11.5	12.3	13.8%	7.4%
Municipal Demarcation Transition Grant	-	3.7	297.4	139.7	-	54.3%	-	-	-	-100.0%	24.2%
Municipal Demarcation Board	44.2	45.8	59.2	57.6	9.2%	25.5%	53.6	56.6	59.7	1.2%	39.4%
South African Cities Network	6.1	6.3	9.1	7.0	4.6%	3.5%	7.4	7.8	8.2	5.6%	5.2%
Total	80.3	93.0	389.3	248.6	45.7%	100.0%	103.5	109.7	116.3	-22.4%	100.0%
Change to 2017 Budget estimate				38.3			(0.4)	(0.5)	(0.6)		
Economic classification											
Current payments	30.0	37.2	23.5	44.3	13.9%	16.6%	42.6	45.4	48.4	3.0%	31.2%
Compensation of employees	20.0	23.0	17.9	20.4	0.7%	10.0%	27.6	29.7	31.9	16.1%	19.0%
Goods and services ¹	10.0	14.2	5.6	23.8	33.7%	6.6%	15.0	15.7	16.5	-11.6%	12.3%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.3	0.9	0.0	0.9	36.3%	0.3%	0.9	1.0	1.0	5.2%	0.6%
<i>Communication</i>	0.6	0.5	0.3	0.6	-2.0%	0.2%	1.4	1.4	1.5	36.4%	0.8%
<i>Computer services</i>	0.4	1.0	-	0.4	0.8%	0.2%	0.8	0.8	0.9	30.5%	0.5%
<i>Consultants: Business and advisory services</i>	4.7	2.9	1.7	15.9	50.5%	3.1%	3.7	4.0	4.2	-36.0%	4.8%
<i>Consumables: Stationery, printing and office supplies</i>	0.8	1.3	0.4	1.4	19.4%	0.5%	1.6	1.6	1.7	8.3%	1.1%
<i>Travel and subsistence</i>	2.5	6.1	2.5	2.9	4.1%	1.7%	5.0	5.2	5.4	23.4%	3.2%
Transfers and subsidies¹	50.3	55.8	365.8	204.3	59.5%	83.4%	60.9	64.3	67.9	-30.7%	68.8%
Provinces and municipalities	-	3.7	297.4	139.7	-	54.3%	-	-	-	-100.0%	24.2%
Departmental agencies and accounts	44.2	45.8	59.2	57.6	9.2%	25.5%	53.6	56.6	59.7	1.2%	39.4%
Non-profit institutions	6.1	6.3	9.1	7.0	4.6%	3.5%	7.4	7.8	8.2	5.6%	5.2%
Payments for capital assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	80.3	93.0	389.3	248.6	45.7%	100.0%	103.5	109.7	116.3	-22.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.1%	0.1%	0.6%	0.3%	-	-	0.1%	0.1%	0.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	44.2	45.8	59.2	57.6	9.2%	25.5%	53.6	56.6	59.7	1.2%	39.4%
Municipal Demarcation Board	44.2	45.8	59.2	57.6	9.2%	25.5%	53.6	56.6	59.7	1.2%	39.4%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	3.7	297.4	139.7	-	54.3%	-	-	-	-100.0%	24.2%
Municipal demarcation transition grant	-	3.7	297.4	139.7	-	54.3%	-	-	-	-100.0%	24.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Institutional Development

Programme purpose

Build institutional resilience in the local government system by supporting system development, governance, capacity building and revenue management; and provide for the functions of the Department of Traditional Affairs.

Objectives

- Support municipalities in improving their financial sustainability and revenue management through the *municipal system improvement grant* by helping them develop simplified revenue plans, property and

consumer databases, record management systems, and organograms aligned with municipal functions on an ongoing basis.

- Support municipalities' efforts to improve municipal finances and increase revenue by monitoring the implementation of the Municipal Property Rates Act (2004) on an ongoing basis.
- Strengthen the functionality of municipalities by developing and implementing human resources and administrative systems, as per the Municipal Systems Act (2000), by March 2021.

Subprogrammes

- *Management: Institutional Development* provides strategic leadership to the programme to ensure compliance and the achievement of departmental targets in line with the Back to Basics strategy.
- *Municipal Human Resource Management Systems* builds sound municipal institutional capabilities through the development, implementation and enforcement of an efficient and effective human resource management framework as per the Municipal Systems Act (2000).
- *Municipal Finance* provides support and technical capacity to municipalities on municipal revenue management and enhancement strategies, debt collection, and free basic services.
- *Citizen Engagement* promotes local government accountability and engagement with communities implementing the citizen engagement framework.
- *Anti-Corruption and Good Governance* conducts anti-corruption campaigns that will improve ethical conduct at the local government level. This subprogramme also strengthens and implements preventative measures against corruption and creates conducive environment for the expeditious resolution of corruption cases.
- *Municipal Property Rates* guides municipalities to comply with critical rating and valuation aspects of the Municipal Property Rates Act (2004) and its regulations. This subprogramme also provides for indirect transfers to municipalities to support them in performing their functions and stabilise institutional and governance systems, as required in the Municipal Systems Act (2000), the Municipal Property Rates Act (2004) and related legislation.
- *Local Government Equitable Share* is the share of nationally raised revenue payable to local government in terms of section 214 of the Constitution. This transfer supplements municipal revenue for the provision of free basic services to poor households, and for the funding of institutional capacity and support to weaker municipalities.
- *South African Local Government Association* makes transfers to the South African Local Government Association to fund operational activities, including participation in intergovernmental structures and legislatures.
- *Municipal Systems Improvement Grant* makes transfers to assist municipalities in building in-house capacity to perform functions, and stabilise institutional and governmental systems.
- *Department of Traditional Affairs* makes transfers to the Department of Traditional Affairs to support traditional leadership.
- *United Cities and Local Government of Africa* makes transfers to United Cities and Local Government of Africa to fund operational activities, enhance cooperation and knowledge sharing among local governments in Africa, and improve the delivery of services to communities across the continent.

Expenditure trends and estimates

Table 4.11 Institutional Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management: Institutional Development	15.4	20.8	5.4	2.6	-44.5%	–	3.5	3.6	3.9	14.0%	–
Municipal Human Resources	6.3	9.6	8.9	8.8	11.9%	–	10.2	10.4	11.0	7.8%	–
Management Systems											
Municipal Finance	8.7	13.1	5.9	28.8	48.9%	–	33.1	36.2	38.3	10.0%	0.1%
Citizen Engagement	7.0	7.0	6.5	7.9	4.3%	–	7.3	7.5	8.0	0.5%	–
Anti-Corruption and Good Governance	4.9	5.5	3.9	5.3	2.8%	–	5.5	5.7	6.1	4.2%	–
Municipal Property Rates	7.8	9.5	6.6	8.3	2.2%	–	12.0	12.5	13.6	18.1%	–
Local Government Equitable Share	41 592.1	49 366.5	50 709.0	57 012.1	11.1%	99.3%	62 731.8	68 973.5	75 683.3	9.9%	99.4%
South African Local Government Association	26.9	9.2	31.5	31.3	5.2%	–	33.1	35.0	36.9	5.6%	0.1%
Municipal Systems Improvement Grant	252.2	251.4	19.4	103.2	-25.7%	0.3%	115.1	121.6	128.2	7.5%	0.2%
Department of Traditional Affairs	115.9	125.9	134.0	152.5	9.6%	0.3%	153.3	163.4	173.9	4.5%	0.2%
United Cities and Local Government of Africa	3.2	–	–	12.2	56.1%	–	6.8	7.2	7.6	-14.8%	–
Total	42 040.2	49 818.6	50 931.0	57 373.1	10.9%	100.0%	63 111.5	69 376.4	76 110.8	9.9%	100.0%
Change to 2017 Budget estimate				0.4			(2.9)	1 496.9	1 895.8		
Economic classification											
Current payments	49.6	65.5	56.5	165.0	49.3%	0.2%	185.9	196.9	208.5	8.1%	0.3%
Compensation of employees	33.2	39.6	28.7	30.6	-2.7%	0.1%	38.1	41.0	44.1	13.0%	0.1%
Goods and services ¹	16.4	25.9	27.9	134.4	101.7%	0.1%	147.8	155.9	164.4	7.0%	0.2%
of which:											
Catering: Departmental activities	0.2	0.7	0.3	0.8	51.6%	–	1.1	1.2	1.3	14.7%	–
Communication	0.4	0.5	0.3	1.5	51.4%	–	1.8	1.9	2.0	10.1%	–
Consultants: Business and advisory services	9.1	12.3	22.5	107.8	128.3%	0.1%	121.6	128.4	135.5	7.9%	0.2%
Contractors	0.1	1.2	–	12.3	518.7%	–	10.1	11.9	12.4	0.2%	–
Consumables: Stationery, printing and office supplies	1.0	1.3	0.8	1.9	26.2%	–	2.4	2.5	2.7	11.7%	–
Travel and subsistence	4.4	5.8	2.2	7.9	21.8%	–	7.9	6.9	7.4	-2.1%	–
Transfers and subsidies¹	41 990.4	49 753.1	50 874.5	57 208.2	10.9%	99.8%	62 925.6	69 179.5	75 902.3	9.9%	99.7%
Provinces and municipalities	41 844.2	49 617.9	50 709.0	57 012.1	10.9%	99.5%	62 731.8	68 973.5	75 683.3	9.9%	99.4%
Departmental agencies and accounts	142.8	135.1	165.5	183.8	8.8%	0.3%	186.4	198.3	210.8	4.7%	0.3%
Foreign governments and international organisations	0.9	–	–	1.3	13.3%	–	1.9	2.0	2.2	18.9%	–
Non-profit institutions	2.6	–	–	10.9	62.0%	–	5.4	5.7	6.0	-17.9%	–
Payments for capital assets	0.2	–	0.0	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	0.2	–	0.0	–	-100.0%	–	–	–	–	–	–
Total	42 040.2	49 818.6	50 931.0	57 373.1	10.9%	100.0%	63 111.5	69 376.4	76 110.8	9.9%	100.0%
Proportion of total programme expenditure to vote expenditure	70.8%	73.2%	72.9%	73.1%	–	–	75.4%	76.6%	77.3%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	142.8	135.1	165.5	183.8	8.8%	0.3%	186.4	198.3	210.8	4.7%	0.3%
Department of Traditional Affairs	115.9	125.9	134.0	152.5	9.6%	0.3%	153.3	163.4	173.9	4.5%	0.2%
South African Local Government Association	26.9	9.2	31.5	31.3	5.2%	–	33.1	35.0	36.9	5.6%	0.1%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	41 844.2	49 617.9	50 709.0	57 012.1	10.9%	99.5%	62 731.8	68 973.5	75 683.3	9.9%	99.4%
Municipal systems improvement grant	252.2	251.4	–	–	-100.0%	0.3%	–	–	–	–	–
Local government equitable share	41 592.1	49 366.5	50 709.0	57 012.1	11.1%	99.3%	62 731.8	68 973.5	75 683.3	9.9%	99.4%
Non-profit institutions											
Current	2.6	–	–	10.9	62.0%	–	5.4	5.7	6.0	-17.9%	–
United Cities and Local Governments of Africa - South African regional office	2.6	–	–	10.9	62.0%	–	5.4	5.7	6.0	-17.9%	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: National Disaster Management Centre

Programme purpose

Promote an integrated and coordinated system of disaster prevention, mitigation and risk management.

Objectives

- Oversee disaster management institutional systems and improve legislative compliance by upgrading the regulatory and policy frameworks related to disaster management on an ongoing basis.
- Improve and strengthen the system of disaster management for all common disasters, such as drought, floods and fire in all provinces by raising public awareness about the impact of disasters and the importance of disaster management on an ongoing basis.

Subprogrammes

- *Management: Head of the National Disaster Management Centre* provides strategic leadership to the programme.
- *Disaster Risk Reduction, Capacity Building and Intervention* develops and implements disaster management operational systems, coordinates disaster management capacity building and strategic research across all spheres of government, and provides for the allocation of disaster response, relief and rehabilitation funding after a disaster has occurred.
- *Legislation and Policy Management* develops disaster management policies and legislative frameworks derived from the Disaster Management Act (2002) and the national disaster management framework, and manages the improvement of legislative compliance across sectors and spheres of government.
- *Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems* develops and implements integrated support to provinces, and monitoring and evaluation systems for disaster management and fire services.
- *Fire Services* develops fire services policies and legislative frameworks, and coordinates programmes related to the support and administration of fire services.
- *Information Technology, Intelligence and Information Management Systems* guides the development of a comprehensive information management and communication system, and establishes integrated communication links with all disaster management role players.
- *Disaster Relief Grant* is a conditional allocation that aims to provide immediate relief after disasters. Transfers are made only when a disaster has been declared.
- *Municipal Disaster Recovery Grant* is a conditional allocation to repair municipal infrastructure damaged by disasters. This grant is allocated as a second phase of disaster response to municipalities following a cost verification process after a disaster has occurred.

Expenditure trends and estimates

Table 4.12 National Disaster Management Centre expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Management: Head of the National Disaster Management Centre	17.9	5.7	5.6	3.7	-40.7%	2.2%	3.8	4.1	4.4	5.3%	0.7%
Disaster Risk Reduction, Capacity Building and Intervention	41.6	12.6	7.1	53.4	8.7%	7.7%	52.9	55.8	59.0	3.4%	9.6%
Legislation and Policy Management	5.0	6.1	4.5	6.0	6.0%	1.4%	6.4	6.8	7.2	6.7%	1.1%
Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems	-	1.8	2.7	4.3	-	0.6%	4.5	4.8	5.2	6.6%	0.8%
Fire Services	-	-	2.7	3.4	-	0.4%	3.5	3.7	4.0	5.6%	0.6%
Information Technology, Intelligence and Information Management Systems	9.8	10.3	14.6	27.5	40.9%	4.2%	27.0	28.7	30.4	3.5%	4.9%
Disaster Relief Grant	121.5	35.6	118.1	423.7	51.7%	47.0%	472.9	466.4	492.4	5.1%	80.2%
Municipal Disaster Recovery Grant	190.1	186.1	140.0	26.1	-48.4%	36.5%	21.3	-	-	-100.0%	2.1%
Total	385.9	258.2	295.3	548.1	12.4%	100.0%	592.2	570.3	602.6	3.2%	100.0%
Change to 2017 Budget estimate				26.1			(8.0)	(8.1)	(8.1)		
Economic classification											
Current payments	67.7	35.8	33.6	95.6	12.2%	15.6%	95.6	101.2	107.4	3.9%	17.3%
Compensation of employees	18.7	20.8	19.7	29.6	16.5%	6.0%	25.0	26.9	28.9	-0.8%	4.8%
Goods and services ¹	49.0	15.0	13.8	66.0	10.4%	9.7%	70.6	74.4	78.5	5.9%	12.5%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.3	0.4	0.4	0.5	17.7%	0.1%	0.5	0.5	0.5	3.4%	0.1%
<i>Communication</i>	0.5	0.5	0.6	0.6	0.3%	0.2%	0.6	0.6	0.6	5.4%	0.1%
<i>Computer services</i>	1.1	2.9	4.6	7.5	90.7%	1.1%	7.7	8.2	8.6	5.0%	1.4%
<i>Consultants: Business and advisory services</i>	35.6	3.9	-	50.6	12.5%	6.1%	55.5	58.4	61.7	6.8%	9.8%
<i>Inventory: Other supplies</i>	-	-	-	0.5	-	-	0.5	0.5	0.6	5.6%	0.1%
<i>Travel and subsistence</i>	2.0	2.2	2.3	2.8	10.8%	0.6%	3.8	4.0	4.2	14.9%	0.6%
Transfers and subsidies¹	311.6	221.7	260.3	450.0	13.0%	83.6%	494.2	466.4	492.4	3.0%	82.3%
Provinces and municipalities	311.6	221.7	258.1	449.9	13.0%	83.5%	494.2	466.4	492.4	3.1%	82.3%
Non-profit institutions	-	-	-	0.1	-	-	-	-	-	-100.0%	-
Households	-	0.0	2.2	0.0	-	0.2%	-	-	-	-100.0%	-
Payments for capital assets	6.6	0.7	1.4	2.4	-28.4%	0.7%	2.5	2.6	2.8	4.8%	0.4%
Machinery and equipment	6.4	0.7	1.4	2.4	-27.9%	0.7%	2.5	2.6	2.8	4.8%	0.4%
Heritage assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	385.9	258.2	295.3	548.1	12.4%	100.0%	592.2	570.3	602.6	3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.6%	0.4%	0.4%	0.7%	-	-	0.7%	0.6%	0.6%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	35.5	-	118.1	300.3	103.7%	30.5%	349.3	335.5	353.9	5.6%	57.9%
Municipal disaster relief grant	35.5	-	118.1	300.3	103.7%	30.5%	349.3	335.5	353.9	5.6%	57.9%
Capital	190.1	186.1	140.0	26.1	-48.4%	36.5%	21.3	-	-	-100.0%	2.1%
Municipal disaster recovery grant	190.1	186.1	140.0	26.1	-48.4%	36.5%	21.3	-	-	-100.0%	2.1%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	86.0	35.6	-	123.4	12.8%	16.5%	123.6	130.9	138.5	3.9%	22.3%
Provincial disaster relief grant	86.0	35.6	-	123.4	12.8%	16.5%	123.6	130.9	138.5	3.9%	22.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Local Government Support and Intervention Management

Programme purpose

Conduct performance monitoring, support and interventions in municipalities and provincial departments of cooperative governance that will drive Back to Basics activities.

Objectives

- Improve reporting on and accountability for performance in local government by overseeing, coordinating and leading municipalities' implementation of government policies and programmes on an ongoing basis.
- Coordinate and facilitate municipal infrastructure development to extend services to unserved communities through funding from the *municipal infrastructure grant* on an ongoing basis.
- Coordinate the implementation of Back to Basics interventions in dysfunctional municipalities by monitoring and reporting municipal performance on an ongoing basis.
- Coordinate and implement sustainable infrastructure development and maintenance initiatives by establishing partnerships with the Municipal Infrastructure Support Agent, sector departments and other entities to improve the quality of service and extend infrastructure to unserved communities by March 2020.

Subprogrammes

- *Management: Local Government Support and Interventions* provides strategic leadership to the programme to ensure compliance with and the achievement of departmental targets in line with the Back to Basics strategy.
- *Municipal Performance Monitoring* monitors and reports on local government performance information by institutionalising monthly performance reporting by municipalities (consolidated into quarterly analysis reports) to the department, analyses Back to Basics performance information for each municipality on a quarterly basis, and identifies emerging aspects and key trends from monthly Back to Basics performance reporting.
- *Local Government Improvement Programme* monitors and performs diagnostic assessments to support municipalities with the development and implementation of remedial action plans.
- *Litigations and Interventions* monitors compliance with intervention policies and regulations, and develops a budget to address the infrastructure investment priorities of the poor.
- *Municipal Infrastructure Administration* administers the payments of the *municipal infrastructure grant* and reviews spending related to transferred funds.
- *Municipal Infrastructure Grant* makes specific transfers to supplement municipal capital budgets to address the infrastructure investment priorities of the poor.
- *Municipal Infrastructure Support Agent* makes transfers to assist municipalities in building in-house capacity to perform functions, and stabilise institutional and governmental systems.

Expenditure trends and estimates

Table 4.13 Local Government Support and Intervention Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Management: Local Government Support and Interventions	6.9	13.8	3.0	3.3	-21.9%	–	3.5	3.7	4.0	6.4%	–
Municipal Performance Monitoring	4.5	5.0	274.2	58.8	135.8%	0.5%	11.1	11.9	12.7	-40.0%	0.1%
Local Government Improvement Programme	11.5	14.6	26.1	26.5	32.0%	0.1%	26.0	27.9	29.8	4.1%	0.2%
Litigations and Interventions	11.9	8.5	–	12.4	1.2%	0.1%	8.0	8.5	9.0	-10.0%	0.1%
Municipal Infrastructure Administration	10.5	15.5	31.0	36.1	50.8%	0.1%	37.4	39.7	42.5	5.6%	0.2%
Municipal Infrastructure Grant	14 745.4	14 955.8	14 914.0	15 891.3	2.5%	96.9%	15 287.7	15 733.7	16 599.1	1.5%	97.1%
Municipal Infrastructure Support Agent	294.2	304.0	349.9	381.5	9.1%	2.1%	342.5	355.6	375.2	-0.6%	2.2%
Total	15 085.0	15 317.1	15 598.2	16 409.8	2.8%	100.0%	15 716.2	16 181.0	17 072.3	1.3%	100.0%
Change to 2017 Budget estimate				43.4			(1 509.6)	(2 015.9)	(2 126.9)		

Table 4.13 Local Government Support and Intervention Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Current payments	45.1	57.2	72.0	91.7	26.6%	0.4%	86.0	91.7	98.1	2.3%	0.6%
Compensation of employees	30.0	36.1	55.7	64.4	29.0%	0.3%	62.9	67.7	72.8	4.1%	0.4%
Goods and services ¹	15.1	21.0	16.3	27.2	21.7%	0.1%	23.1	24.0	25.3	-2.5%	0.2%
of which:											
Catering: Departmental activities	0.8	1.0	0.9	1.4	20.0%	-	0.8	0.8	0.9	-13.7%	-
Communication	0.5	0.7	0.7	0.7	8.4%	-	2.7	2.8	2.9	64.1%	-
Consultants: Business and advisory services	4.4	13.0	2.2	8.0	21.4%	-	6.9	7.2	7.6	-1.4%	-
Legal services	-	-	-	1.7	-	-	1.0	1.1	1.2	-11.8%	-
Consumables: Stationery, printing and office supplies	0.8	1.3	0.1	0.8	0.6%	-	0.9	1.0	1.0	7.3%	-
Travel and subsistence	5.2	3.1	8.5	13.5	37.0%	-	9.3	9.6	10.1	-9.2%	0.1%
Transfers and subsidies¹	15 039.7	15 259.8	15 526.2	16 318.1	2.8%	99.6%	15 630.1	16 089.3	16 974.2	1.3%	99.4%
Provinces and municipalities	14 745.4	14 955.8	14 914.0	15 891.3	2.5%	96.9%	15 287.7	15 733.7	16 599.1	1.5%	97.1%
Departmental agencies and accounts	294.2	304.0	349.9	381.5	9.1%	2.1%	342.5	355.6	375.2	-0.6%	2.2%
Households	0.1	0.0	262.3	45.4	629.4%	0.5%	-	-	-	-100.0%	0.1%
Payments for capital assets	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-
Total	15 085.0	15 317.1	15 598.2	16 409.8	2.8%	100.0%	15 716.2	16 181.0	17 072.3	1.3%	100.0%
Proportion of total programme expenditure to vote expenditure	25.4%	22.5%	22.3%	20.9%	-	-	18.8%	17.9%	17.3%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	-	-	262.2	45.4	-	0.5%	-	-	-	-100.0%	0.1%
Non-returning local government councillors	-	-	262.2	45.4	-	0.5%	-	-	-	-100.0%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	294.2	304.0	349.9	381.5	9.1%	2.1%	342.5	355.6	375.2	-0.6%	2.2%
Municipal Infrastructure Support Agent	294.2	304.0	349.9	381.5	9.1%	2.1%	342.5	355.6	375.2	-0.6%	2.2%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	14 745.4	14 955.8	14 914.0	15 891.3	2.5%	96.9%	15 287.7	15 733.7	16 599.1	1.5%	97.1%
Municipal infrastructure grant	14 745.4	14 955.8	14 914.0	15 891.3	2.5%	96.9%	15 287.7	15 733.7	16 599.1	1.5%	97.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Community Work Programme

Programme purpose

Create income security and work experience for participants and promote social and economic inclusion by targeting areas of high unemployment.

Objective

- Provide and maintain an additional 712 979 work opportunities as an income safety net to poor and unemployed people living in the most marginalised communities by increasing the number of participants in the community work programme through effective and efficient programme management, strategic partnerships and training by March 2021.

Subprogrammes

- *Management: Community Work Programme* provides strategic management and leadership to the programme.
- *Programme Coordination* develops frameworks and standard operating procedures, facilitates their implementation and the functionality of coordinating structures, and monitors the performance of implementing agents.

- *Partnerships, Norms, Standards and Innovation* ensures the effective management and coordination of partnerships and special projects for the community work programme.

Expenditure trends and estimates

Table 4.14 Community Work Programme expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Management: Community Work Programme	1 558.7	2 374.2	2 368.2	3 587.2	32.0%	99.4%	3 814.1	4 024.9	4 248.8	5.8%	98.5%
Programme Coordination	–	–	1.5	40.4	–	0.4%	42.6	45.3	48.0	6.0%	1.1%
Partnerships, Norms, Standards and Innovation	–	–	1.4	12.5	–	0.1%	13.2	14.0	14.8	5.9%	0.3%
Total	1 558.7	2 374.2	2 371.1	3 640.1	32.7%	100.0%	3 869.9	4 084.1	4 311.6	5.8%	100.0%
Change to 2017 Budget estimate				(55.8)			60.0	65.5	71.0		
Economic classification											
Current payments	1 558.7	2 338.4	2 369.8	3 640.1	32.7%	99.6%	2 869.1	2 884.1	2 911.6	-7.2%	77.4%
Compensation of employees	22.3	29.8	28.5	37.5	18.9%	1.2%	44.4	47.9	51.4	11.2%	1.1%
Goods and services ¹	1 536.4	2 308.6	2 341.3	3 602.6	32.9%	98.4%	2 824.8	2 836.3	2 860.2	-7.4%	76.2%
of which:											
Computer services	–	–	0.1	45.0	–	0.5%	26.9	28.8	31.5	-11.3%	0.8%
Consultants: Business and advisory services	180.7	190.1	163.7	33.3	-43.1%	5.7%	54.7	56.6	58.7	20.7%	1.3%
Contractors	1 270.1	1 813.3	2 031.2	2 753.0	29.4%	79.1%	1 917.7	1 884.1	1 855.6	-12.3%	52.9%
Inventory: Materials and supplies	27.2	87.8	16.8	719.4	197.9%	8.6%	672.0	709.4	753.9	1.6%	17.9%
Travel and subsistence	2.9	3.0	4.4	7.5	36.8%	0.2%	11.6	12.2	12.9	19.8%	0.3%
Training and development	25.4	71.3	39.3	1.3	-62.7%	1.4%	100.8	100.9	100.9	325.0%	1.9%
Transfers and subsidies¹	–	0.1	0.0	–	–	–	1 000.8	1 200.0	1 400.0	–	22.6%
Non-profit institutions	–	–	–	–	–	–	1 000.8	1 200.0	1 400.0	–	22.6%
Households	–	0.1	0.0	–	–	–	–	–	–	–	–
Payments for capital assets	0.0	35.8	1.3	0.0	-30.7%	0.4%	–	–	–	-100.0%	–
Machinery and equipment	0.0	35.8	1.3	0.0	-30.7%	0.4%	–	–	–	-100.0%	–
Total	1 558.7	2 374.2	2 371.1	3 640.1	32.7%	100.0%	3 869.9	4 084.1	4 311.6	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	2.6%	3.5%	3.4%	4.6%	–	–	4.6%	4.5%	4.4%	–	–

Details of selected transfers and subsidies

Non-profit institutions	2018/19	2019/20	2020/21	2017/18 - 2020/21
Current	–	–	–	–
National Bodies: Community Care	–	–	–	–
	1 000.8	1 200.0	1 400.0	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Other departments within the vote

Department of Traditional Affairs

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets		
MTEF allocation						
Administration	45.5	42.9	0.0	2.7	48.1	51.4
Research, Policy and Legislation	16.6	16.6	–	–	17.8	19.1
Institutional Support and Coordination	91.1	48.4	42.8	–	97.4	103.4
Total expenditure estimates	153.3	107.8	42.8	2.7	163.4	173.9

Executive authority: Minister of Cooperative Governance and Traditional Affairs
 Accounting officer: Director General of Traditional Affairs
 Website address: www.dta.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Department purpose

Coordinate traditional affairs across government through the development of appropriate policies, norms and standards, systems, and regulatory frameworks; and promote culture, heritage and social cohesion.

Mandate

The Department of Traditional Affairs is mandated to oversee a range of tasks inherent in dealing with issues related to traditional affairs, including KhoiSan leadership, and supporting the development of stable and cohesive interfaith communities.

The 2003 White Paper on Traditional Leadership and Governance sets out a national framework, and norms and standards that define the role and place of traditional leadership in the South African system of democratic governance. It seeks to support and transform traditional leadership in accordance with constitutional imperatives, and restore the integrity and legitimacy of traditional leadership in line with the African indigenous law and customs subject to the Constitution.

The department's mandate is informed by the following constitutional and legislative frameworks:

- the Traditional Leadership and Governance Framework Act (2003)
- the National House of Traditional Leaders Act (2009)
- the Commission for the Protection and Promotion of the Rights of Culture, Religious and Linguistic Communities Act (2002).

Selected performance indicators

Table 4.15 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of genealogies and customary laws of succession for kingships updated and developed per year	Research, Policy and Legislation	Outcome 14: Nation building and social cohesion	4	2	1	-1	-1	-1	-1
Number of publications on customary laws of succession and genealogies developed per year	Research, Policy and Legislation		-2	-2	1	2	1	1	1
Number of traditional leadership claims and dispute cases researched per year	Institutional Support and Coordination		80	80	80	80	43 ³	31 ³	27 ³
Number of provinces monitored on implementation of the framework for resolution of traditional leadership disputes and claims per year	Institutional Support and Coordination		-2	-2	-2	8	8	8	8
Number of kings and queens consulted on the National House of Traditional Leaders programme per year	Institutional Support and Coordination		50% (6/12)	50% (6/12)	100% (12)	-4	-4	-4	-4
Number of traditional courts monitored on management of courts decisions per year	Institutional Support and Coordination		-2	40	40	40	100	100	100

1. Indicator discontinued.

2. No historical data available.

3. The term for the Commission on Traditional Leadership Disputes and Claims ended in 2017/18, with the remaining research expected to be conducted internally. Targets include the projected KhoiSan leadership dispute cases. The projected decrease in the number of traditional leadership claim disputes resolved over the MTEF period is due to only reporting on cases that were rejected by the courts.

4. Indicator discontinued. All targeted queens and kings were consulted by 2016/17 in line with the department's broadened scope for consultations.

Expenditure analysis

The National Development Plan envisions creating an inclusive rural economy and transforming society through a unified country. This is given expression by outcome 14 (nation building and social cohesion) of government's 2014-2019 medium-term strategic framework, with which the work of the Department of Traditional Affairs is closely aligned. Over the medium term, the department intends to continue focusing on developing legislation to ensure that traditional leadership institutions are strengthened.

The department has a total budget of R490.6 million over the MTEF period. Allocations to the Institutional Support and Coordination programme, the department's largest programme, are expected to increase at an average annual rate of 3.8 per cent, from R92.6 million in 2017/18 to R103.4 million in 2020/21.

Over the medium term, the department aims to finalise the Traditional and KhoiSan Leadership and Governance Bill, which is expected to be approved by the National Council of Provinces in 2019/20. The bill aims to streamline the process of resolving traditional leadership disputes and claims; recognise traditional and KhoiSan communities towards establishing kingship or queenship councils, principal traditional councils, traditional councils, KhoiSan councils and traditional sub-councils; provide support to such councils; and establish national, provincial and local houses of traditional and KhoiSan leaders.

As the bill comes into effect, 300 traditional courts will be monitored for the administration and implementation of their decisions, 101 traditional leadership disputes and claims will be researched and 3 publications on customary laws of succession and genealogies will be developed over the medium term. Requirements of the bill are to be carried out in the Institutional Support and Coordination programme across all subprogrammes.

The transfer to the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities is the Institutional Support and Coordination programme's largest spending item, comprising 46.3 per cent (R135.7 million) of the programme's total expenditure over the MTEF period. Transfers to the commission are expected to increase at an average annual rate of 3.9 per cent, from R38.5 million in 2017/18 to R47.7 million in 2021/21.

Through the Research, Policy and Legislation programme, the department aims to ensure that traditional councils participate meaningfully in government planning and the implementation of various programmes. As such, the programme's budget is expected to increase at an average annual rate of 4.7 per cent, from R16.6 million in 2017/18 to R19.1 million in 2020/21. Anticipated activities involve finalising the Customary Initiation Bill, which provides for the formalisation of initiation practices in South Africa; and the heritage and cultural promotion strategy for traditional communities, which seeks to mainstream culture and heritage as part of government's broader tourism strategy.

The department intends to maintain its staff complement of 101 over the MTEF period to ensure that spending on compensation of employees remains within government's ceiling for compensation of employees. However, the department's spending on compensation of employees is expected to increase at an average annual rate of 7.3 per cent, from R69.2 million in 2017/18 to R85.4 million in 2020/21, to accommodate inflationary and cost of living adjustments.

Expenditure trends

Table 4.16 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Research, Policy and Legislation														
3. Institutional Support and Coordination														
Programme														
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	21.5	21.5	22.3	29.3	29.3	31.2	28.8	28.8	36.0	37.7	43.3	43.3	113.1%	108.0%
Programme 2	13.9	13.9	14.2	14.9	14.9	15.1	17.1	17.1	12.8	19.0	16.6	16.6	90.6%	94.1%
Programme 3	80.4	80.4	75.2	81.7	81.7	79.1	83.9	83.9	81.8	88.3	92.6	92.6	98.3%	97.1%
Total	115.9	115.9	111.8	125.9	125.9	125.4	129.8	129.8	130.7	145.0	152.5	152.5	100.7%	99.3%
Change to 2017 Budget estimate											7.5			
Economic classification														
Current payments	80.5	80.5	76.5	85.1	85.1	83.9	90.2	90.2	90.7	101.9	107.3	107.3	100.2%	98.7%
Compensation of employees	49.6	49.6	50.2	54.9	54.9	56.6	61.0	61.0	58.1	69.0	69.2	69.2	99.9%	99.8%
Goods and services	31.0	31.0	26.3	30.2	30.2	27.3	29.2	29.2	32.5	32.8	38.1	38.1	100.8%	96.7%

Table 4.16 Departmental expenditure trends by programme and economic classification

Economic classification	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Transfers and subsidies	35.0	35.0	35.0	36.6	36.6	36.8	38.5	38.5	38.6	40.4	42.5	42.5	101.5%	100.2%
Provinces and municipalities	-	-	-	-	-	0.0	-	-	0.0	-	0.0	0.0	-	250.0%
Departmental agencies and accounts	35.0	35.0	-	36.6	36.6	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	0.0	-	0.0	0.0	-	200.0%
Non-profit institutions	-	-	35.0	-	-	36.6	38.5	38.5	38.5	40.4	42.4	42.4	193.1%	188.4%
Households	-	-	-	-	-	0.2	-	-	0.0	-	0.0	0.0	-	900.0%
Payments for capital assets	0.4	0.4	0.1	4.2	4.2	4.2	1.0	1.0	1.2	2.7	2.7	2.7	98.0%	98.0%
Machinery and equipment	0.4	0.4	0.1	4.2	4.2	4.2	1.0	1.0	1.2	2.7	2.7	2.7	98.0%	98.0%
Payments for financial assets	-	-	0.2	-	-	0.5	-	-	0.2	-	-	-	-	-
Total	115.9	115.9	111.8	125.9	125.9	125.4	129.8	129.8	130.7	145.0	152.5	152.5	100.7%	99.3%

Expenditure estimates

Table 4.17 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Research, Policy and Legislation									
3. Institutional Support and Coordination									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Programme 1	43.3	26.2%	25.5%	45.5	48.1	51.4	5.9%	29.3%	
Programme 2	16.6	6.2%	11.3%	16.6	17.8	19.1	4.7%	10.9%	
Programme 3	92.6	4.8%	63.2%	91.1	97.4	103.4	3.8%	59.8%	
Total	152.5	9.6%	100.0%	153.3	163.4	173.9	4.5%	100.0%	
Change to 2017 Budget estimate				(0.9)	(1.0)	(1.0)			
Economic classification									
Current payments	107.3	10.0%	68.9%	107%	115.4%	123.4%	4.8%	70.6%	
Compensation of employees	69.2	11.8%	45.0%	73.9	79.5	85.4	7.3%	47.9%	
Goods and services	38.1	7.2%	23.9%	34.0	36.0	38.0	-0.1%	22.7%	
Transfers and subsidies	42.5	6.7%	29.4%	42.8	45.2	47.7	3.9%	27.7%	
Provinces and municipalities	0.0	-	0.0%	0.0	0.0	0.0	7.7%	0.0%	
Public corporations and private enterprises	0.0	-	0.0%	0.0	0.0	0.0	26.0%	0.0%	
Non-profit institutions	42.4	-	29.3%	42.8	45.2	47.7	3.9%	27.7%	
Households	0.0	-	0.1%	-	-	-	-100.0%	0.0%	
Payments for capital assets	2.7	97.7%	1.6%	2.7	2.7	2.9	1.8%	1.7%	
Machinery and equipment	2.7	97.7%	1.6%	2.7	2.7	2.9	1.8%	1.7%	
Total	152.5	9.6%	100.0%	153.3	163.4	173.9	4.5%	100.0%	

Expenditure trends and estimates for significant spending items

Table 4.18 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Research and Policy development	13 501	14 473	18 934	19 680	13.4%	12.8%	15 767	17 528	18 480	-2.1%	11.1%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	34 973	36 582	38 521	42 447	6.7%	29.3%	42 793	45 189	47 674	3.9%	27.7%
Total	48 474	51 055	57 455	62 127	20.1%	42.1%	58 560	62 717	66 154	1.8%	38.8%

Goods and services expenditure trends and estimates

Table 4.19 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	4	107	352	53	136.6%	0.4%	814	829	872	154.3%	1.8%
Advertising	75	323	331	275	54.2%	0.8%	1 037	249	263	-1.5%	1.2%
Minor assets	28	42	48	126	65.1%	0.2%	155	73	77	-15.1%	0.3%
Audit costs: External	661	2 594	2 075	2 500	55.8%	6.3%	2 800	2 900	3 060	7.0%	7.7%
Bursaries: Employees	-	-	104	250	-	0.3%	330	377	398	16.8%	0.9%
Catering: Departmental activities	695	495	734	560	-6.9%	2.0%	502	713	752	10.3%	1.7%
Communication	1 669	830	1 825	1 354	-6.7%	4.6%	1 558	1 599	1 686	7.6%	4.2%
Computer services	-	149	148	316	-	0.5%	176	177	187	-16.0%	0.6%
Consultants: Business and advisory services	1 737	1 886	1 385	2 690	15.7%	6.2%	1 684	1 915	2 021	-9.1%	5.7%
Legal services	5 774	3 865	4 375	6 400	3.5%	16.4%	4 200	4 300	4 537	-10.8%	13.3%
Contractors	37	52	12	-	-100.0%	0.1%	-	-	-	-	-
Fleet services (including government motor transport)	192	413	605	195	0.5%	1.1%	221	439	464	33.5%	0.9%
Consumable supplies	229	38	39	77	-30.5%	0.3%	279	280	295	56.5%	0.6%
Consumables: Stationery, printing and office supplies	764	550	363	1 174	15.4%	2.3%	1 032	1 037	1 094	-2.3%	3.0%
Operating leases	6	157	109	300	268.4%	0.5%	84	86	91	-32.8%	0.4%
Rental and hiring	-	55	69	-	-	0.1%	-	-	-	-	-
Property payments	-	5	-	-	-	-	-	-	-	-	-
Travel and subsistence	13 501	14 473	18 933	19 680	13.4%	53.6%	15 767	17 528	18 480	-2.1%	48.9%
Training and development	45	182	115	327	93.7%	0.5%	637	702	741	31.3%	1.6%
Operating payments	588	678	465	838	12.5%	2.1%	1 785	1 783	1 881	30.9%	4.3%
Venues and facilities	265	402	461	990	55.2%	1.7%	930	996	1 051	2.0%	2.7%
Total	26 270	27 296	32 548	38 105	13.2%	100.0%	33 991	35 983	37 950	-0.1%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 4.20 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Households											
Social benefits											
Current	-	232	32	23	-	0.2%	-	-	-	-100.0%	-
Social benefit	-	-	5	23	-	-	-	-	-	-100.0%	-
Leave gratuity	-	232	-	-	-	0.2%	-	-	-	-	-
Social benefits	-	-	27	-	-	-	-	-	-	-	-
Provinces and municipalities											
Municipal bank accounts											
Current	-	4	2	4	-	-	5	5	5	7.7%	-
Municipal bank account	-	4	2	4	-	-	5	5	5	7.7%	-
Households											
Other transfers to households											
Current	-	-	-	10	-	-	-	-	-	-100.0%	-
Ex-gratia payment	-	-	-	10	-	-	-	-	-	-100.0%	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	-	-	1	1	-	-	2	2	2	26.0%	-
TV licence	-	-	1	1	-	-	2	2	2	26.0%	-
Non-profit institutions											
Current	34 973	36 582	38 521	42 447	6.7%	99.8%	42 793	45 189	47 674	3.9%	100.0%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	34 973	36 582	38 521	42 447	6.7%	99.8%	42 793	45 189	47 674	3.9%	100.0%
Total	34 973	36 818	38 556	42 485	6.7%	100.0%	42 800	45 196	47 681	3.9%	100.0%

Personnel information

Table 4.21 Departmental personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number								
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate				Average growth rate (%)	Average: Salary level/Total (%)							
		2016/17			2017/18			2018/19		2019/20				2020/21						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21						
Traditional Affairs		90	9	91	58.1	0.6	101	69.2	0.7	101	73.9	0.7	101	79.5	0.8	101	85.4	0.8		
Salary level	90	9	91	58.1	0.6	101	69.2	0.7	101	73.9	0.7	101	79.5	0.8	101	85.4	0.8			
1 – 6	25	–	23	5.5	0.2	28	7.5	0.3	28	8.3	0.3	28	9.0	0.3	28	9.8	0.4	–	27.7%	
7 – 10	14	3	15	5.9	0.4	17	6.8	0.4	17	7.6	0.4	17	8.3	0.5	17	8.9	0.5	–	16.8%	
11 – 12	18	3	20	13.1	0.7	22	15.5	0.7	23	17.1	0.7	23	18.5	0.8	23	20.1	0.9	1.5%	22.5%	
13 – 16	32	2	32	31.8	1.0	33	37.4	1.1	32	38.6	1.2	32	41.5	1.3	32	44.3	1.4	-1.0%	31.9%	
Other	1	1	1	1.9	1.9	1	2.0	2.0	1	2.2	2.2	1	2.2	2.2	1	2.3	2.3	–	1.0%	
Programme	90	9	91	58.1	0.6	101	69.2	0.7	101	73.9	0.7	101	79.5	0.8	101	85.4	0.8			
Programme 1	34	9	35	23.0	0.7	42	28.1	0.7	45	31.4	0.7	45	33.2	0.7	45	35.7	0.8	2.3%	43.8%	
Programme 2	15	–	15	10.3	0.7	16	12.3	0.8	16	13.2	0.8	16	14.0	0.9	16	15.0	0.9	–	15.8%	
Programme 3	41	–	41	24.9	0.6	43	28.8	0.7	40	29.3	0.7	40	32.3	0.8	40	34.7	0.9	-2.4%	40.3%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 4.22 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	4	29	984	32	32	100.0%	100.0%	48	48	48	14.5%	100.0%
Sales of goods and services produced by department	4	29	37	32	32	100.0%	9.7%	48	48	48	14.5%	100.0%
Sales by market establishments of which:	1	12	17	12	12	128.9%	4.0%	12	12	12	–	27.3%
Sale of goods and services produced by the department	1	12	17	12	12	128.9%	4.0%	12	12	12	–	27.3%
Other sales of which:	3	17	20	20	20	88.2%	5.7%	36	36	36	21.6%	72.7%
Sale of goods and services produced by the department	3	17	20	20	20	88.2%	5.7%	36	36	36	21.6%	72.7%
Sales of capital assets	–	–	915	–	–	–	87.2%	–	–	–	–	–
Transactions in financial assets and liabilities	–	–	32	–	–	–	3.1%	–	–	–	–	–
Total	4	29	984	32	32	100.0%	100.0%	48	48	48	14.5%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates**Table 4.23 Administration expenditure trends and estimates by subprogramme and economic classification**

R million	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Ministry	3.1	6.1	7.3	7.6	34.7%	18.2%	8.0	8.4	9.0	5.6%	17.5%
Management of Traditional Affairs	17.1	10.5	13.1	13.3	-8.0%	40.6%	13.9	14.7	15.7	5.8%	30.6%
Corporate Services	1.7	12.5	12.5	17.5	117.6%	33.3%	18.5	19.4	20.7	5.8%	40.5%
Internal Audit	0.4	2.1	3.1	4.9	135.2%	7.9%	5.1	5.6	5.9	6.8%	11.4%
Total	22.3	31.2	36.0	43.3	24.8%	100.0%	45.5	48.1	51.4	5.9%	100.0%
Change to 2017 Budget estimate				5.6			5.7	-	-		
Economic classification											
Current payments	22.0	29.2	34.6	40.6	22.6%	95.1%	42.9	45.4	48.5	6.1%	94.2%
Compensation of employees	14.2	19.0	23.0	28.1	25.6%	63.4%	31.4	33.2	35.7	8.3%	68.2%
Goods and services ¹ of which:	7.8	10.2	11.6	12.5	16.9%	31.7%	11.5	12.2	12.8	1.0%	26.0%
<i>Audit costs: External</i>	0.7	2.6	2.1	2.5	55.8%	5.9%	2.8	2.9	3.1	7.0%	6.0%
<i>Communication</i>	0.4	0.4	1.0	0.5	8.5%	1.8%	0.7	0.7	0.8	11.7%	1.5%
<i>Consultants: Business and advisory services</i>	1.5	0.8	0.4	0.7	-22.6%	2.6%	0.7	0.9	1.0	11.9%	1.7%
<i>Travel and subsistence</i>	3.9	4.0	5.9	6.0	15.0%	14.9%	4.5	4.9	5.1	-4.9%	10.8%
<i>Operating payments</i>	0.6	0.7	0.4	0.6	3.3%	1.7%	1.0	1.0	1.0	18.4%	1.9%
<i>Venues and facilities</i>	0.2	0.1	0.2	0.2	1.4%	0.5%	0.3	0.3	0.3	20.3%	0.6%
Payments for capital assets	0.1	1.6	1.2	2.7	244.8%	4.2%	2.7	2.7	2.9	1.8%	5.8%
Machinery and equipment	0.1	1.6	1.2	2.7	244.8%	4.2%	2.7	2.7	2.9	1.8%	5.8%
Payments for financial assets	0.2	0.5	0.2	-	-100.0%	0.6%	-	-	-	-	-
Total	22.3	31.2	36.0	43.3	24.8%	100.0%	45.5	48.1	51.4	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	19.9%	24.9%	27.5%	28.4%	-	-	29.7%	29.4%	29.6%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Research, Policy and Legislation**Programme purpose**

Develop, review, coordinate and monitor the implementation of traditional affairs policies and norms and standards, and support traditional affairs entities to restore the integrity and dignity of traditional leadership.

Objectives

- Support the transformation of institutions of traditional leadership by implementing and monitoring relevant policies and legislation on an ongoing basis.
- Enhance the management of information of faith structures, traditional leadership institutions and communities by establishing a traditional leadership database by March 2020.

Subprogrammes

- *Management* provides strategic oversight to the programme.
- *Policy and Legislation* develops, reviews and monitors the implementation of traditional policies, legislation, frameworks, and norms and standards. This subprogramme also ensures the alignment of provincial traditional leadership legislation and policies with national legislation and policies.
- *Research and Information Management* provides anthropological research for the department and traditional affairs entities, and research support for entities; develops and maintains traditional affairs information systems; implements national frameworks and strategies for the coordination of social cohesion within the sector to promote interfaith affairs; and promotes the progressive cultural and heritage practices of traditional and KhoiSan communities.

Expenditure trends and estimates**Table 4.24 Research, Policy and Legislation expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Management	4.1	3.9	0.1	2.2	-18.8%	17.4%	1.7	1.8	2.0	-3.6%	11.0%
Policy and Legislation	3.4	3.6	3.1	4.0	5.7%	23.9%	4.0	4.4	4.7	5.5%	24.4%
Research and Information Management	6.8	7.7	9.7	10.4	15.6%	58.7%	10.9	11.6	12.4	6.0%	64.6%
Total	14.2	15.1	12.8	16.6	5.3%	100.0%	16.6	17.8	19.1	4.7%	100.0%
Change to 2017 Budget estimate				(2.4)			(4.3)	-	-		
Economic classification											
Current payments	14.2	14.9	12.8	16.6	5.3%	99.6%	16.6	17.8	19.1	4.7%	100.0%
Compensation of employees	12.1	12.9	10.3	12.3	0.6%	81.0%	13.2	14.0	15.0	6.7%	77.7%
Goods and services ¹	2.1	2.0	2.6	4.3	26.4%	18.6%	3.4	3.9	4.1	-1.6%	22.3%
of which:											
Administrative fees	-	-	0.0	0.0	-	0.1%	0.1	0.1	0.1	39.0%	0.5%
Catering: Departmental activities	0.1	0.0	0.0	0.1	-9.5%	0.5%	0.1	0.1	0.1	0.3%	0.5%
Communication	0.2	0.2	0.1	0.2	0.7%	1.4%	0.3	0.3	0.3	6.5%	1.6%
Consumables: Stationery, printing and office supplies	0.2	0.1	0.1	0.3	11.6%	1.1%	0.2	0.2	0.2	-12.2%	1.2%
Travel and subsistence	1.5	1.5	2.2	3.3	29.3%	14.4%	2.4	2.8	2.9	-4.3%	16.2%
Operating payments	-	-	-	0.1	-	0.2%	0.3	0.3	0.3	44.5%	1.5%
Transfers and subsidies ¹	-	0.2	-	-	-	0.4%	-	-	-	-	-
Households	-	0.2	-	-	-	0.4%	-	-	-	-	-
Total	14.2	15.1	12.8	16.6	5.3%	100.0%	16.6	17.8	19.1	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	12.7%	12.1%	9.8%	10.9%	-	-	10.9%	10.9%	11.0%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Institutional Support and Coordination**Programme purpose**

Provide comprehensive support to the institutions of traditional leadership, including KhoiSan leadership structures, to coordinate traditional affairs across all three spheres of government.

Objectives

- Facilitate partnerships and collaborative relations by increasing the number of functional structures of traditional leadership through the implementation of the Traditional and KhoiSan Leadership and Governance Bill, and associated regulations aimed at transforming the sector by March 2020.
- Promote socioeconomic development within traditional communities by participating in the municipal integrated development planning processes on an ongoing basis.

Subprogrammes

- *Management* provides strategic oversight for programme.
- *Institutional Development and Capacity Building* ensures that traditional communities are empowered by reviewing and developing national support programmes for these communities and their governance structures.
- *Intergovernmental Relations and Partnerships* promotes and integrates the role and place of traditional affairs and the institutions of traditional leadership, including KhoiSan leadership structures, in the South African governing system by establishing synergistic relationships with other governance structures across the three spheres of government.
- *National House of Traditional Leaders* enhances cooperation between government and institutions of traditional leadership, and advises government on programmes, policies and legislation that affect traditional communities.

- Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities promotes and protects the cultural, religious and linguistic rights of communities.
- Disputes and Claims Resolutions processes and finalises traditional leadership disputes and claims.

Expenditure trends and estimates

Table 4.25 Institutional Support and Coordination expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management	1.9	1.5	–	1.7	-3.2%	1.6%	1.8	1.9	2.0	5.1%	1.9%
Institutional Development and Capacity Building	4.8	5.1	5.4	6.7	11.5%	6.7%	7.3	7.9	8.5	8.2%	7.9%
Intergovernmental Relations and Partnerships	5.8	6.5	6.8	7.5	9.1%	8.1%	8.3	8.7	9.3	7.5%	8.8%
National House of Traditional Leaders	15.1	18.6	18.9	19.1	8.3%	21.8%	18.5	19.3	20.6	2.5%	20.2%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	35.0	36.6	38.5	42.4	6.7%	46.4%	42.8	45.2	47.7	3.9%	46.3%
Commission on Traditional Leaders Disputes and Claims	12.7	10.9	12.2	15.1	5.9%	15.5%	12.4	14.4	15.4	0.6%	14.9%
Total	75.2	79.1	81.8	92.6	7.1%	100.0%	91.1	97.4	103.4	3.8%	100.0%
Change to 2017 Budget estimate				4.3			(2.4)	(1.0)	(1.0)		
Economic classification	40.3	39.9	43.3	50.1	7.6%	52.8%	48.4	52.3	55.8	3.6%	53.7%
Current payments	23.9	24.8	24.9	28.8	6.3%	31.1%	29.3	32.3	34.7	6.5%	32.5%
Compensation of employees	16.3	15.1	18.4	21.4	9.3%	21.7%	19.1	20.0	21.0	-0.5%	21.2%
Goods and services ¹											
of which:											
Communication	1.0	0.3	0.7	0.6	-17.5%	0.8%	0.6	0.6	0.6	3.7%	0.6%
Consultants: Business and advisory services	0.3	1.1	1.0	2.0	99.7%	1.3%	1.0	1.0	1.1	-19.2%	1.3%
Legal services	5.8	3.9	4.4	6.4	3.5%	6.2%	4.2	4.3	4.5	-10.8%	5.1%
Consumables: Stationery, printing and office supplies	0.4	0.1	0.1	0.5	5.5%	0.3%	0.6	0.6	0.6	8.4%	0.6%
Travel and subsistence	8.1	9.0	10.9	10.4	9.0%	11.7%	8.8	9.9	10.5	0.1%	10.3%
Venues and facilities	0.1	0.0	0.2	0.7	127.7%	0.3%	0.6	0.6	0.7	-1.8%	0.7%
Transfers and subsidies¹	35.0	36.6	38.5	42.4	6.7%	46.4%	42.8	45.2	47.7	3.9%	46.3%
Non-profit institutions	35.0	36.6	38.5	42.4	6.7%	46.4%	42.8	45.2	47.7	3.9%	46.3%
Payments for capital assets	–	2.6	–	–	–	0.8%	–	–	–	–	–
Machinery and equipment	–	2.6	–	–	–	0.8%	–	–	–	–	–
Total	75.2	79.1	81.8	92.6	7.1%	100.0%	91.1	97.4	103.4	3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	67.3%	63.1%	62.6%	60.7%	–	–	59.5%	59.7%	59.5%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	35.0	36.6	38.5	42.4	6.7%	46.4%	42.8	45.2	47.7	3.9%	46.3%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	35.0	36.6	38.5	42.4	6.7%	46.4%	42.8	45.2	47.7	3.9%	46.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities

Comprehensive coverage of the following public entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities** promotes and protects cultural, religious and linguistic rights. The commission focuses on conflict resolution, research, advocacy and community engagement. The commission's total budget for 2018/19 is R43.1 million.
- The **Municipal Demarcation Board** is an independent authority responsible for determining municipal boundaries. The board is also mandated to declare district management areas, delimit wards for local

elections, and assess the capacity of municipalities to perform their functions. The board's total budget for 2018/19 is R54.3 million.

- The **Municipal Infrastructure Support Agent** is mandated to provide immediate support to municipalities struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to those municipalities, and providing oversight. The agent's total budget for 2018/19 is R342.5 million.
- The **South African Local Government Association** is mandated by the Constitution to assist in the comprehensive transformation of local government. The association participates in intergovernmental structures at provincial and district levels, and is therefore able to influence national and provincial legislation, and gauge its impact on local government. Total transfers for 2018/19 amount to R70.1 million. The association is scheduled to be delisted from the Public Finance Management Act (1999) in 2018/19.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Departmental infrastructure										
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Municipal infrastructure grant transfer	Eradication of the backlog in municipal infrastructure, provision of basic services to poor households	Ongoing	83 958.3	14 745.4	14 955.8	14 914.0	15 891.3	15 287.7	15 733.7	16 599.1
Total			83 958.3	14 745.4	14 955.8	14 914.0	15 891.3	15 287.7	15 733.7	16 599.1

Vote 5

Home Affairs

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	2 332.8	2 318.3	2.5	11.9	2 502.2	2 656.5
Citizen Affairs	4 509.0	2 392.2	2 116.8	–	4 712.9	4 929.8
Immigration Affairs	1 073.6	1 073.2	0.4	–	1 093.4	1 164.6
Total expenditure estimates	7 915.4	5 783.7	2 119.8	11.9	8 308.5	8 750.8
Executive authority	Minister of Home Affairs					
Accounting officer	Director General of Home Affairs					
Website address	www.dha.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Efficiently determine and safeguard the identity and status of citizens. Regulate immigration to ensure security, promote development and fulfil South Africa's international obligations.

Mandate

The mandate of the Department of Home Affairs is derived from the Constitution, and various acts of Parliament and policy documents. The department's services are divided into two broad categories: civic services and immigration services. The primary mandate of the department is to secure and manage identity and international migration through the delivery of enabling services to all citizens, foreign nationals, government and the private sector.

Selected performance indicators

Table 5.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of births registered within 30 calendar days per year	Citizen Affairs	Outcome 3: All people in South Africa are and feel safe	704 527	703 765	745 204	750 000	810 000	810 000	810 000
Number of smart identity cards issued per year to citizens 16 years and older	Citizen Affairs		1 638 387	2 320 972	2 698 181	3 000 000	3 000 000	4 000 000	5 000 000
Percentage of machine readable passports (new live capture process) per year issued within 13 working days (within South Africa)	Citizen Affairs	Outcome 12: An efficient, effective and development oriented public service	– ¹	92.4% (563 475/ 609 748)	95.4% (740 259/ 775 790)	90% ²	90%	90%	90%
Percentage of permanent residence applications per year adjudicated within 8 months (collected within South Africa) ³	Immigration Affairs		36.8% (6 678/ 18 146)	53% (2 754/ 5 196)	98% (5 271/ 5 374)	85% ²	85%	90%	90%
Percentage of business and general work visa applications per year adjudicated within 8 weeks (processed within South Africa)	Immigration Affairs	Outcome 12: An efficient, effective and development oriented public service	66.4% (18 829/ 28 357)	84.7% (5 764/ 6 805)	97% (2 007/ 2 062)	90% ²	90%	90%	90%
Percentage of critical skills visa applications per year adjudicated within 4 weeks (processed within South Africa)	Immigration Affairs	Outcome 4: Decent employment through inclusive growth	– ¹	79.8% (3 530/ 4 424)	94% (5 951/ 6 314)	80% ²	85%	85%	85%

1. No historical data available.

2. Decrease in targets is mainly due to budget reductions and resource considerations.

3. Indicator measures permanent residence applications made in terms of sections 27(b), 26(a) and 27(c) of the Immigration Act (2002).

Expenditure analysis

Chapters 12 and 13 of the National Development Plan (NDP) detail a vision of building a South Africa that is safe and conducive to development. Outcome 3 (all people in South Africa are and feel safe), outcome 4 (decent employment through inclusive growth) and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework give expression to this vision, and are closely aligned with the work of the Department of Home Affairs. The department has the sole mandate to affirm and register official identity and civic status, including citizenship, as well as to regulate international migration. Its key functions in this regard include issuing enabling documents such as birth certificates, identity documents, passports, visas and permits; ensuring the secure entry and exit of persons through designated ports of entry; and enforcing immigration legislation. These functions must be managed securely and strategically as key enablers of national security, citizen empowerment and socioeconomic development.

Over the medium term, the department's broad intention is to reposition itself towards transforming into a modern, professional and highly secure organisation with the ability to fully execute its mandate. Specifically, as part of this repositioning process, the department plans to focus on establishing a border management authority, reviewing international migration policy, modernising and integrating its information systems, improving and expanding client interfaces, and completing important infrastructure projects.

Cabinet has approved budget reductions of R80.6 million in 2018/19, R85.6 million in 2019/20 and R90 million in 2020/21, which will be effected mainly on non-essential items such as travel and subsistence, catering services, property payments, and contractors in the *Administration*, *Citizen Affairs* and *Immigration Affairs* programmes, and transfer payments to the Electoral Commission and the Represented Political Parties' Fund.

Repositioning the department

On 1 March 2017, Cabinet approved a business case for the department to reposition itself as a modern, highly secure and professional department within the core security system of the state. Accordingly, towards realising its full mandate, the department plans to implement the repositioning programme over the MTEF period. Its initial step was to reposition itself within government's broader organisational framework. Accordingly, the department moved from the governance and administration cluster to the justice, crime prevention and security cluster. Although the department's mandate is not expected to change, the medium term is critical in its development as a repositioned department in terms of developing appropriate legislation, and designing new operating and funding models. The financial implications of the repositioning programme have not been quantified, but a broad principle on how it is to be funded has been approved by Cabinet. This entails increasing overall public and private revenue by charging a fee on services such as accessing the department's national population register for verifying identity online, while effecting cost containment measures (such as participating in government transversal contracts when procuring goods and services) that are expected to offset the department's investment costs.

Establishing a border management authority

Establishing a border management authority is central to the department's overall repositioning. It is envisaged that the authority will assume all frontline border law enforcement functions at ports of entry. The passing of key legislation between 2017/18 and 2018/19 is critical to establishing the authority in 2019/20. As per the entity's blueprint and roadmap, the authority is expected to be established through a phased approach, whereby the passing of legislation is to be followed by a budget allocation during the next budgeting process. The Border Management Authority Bill provides for: the establishment of the entity; the employment terms for appointing a commissioner and deputy commissioner, as well as other officials; the establishment of interministerial, border technical and advisory committees; and the development of regulations by the Minister of Home Affairs. The authority is expected to be funded by shifting funds from stakeholder departments and entities in the border management environment. Funding for the authority's project management office, currently the only funded office, is provided through reprioritisations from the department's goods and services budget, amounting to R20.5 million over the MTEF period.

Reviewing international migration policy

An appropriate international migration policy is critical to maintaining national security and fostering socioeconomic development. For this reason, the 2017 White Paper on International Migration was developed to guide a comprehensive review of South Africa's immigration and related legislation and policy over the medium term. The aim of the review is to embrace migration as a healthy enabler for development while guarding sovereignty, peace and security. The white paper calls for strategic policy interventions in managing matters relating to admissions, residency, naturalisation, skilled migrants, ties with expatriates, economic migrants from the Southern African Development Community (SADC), asylum seekers and refugees, and migrant integration.

As such, R1.1 billion in 2018/19, R1.1 billion in 2019/20 and R1.2 billion in 2020/21 is provided for admission services, immigration services and asylum seekers. Elements of the new policy that require major changes will not be implemented immediately due to the department having to make the necessary legislative amendments, as well as provide for additional resources. It is expected that the new legislation will be implemented during government's next medium-term strategic framework (2019-2024).

Modernising and integrating information systems

The department's ICT modernisation programme is the foundation of its digital roadmap. Accordingly, the department expects that its digital transformation programme will be enabled by robust, integrated back-end systems and modern network infrastructure. This is expected to enable all departmental front-end processes and alignment with related government systems. Digital transformation and continual innovation will also enable the department to provide people centric identity data verification services to government and private institutions.

The national identity system is central to the department carrying out its core functions as it enables the security and reliability of biographical and biometric identity data, and, in turn, facilitates economic transformation, prompt service delivery and security. The system is expected to serve as a single, integrated source of biographic and biometric information. This entails replacing the disparate civic and immigration systems with the integrated national identity system, and developing and digitising business processes for the registration of births, marriages and deaths. The national identity system (back-end) and business processes (front-end) are expected to be operational from 31 March 2021.

An estimated R1.7 billion is allocated over the MTEF period (R549 million in 2018/19, R579.8 million in 2019/20 and R611.6 million in 2020/21) in the *Transversal Information Technology Management* subprogramme in the *Administration* programme for the department's modernisation programme. Over the medium term, R30 million is provided for the automation of asylum seeker processes into the live capture system and biometric-based electronic movement control system, R90 million is provided for the development of the trusted traveller system at all land ports of entry, and R60 million is provided for the live capture mobile compatible solution and hardware. The national identity system is provided R40 million in 2018/19 for system requirements, architectural design, systems and bid specifications.

Improving and expanding client interfaces

The department's services are available at more than 400 points across South Africa, including district and regional offices. These services are also available through 389 health facilities that process birth registrations, 116 mobile offices that connect via satellite from remote areas to the department's central systems, 3 refugee reception offices, and 72 ports of entry that facilitate the movement of people and goods in and out of the country. The department is also represented in more than 30 missions abroad.

In 2016, the department entered into a public-private partnership with the four major South African banks to issue smart identity cards, with the intention of expanding the rollout to more banks over the MTEF period. Smart identity cards are issued within approximately 13 days of receipt of application. The department has also implemented an online application platform, e-Home Affairs, which is hosted on the department's website, to enable citizens to make online applications for smart identity cards.

Maintaining the department's footprint requires adequate and skilled personnel. As such, client interface functions are funded in the *Service Delivery to Provinces* subprogramme in the *Citizen Affairs* programme, which has a staff complement of 6 572, representing 66.1 per cent of the department's total staff complement. Spending on compensation of employees amounts to R6.1 billion of the programme's budget over the MTEF period (R1.9 billion in 2018/19, R2 billion in 2019/20 and R2.2 billion in 2020/21), while 15.2 per cent (R510.7 million in 2018/19, R556.5 million in 2019/20 and R587.4 million in 2020/21) is expected to be spent on goods and services.

To ensure continual improvement in the quality of its services, over the MTEF period, the department plans to implement the Moetapele leadership initiative, which seeks to develop frontline office leadership, management and expertise, provide operational tools that enable the effective management and administration of business processes, provide a professional environment for clients, and inform citizens on the department's bouquet of services.

Infrastructure projects

The department is in the process of establishing public-private partnerships for the redevelopment and modernisation of 6 priority land ports of entry (Beitbridge, Maseru Bridge, Kopfontein Gate, Lebombo, Oshoek and Ficksburg), as well as moving refugee reception centres closer to the country's borders over the medium term. The improvement of residential and office accommodation at ports of entry is being addressed by means of earmarked funding of R77.8 million in 2018/19, R82.1 million in 2019/20 and R86.6 million in 2020/21. The main cost driver for providing residential and office accommodation is spending on the infrastructure improvements and the appointment of service providers to execute the improvements.

Expenditure trends

Table 5.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Citizen Affairs														
3. Immigration Affairs														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	1 860.3	2 124.2	2 031.5	1 704.2	1 769.6	1 828.0	2 222.9	2 387.8	2 210.8	2 259.5	2 731.2	2 731.2	109.4%	97.7%
Programme 2	4 106.9	4 051.0	4 075.7	4 025.7	4 941.6	4 785.7	3 901.6	4 725.5	4 787.0	3 574.7	4 450.7	4 450.7	116.0%	99.6%
Programme 3	656.5	969.5	962.3	720.9	637.6	729.8	1 042.7	1 042.5	1 145.7	1 221.3	1 220.4	1 220.4	111.4%	104.9%
Total	6 623.7	7 144.8	7 069.5	6 450.8	7 348.7	7 343.4	7 167.1	8 155.8	8 143.5	7 055.5	8 402.3	8 402.3	113.4%	99.7%
Change to 2017 Budget estimate											1 346.8			
Economic classification														
Current payments	4 853.8	5 453.8	5 101.3	4 790.5	5 688.4	5 460.5	5 430.4	6 327.7	6 104.4	5 547.9	6 888.2	6 888.2	114.2%	96.7%
Compensation of employees	2 670.0	2 670.0	2 600.2	2 868.1	2 866.0	2 845.3	3 146.8	3 069.8	3 069.8	3 198.2	3 198.2	3 198.2	98.6%	99.2%
Goods and services	2 183.8	2 783.8	2 501.1	1 922.4	2 822.4	2 615.2	2 283.5	3 257.9	3 034.6	2 349.8	3 690.0	3 690.0	135.5%	94.3%
Transfers and subsidies	1 759.0	1 680.1	1 703.5	1 649.4	1 649.4	1 666.1	1 725.9	1 817.2	1 815.7	1 446.2	1 446.2	1 446.2	100.8%	100.6%
Provinces and municipalities	1.5	1.5	0.9	1.5	1.5	0.9	1.7	1.7	0.9	1.8	1.8	1.8	69.3%	69.3%
Departmental agencies and accounts	1 754.7	1 675.8	1 683.7	1 644.9	1 644.9	1 644.8	1 721.1	1 792.4	1 792.4	1 441.1	1 441.1	1 441.1	–	–
Households	2.9	2.9	18.8	3.0	3.0	20.4	3.1	23.1	22.3	3.3	3.3	3.3	528.3%	201.0%
Payments for capital assets	10.9	10.9	264.7	10.9	10.9	216.7	10.9	10.9	223.5	61.4	67.9	67.9	821.6%	768.1%
Buildings and other fixed structures	–	–	66.2	–	–	98.2	–	–	112.6	50.1	50.1	50.1	652.8%	652.8%
Machinery and equipment	10.9	10.9	178.6	10.9	10.9	100.9	10.9	10.9	81.6	11.3	17.8	17.8	862.1%	750.3%
Software and other intangible assets	–	–	20.0	–	–	17.5	–	–	29.3	–	–	–	–	–
Total	6 623.7	7 144.8	7 069.5	6 450.8	7 348.7	7 343.4	7 167.1	8 155.8	8 143.5	7 055.5	8 402.3	8 402.3	113.4%	99.7%

Expenditure estimates

Table 5.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration 2. Citizen Affairs 3. Immigration Affairs								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Programme 1	2 731.2	8.7%	28.4%	2 332.8	2 502.2	2 656.5	-0.9%	30.6%
Programme 2	4 450.7	3.2%	58.5%	4 509.0	4 712.9	4 929.8	3.5%	55.7%
Programme 3	1 220.4	8.0%	13.1%	1 073.6	1 093.4	1 164.6	-1.5%	13.6%
Total	8 402.3	5.6%	100.0%	7 915.4	8 308.5	8 750.8	1.4%	100.0%
Change to 2017 Budget estimate				99.4	661.4	612.0		
Economic classification								
Current payments	6 888.2	8.1%	76.1%	5 783.7	6 165.5	6 575.8	-1.5%	76.1%
Compensation of employees	3 198.2	6.2%	37.8%	3 308.1	3 559.0	3 825.9	6.2%	41.6%
Goods and services	3 690.0	9.8%	38.2%	2 475.6	2 606.6	2 749.9	-9.3%	34.5%
Transfers and subsidies	1 446.2	-4.9%	21.4%	2 119.8	2 130.4	2 161.7	14.3%	23.5%
Provinces and municipalities	1.8	6.3%	0.0%	1.9	2.0	2.1	5.6%	0.0%
Departmental agencies and accounts	1 441.1	-4.9%	21.2%	2 114.4	2 124.7	2 155.8	14.4%	23.5%
Households	3.3	4.9%	0.2%	3.5	3.7	3.9	5.6%	0.0%
Payments for capital assets	67.9	84.1%	2.5%	11.9	12.6	13.3	-42.0%	0.3%
Buildings and other fixed structures	50.1	-	1.1%	-	-	-	-100.0%	0.2%
Machinery and equipment	17.8	17.8%	1.2%	11.9	12.6	13.3	-9.3%	0.2%
Total	8 402.3	5.6%	100.0%	7 915.4	8 308.5	8 750.8	1.4%	100.0%

Expenditure trends and estimates for significant spending items

Table 5.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Electoral Commission	1 553 617	1 517 104	1 657 901	1 299 912	-5.8%	19.5%	1 965 004	1 966 939	1 989 312	15.2%	21.6%
Service Delivery to Provinces	1 607 794	2 078 316	1 794 296	1 733 110	2.5%	23.3%	1 996 892	2 156 495	2 312 616	10.1%	24.6%
Transversal Information Technology Management	682 267	498 353	807 858	1 162 944	19.5%	10.2%	870 243	913 027	888 117	-8.6%	11.5%
Total	3 843 678	4 093 773	4 260 055	4 195 966	16.2%	53.0%	4 832 139	5 036 461	5 190 045	16.7%	57.7%

Goods and services expenditure trends and estimates

Table 5.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Administrative fees	14 999	17 357	10 002	15 238	0.5%	0.5%	18 359	17 903	18 386	6.5%	0.6%
Advertising	10 846	14 836	5 206	6 574	-15.4%	0.3%	6 606	6 913	6 899	1.6%	0.2%
Minor assets	20 479	10 541	8 315	20 494	-	0.5%	32 744	25 117	26 766	9.3%	0.9%
Audit costs: External	32 733	28 734	31 185	25 747	-7.7%	1.0%	26 554	27 572	28 319	3.2%	0.9%
Bursaries: Employees	2 255	2 197	3 067	2 060	-3.0%	0.1%	2 119	2 206	1 758	-5.1%	0.1%
Catering: Departmental activities	2 719	2 461	2 337	2 561	-2.0%	0.1%	3 355	3 435	3 261	8.4%	0.1%
Communication	78 629	73 145	297 654	118 629	14.7%	4.8%	130 069	170 479	267 528	31.1%	6.0%
Computer services	552 104	465 297	366 826	1 037 418	23.4%	20.5%	768 207	763 855	729 041	-11.1%	28.6%
Consultants: Business and advisory services	40 260	19 401	39 538	21 452	-18.9%	1.0%	29 048	30 223	31 750	14.0%	1.0%
Legal services	34 268	54 042	39 925	84 034	34.9%	1.8%	96 967	102 020	149 353	21.1%	3.8%
Contractors	136 396	168 945	307 856	22 812	-44.9%	5.4%	96 427	114 465	110 664	69.3%	3.0%
Agency and support/outsourced services	82 540	143 490	132 036	11 214	-48.6%	3.1%	33 875	26 051	27 231	34.4%	0.9%
Entertainment	408	331	204	488	6.1%	-	447	499	487	-0.1%	-
Fleet services (including government motor transport)	91 613	64 966	104 805	7 106	-57.4%	2.3%	14 487	33 731	43 669	83.2%	0.9%

Table 5.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Inventory: Clothing material and accessories	5 673	12 921	17 441	1 428	-36.9%	0.3%	18 758	19 093	19 420	138.7%	0.5%
Inventory: Other supplies	–	–	41	45	–	–	47	49	37	-6.3%	–
Consumable supplies	20 087	10 899	15 221	6 151	-32.6%	0.4%	11 483	11 752	11 903	24.6%	0.4%
Consumables: Stationery, printing and office supplies	484 605	732 055	908 495	838 642	20.1%	25.0%	22 571	22 276	21 918	-70.3%	7.9%
Operating leases	323 149	340 706	348 839	241 417	-9.3%	10.6%	333 742	342 954	363 503	14.6%	11.1%
Rental and hiring	829	908	71	505	-15.2%	–	1 224	1 217	1 278	36.3%	–
Property payments	236 974	165 123	190 074	393 289	18.4%	8.3%	282 329	323 418	344 637	-4.3%	11.7%
Transport provided: Departmental activity	89 320	65 203	21 035	148 157	18.4%	2.7%	17 148	16 846	18 905	-49.7%	1.7%
Travel and subsistence	170 367	168 147	116 632	617 977	53.6%	9.1%	499 987	515 147	491 050	-7.4%	18.4%
Training and development	8 752	3 452	5 823	4 253	-21.4%	0.2%	4 309	4 671	4 908	4.9%	0.2%
Operating payments	51 872	37 641	48 787	55 086	2.0%	1.6%	14 762	14 277	16 290	-33.4%	0.9%
Venues and facilities	9 173	12 416	13 206	7 246	-7.6%	0.4%	10 018	10 402	10 970	14.8%	0.3%
Total	2 501 050	2 615 214	3 034 621	3 690 023	13.8%	100.0%	2 475 642	2 606 571	2 749 931	-9.3%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 5.6 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Provinces and municipalities											
Municipal bank accounts											
Current	917	890	918	1 780	24.7%	0.1%	1 883	1 989	2 099	5.6%	0.1%
Vehicle licences	917	890	918	1 780	24.7%	0.1%	1 883	1 989	2 099	5.6%	0.1%
Households											
Social benefits											
Current	18 148	20 420	22 330	3 298	-43.4%	1.0%	3 489	3 685	3 887	5.6%	0.2%
Employee social benefits	18 148	20 420	22 330	3 298	-43.4%	1.0%	3 489	3 685	3 887	5.6%	0.2%
Households											
Other transfers to households											
Current	672	–	–	–	-100.0%	–	–	–	–	–	–
Other transfers to households	672	–	–	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 683 733	1 644 833	1 792 405	1 441 127	-5.1%	99.0%	2 114 398	2 124 699	2 155 749	14.4%	99.7%
Employee social benefits	4	11	4	–	-100.0%	–	–	–	–	–	–
Vehicle licences	8 010	–	18	–	-100.0%	0.1%	–	–	–	–	–
Electoral Commission	1 553 617	1 517 104	1 657 901	1 299 912	-5.8%	90.9%	1 965 004	1 966 939	1 989 312	15.2%	91.9%
Represented Political Parties' Fund	122 096	127 712	134 480	141 204	5.0%	7.9%	149 394	157 760	166 437	5.6%	7.8%
Total	1 703 470	1 666 143	1 815 653	1 446 205	-5.3%	100.0%	2 119 770	2 130 373	2 161 735	14.3%	100.0%

Personnel information

Table 5.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
		Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
				2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21						
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost							
Home Affairs		9 947	194	9 521	3 069.8	0.3	9 391	3 198.2	0.3	9 224	3 308.1	0.4	9 201	3 559.0	0.4	9 180	3 825.9	0.4	-0.8%	100.0%
Salary level		9 947	194	9 521	3 069.8	0.3	9 391	3 198.2	0.3	9 224	3 308.1	0.4	9 201	3 559.0	0.4	9 180	3 825.9	0.4	-0.8%	100.0%
1 – 6	6 566	194	6 378	1 439.3	0.2	6 456	1 583.6	0.2	6 419	1 700.8	0.3	6 406	1 833.6	0.3	6 399	1 978.1	0.3	-0.3%	69.4%	
7 – 10	2 938	–	2 780	1 171.3	0.4	2 613	1 171.6	0.4	2 550	1 231.1	0.5	2 543	1 324.6	0.5	2 533	1 422.9	0.6	-1.0%	27.7%	
11 – 12	267	–	225	224.4	1.0	195	207.1	1.1	161	186.0	1.2	158	197.2	1.2	156	210.5	1.3	-7.2%	1.8%	
13 – 16	174	–	136	230.4	1.7	125	231.2	1.8	92	185.3	2.0	92	198.2	2.2	90	208.6	2.3	-10.4%	1.1%	
Other	2	–	2	4.4	2.2	2	4.7	2.3	2	5.0	2.5	2	5.4	2.7	2	5.7	2.9	–	0.0%	
Programme	9 947	194	9 521	3 069.8	0.3	9 391	3 198.2	0.3	9 224	3 308.1	0.4	9 201	3 559.0	0.4	9 180	3 825.9	0.4	-0.8%	100.0%	
Programme 1	1 168	33	1 229	481.4	0.4	1 261	558.3	0.4	1 162	514.2	0.4	1 146	547.6	0.5	1 140	586.4	0.5	-3.3%	12.7%	
Programme 2	6 572	141	6 248	1 879.9	0.3	5 991	1 826.3	0.3	5 870	1 881.5	0.3	5 866	2 029.1	0.3	5 855	2 183.9	0.4	-0.8%	63.7%	
Programme 3	2 207	20	2 044	708.5	0.3	2 139	813.6	0.4	2 192	912.4	0.4	2 189	982.3	0.4	2 185	1 055.6	0.5	0.7%	23.5%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 5.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	767 104	1 079 275	1 099 536	1 077 037	956 455	7.6%	100.0%	1 131 949	1 183 296	1 249 377	9.3%	100.0%
Sales of goods and services produced by department	711 868	1 023 383	1 074 147	1 053 558	939 711	9.7%	96.1%	1 113 281	1 164 348	1 229 386	9.4%	98.4%
Sales by market establishments of which:	2 698	2 692	–	3 589	3 589	10.0%	0.2%	3 796	3 824	4 034	4.0%	0.3%
Market establishment: Rental dwelling	2 698	2 692	–	3 434	3 567	9.8%	0.2%	3 774	3 801	4 010	4.0%	0.3%
Market establishment: Rental parking: Covered and open	–	–	–	155	22	–	–	22	23	24	2.9%	–
Administrative fees of which:	708 894	1 017 729	1 074 113	1 047 217	933 370	9.6%	95.7%	1 106 573	1 157 499	1 222 161	9.4%	97.8%
Certificates	155 632	88 581	93 010	578 859	465 012	44.0%	20.6%	55 354	56 421	59 524	-49.6%	14.1%
Identity documents	192 862	317 388	338 755	67 856	67 856	-29.4%	23.5%	690 492	737 469	779 030	125.6%	50.3%
Passports	296 405	567 517	595 893	267 018	267 018	-3.4%	44.3%	230 501	231 564	244 300	-2.9%	21.5%
Permits	56 492	36 487	38 311	121 249	121 249	29.0%	6.5%	117 281	119 020	125 566	1.2%	10.7%
Other	7 503	7 756	8 144	12 235	12 235	17.7%	0.9%	12 945	13 025	13 741	3.9%	1.1%
Other sales of which:	276	2 962	34	2 752	2 752	115.2%	0.2%	2 912	3 025	3 191	5.1%	0.3%
Commission on insurance	115	2 595	34	541	541	67.6%	0.1%	2 110	2 201	2 322	62.5%	0.2%
Clearance fees	72	325	–	1 994	1 994	202.6%	0.1%	572	589	621	-32.2%	0.1%
Postal fees for travel documents	29	10	–	12	12	-25.5%	–	13	14	15	7.7%	–
Photocopies and faxes	4	2	–	137	137	224.8%	–	145	147	155	4.2%	–
Other	56	30	–	68	68	6.7%	–	72	74	78	4.7%	–
Sales of scrap, waste, arms and other used current goods	12	15	17	43	43	53.0%	–	45	46	49	4.5%	–
Sales: Waste paper	12	15	17	43	43	53.0%	–	45	46	49	4.5%	–
Transfers received	–	–	1 162	5 832	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	46 850	15 314	10 271	6 884	6 884	-47.2%	2.0%	7 283	7 365	7 770	4.1%	0.6%
Interest, dividends and rent on land	636	28 438	616	266	266	-25.2%	0.8%	281	283	299	4.0%	–
Interest	636	28 438	616	266	266	-25.2%	0.8%	281	283	299	4.0%	–
Sales of capital assets	577	229	3 058	2 325	2 325	59.1%	0.2%	2 459	2 501	2 639	4.3%	0.2%
Transactions in financial assets and liabilities	7 161	11 896	10 265	8 129	7 226	0.3%	0.9%	8 600	8 753	9 234	8.5%	0.7%
Total	767 104	1 079 275	1 099 536	1 077 037	956 455	7.6%	100.0%	1 131 949	1 183 296	1 249 377	9.3%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 5.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	28.4	33.9	36.9	37.2	9.4%	1.6%	46.2	48.0	51.1	11.2%	1.8%
Management Support Services	193.4	203.9	190.5	180.0	-2.4%	8.7%	186.1	193.0	244.9	10.8%	7.9%
Corporate Services	728.8	668.0	667.4	863.4	5.8%	33.3%	714.4	803.4	897.6	1.3%	32.1%
Transversal Information	682.3	498.4	807.9	1 162.9	19.5%	35.8%	870.2	913.0	888.1	-8.6%	37.5%
Technology Management											
Office Accommodation	398.7	423.7	508.2	487.6	6.9%	20.7%	515.9	544.8	574.7	5.6%	20.8%
Total	2 031.5	1 828.0	2 210.8	2 731.2	10.4%	100.0%	2 332.8	2 502.2	2 656.5	-0.9%	100.0%
Change to 2017 Budget estimate				471.7			(16.6)	(16.9)	(17.0)		
Economic classification											
Current payments	1 764.2	1 624.8	2 000.7	2 660.9	14.7%	91.5%	2 318.3	2 486.9	2 640.4	-0.3%	98.9%
Compensation of employees	420.4	430.7	481.4	558.3	9.9%	21.5%	514.2	547.6	586.4	1.6%	21.6%
Goods and services ¹	1 343.7	1 194.1	1 519.3	2 102.6	16.1%	70.0%	1 804.1	1 939.4	2 054.0	-0.8%	77.3%
of which:											
Communication	72.5	71.9	74.3	121.9	18.9%	3.9%	125.3	166.6	263.2	29.3%	6.6%
Computer services	413.4	274.8	363.3	1 036.9	35.9%	23.7%	704.5	733.7	692.7	-12.6%	31.0%
Legal services	34.3	54.0	39.9	84.0	34.9%	2.4%	97.0	102.0	149.4	21.1%	4.2%
Operating leases	266.5	323.3	322.7	240.0	-3.4%	13.1%	318.2	324.1	341.8	12.5%	12.0%
Property payments	234.6	163.2	188.3	392.8	18.7%	11.1%	280.4	321.5	342.5	-4.5%	13.1%
Travel and subsistence	47.7	56.2	40.9	66.9	12.0%	2.4%	86.1	99.9	63.0	-2.0%	3.1%
Transfers and subsidies¹	9.8	2.3	6.7	2.4	-37.4%	0.2%	2.5	2.7	2.8	5.6%	0.1%
Provinces and municipalities	0.1	0.1	0.1	0.8	127.0%	-	0.8	0.9	0.9	5.7%	-
Departmental agencies and accounts	8.0	-	0.0	0.0	-90.0%	0.1%	0.0	0.0	0.0	-	-
Households	1.7	2.3	6.6	1.6	-1.7%	0.1%	1.7	1.8	1.9	5.6%	0.1%
Payments for capital assets	257.6	200.8	203.5	67.9	-35.9%	8.3%	11.9	12.6	13.3	-42.0%	1.0%
Buildings and other fixed structures	66.2	98.2	112.6	50.1	-8.9%	3.7%	-	-	-	-100.0%	0.5%
Machinery and equipment	171.4	85.0	61.8	17.8	-53.0%	3.8%	11.9	12.6	13.3	-9.3%	0.5%
Software and other intangible assets	20.0	17.5	29.0	-	-100.0%	0.8%	-	-	-	-	-
Total	2 031.5	1 828.0	2 210.8	2 731.2	10.4%	100.0%	2 332.8	2 502.2	2 656.5	-0.9%	100.0%
Proportion of total programme expenditure to vote expenditure	28.7%	24.9%	27.1%	32.5%	-	-	29.5%	30.1%	30.4%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Citizen Affairs

Programme purpose

Provide secure, efficient and accessible services and documents to citizens and lawful residents.

Objectives

- Ensure that registration at birth is the only entry point to the national population register by maintaining the number of births registered within 30 calendar days at 810 000 per year over the medium term.
- Increase the number of smart identity cards issued from 3 million per year in 2018/19 to 5 million per year in 2020/21.

- Maintain the standard of service delivery for the issuing of enabling documents by issuing 90 per cent of machine readable passports through the new live capture process within 13 working days over the medium term.

Subprogrammes

- *Citizen Affairs Management* provides for the overall management of the branch for both head office and frontline offices, and provides policy direction, sets standards and manages back office processes.
- *Status Services* regulates all matters relating to the national population register. These include: maintaining an accurate register of all citizens and immigrants who have acquired the right to permanent residence; registering births, deaths and marriages; providing travel and citizenship documents; providing financial assistance to citizens abroad who wish to return to South Africa but have no means of doing so; and determining and granting citizenship.
- *Identification Services* oversees issues relating to identity such as fingerprints, photographs and identity documents. This entails establishing and maintaining national identity systems such as the automated fingerprint identification system.
- *Service Delivery to Provinces* provides for all civic, immigration and refugee affairs functions in all provinces. This entails providing a client interface for the collection and processing of applications, issuing enabling documents that are available on demand (such as temporary identity certificates), and conducting quality assurance checks for civic and immigration applications.
- *Government Printing Works* transfers funds to the Government Printing Works, which provides printing services to the South African government and some SADC states.
- *Electoral Commission* transfers funds to the Electoral Commission, which manages national, provincial and municipal elections; ensures that those elections are free and fair; and declares the results of elections within a prescribed period. This subprogramme's total budget is transferred in full to the commission.
- *Represented Political Parties' Fund* transfers funds to the Represented Political Parties' Fund to provide funding for political parties participating in Parliament and provincial legislatures.

Expenditure trends and estimates

Table 5.10 Citizen Affairs expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
R million											
Citizen Affairs Management	25.3	39.5	30.8	36.4	13.0%	0.7%	37.5	39.0	41.5	4.5%	0.8%
Status Services	562.0	809.2	1 029.4	992.8	20.9%	18.7%	116.0	124.2	133.4	-48.8%	7.3%
Identification Services	204.9	213.9	140.1	247.3	6.5%	4.5%	244.2	268.6	286.5	5.0%	5.6%
Service Delivery to Provinces	1 607.8	2 078.3	1 794.3	1 733.1	2.5%	39.9%	1 996.9	2 156.5	2 312.6	10.1%	44.1%
Electoral Commission	1 553.6	1 517.1	1 657.9	1 299.9	-5.8%	33.3%	1 965.0	1 966.9	1 989.3	15.2%	38.8%
Represented Political Parties' Fund	122.1	127.7	134.5	141.2	5.0%	2.9%	149.4	157.8	166.4	5.6%	3.3%
Total	4 075.7	4 785.7	4 787.0	4 450.7	3.0%	100.0%	4 509.0	4 712.9	4 929.8	3.5%	100.0%
Change to 2017				664.9			129.2	691.8	645.1		
Budget estimate											
Economic classification											
Current payments	2 381.0	3 109.5	2 968.3	3 007.3	8.1%	63.4%	2 392.2	2 585.6	2 771.3	-2.7%	57.8%
Compensation of employees	1 630.2	2 105.0	1 879.9	1 826.3	3.9%	41.1%	1 881.5	2 029.1	2 183.9	6.1%	42.6%
Goods and services ¹	750.8	1 004.6	1 088.4	1 181.0	16.3%	22.2%	510.7	556.5	587.4	-20.8%	15.2%
of which:											
Computer services	23.2	29.4	–	0.1	-83.0%	0.3%	44.1	29.9	31.4	552.9%	0.6%
Contractors	58.2	52.6	0.5	0.4	-81.5%	0.6%	32.5	51.2	45.1	396.7%	0.7%
Fleet services (including government motor transport)	80.5	59.3	48.3	0.4	-83.3%	1.0%	5.8	25.7	35.5	356.7%	0.4%
Consumables: Stationery, printing and office supplies	471.1	723.1	901.1	831.6	20.9%	16.2%	11.2	13.9	13.3	-74.8%	4.7%
Operating leases	6.9	16.4	25.5	0.9	-48.8%	0.3%	12.0	17.5	20.2	179.9%	0.3%
Travel and subsistence	56.4	65.0	29.9	299.2	74.4%	2.5%	366.4	389.1	409.9	11.1%	7.9%

Table 5.10 Citizen Affairs expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
Transfers and subsidies¹	1 691.9	1 662.7	1 807.6	1 443.4	-5.2%	36.5%	2 116.8	2 127.3	2 158.5	14.4%	42.2%
Provinces and municipalities	0.9	0.8	0.8	1.0	5.8%	–	1.1	1.1	1.2	5.6%	–
Departmental agencies and accounts	1 675.7	1 644.8	1 792.4	1 441.1	-4.9%	36.2%	2 114.4	2 124.7	2 155.7	14.4%	42.1%
Households	15.3	17.0	14.4	1.3	-56.1%	0.3%	1.4	1.5	1.5	5.6%	–
Payments for capital assets	2.8	13.5	11.1	–	-100.0%	0.2%	–	–	–	–	–
Machinery and equipment	2.8	13.5	10.8	–	-100.0%	0.1%	–	–	–	–	–
Software and other intangible assets	–	–	0.3	–	–	–	–	–	–	–	–
Total	4 075.7	4 785.7	4 787.0	4 450.7	3.0%	100.0%	4 509.0	4 712.9	4 929.8	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	57.7%	65.2%	58.8%	53.0%	–	–	57.0%	56.7%	56.3%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 675.7	1 644.8	1 792.4	1 441.1	-4.9%	36.2%	2 114.4	2 124.7	2 155.7	14.4%	42.1%
Electoral Commission	1 553.6	1 517.1	1 657.9	1 299.9	-5.8%	33.3%	1 965.0	1 966.9	1 989.3	15.2%	38.8%
Represented Political Parties' Fund	122.1	127.7	134.5	141.2	5.0%	2.9%	149.4	157.8	166.4	5.6%	3.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Immigration Affairs

Programme purpose

Facilitate and regulate the secure movement of people through the ports of entry into and out of the Republic of South Africa. Determine the status of asylum seekers and regulate refugee affairs.

Objectives

- Maintain the standard of service delivery for enabling documents by:
 - adjudicating permanent residence applications (collected within South Africa) within 8 months, improving the percentage from 85 per cent to 90 per cent from 2018/19 to 2020/21
 - adjudicating business and general work visa applications (processed within South Africa) within 8 weeks, maintaining the percentage at 90 per cent from 2018/19 to 2020/21
 - adjudicating critical skills visa applications (processed within South Africa) within 4 weeks, maintaining the percentage at 85 per cent from 2018/19 to 2020/21.

Subprogrammes

- *Immigration Affairs Management* provides for the overall management of the branch and policy direction, sets standards, and manages back office processes.
- *Admission Services* is responsible for issuing visas, securely facilitating the entry and departure of persons to and from South Africa in line with the Immigration Act (2002); recording their movements on the movement control system; and controlling the processing of applications for permanent and temporary residence permits/visas, including work, study and business visas.
- *Immigration Services* deals with immigration matters in foreign countries; detects, detains and deports illegal immigrants in terms of the Immigration Act (2002); conducts investigations with other law enforcement entities; and provides policy directives on immigration matters.
- *Asylum Seekers* considers and processes applications for asylum, issues enabling documents to refugees, and facilitates processes to find durable solutions to refugee problems in line with the Refugees Act (1998). The head office is responsible for providing strategic leadership, whereas refugee reception offices are responsible for operations.

Expenditure trends and estimates

Table 5.11 Immigration Affairs expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Immigration Affairs Management	63.9	32.6	7.3	48.4	-8.9%	3.7%	49.0	50.1	52.6	2.9%	4.4%
Admission Services	564.2	407.1	763.7	778.7	11.3%	61.9%	609.2	622.2	662.2	-5.3%	58.7%
Immigration Services	200.7	228.0	249.2	235.5	5.5%	22.5%	242.9	252.3	269.4	4.6%	22.0%
Asylum Seekers	133.5	62.1	125.6	157.9	5.7%	11.8%	172.4	168.8	180.4	4.6%	14.9%
Total	962.3	729.8	1 145.7	1 220.4	8.2%	100.0%	1 073.6	1 093.4	1 164.6	-1.5%	100.0%
Change to 2017 Budget estimate				210.1			(13.2)	(13.6)	(16.2)		
Economic classification											
Current payments	956.1	726.2	1 135.4	1 220.1	8.5%	99.5%	1 073.2	1 093.0	1 164.2	-1.6%	100.0%
Compensation of employees	549.6	309.6	708.5	813.6	14.0%	58.7%	912.4	982.3	1 055.6	9.1%	82.7%
Goods and services ¹	406.6	416.6	426.9	406.5	-	40.8%	160.8	110.7	108.5	-35.6%	17.3%
<i>of which:</i>											
Computer services	115.5	161.0	3.5	0.5	-84.3%	6.9%	19.6	0.3	4.9	121.0%	0.6%
Contractors	13.7	15.5	0.9	0.4	-69.0%	0.8%	7.1	13.3	8.7	177.4%	0.6%
Agency and support/outsourced services	39.3	97.4	109.2	0.1	-88.6%	6.1%	18.8	20.5	21.2	611.0%	1.3%
Inventory: Clothing material and accessories	4.0	4.8	8.1	0.4	-53.1%	0.4%	10.8	11.1	11.2	201.1%	0.7%
Transport provided:											
Departmental activity	89.1	65.2	21.0	148.2	18.5%	8.0%	17.1	16.8	18.9	-49.7%	4.4%
Travel and subsistence	66.2	46.9	45.9	251.8	56.1%	10.1%	47.5	26.2	18.2	-58.4%	7.5%
Transfers and subsidies¹	1.8	1.1	1.3	0.4	-40.1%	0.1%	0.4	0.4	0.5	5.6%	-
Provinces and municipalities	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	0.0	0.0	0.0	0.0	-9.1%	-	0.0	0.0	0.0	-	-
Households	1.8	1.1	1.3	0.4	-40.2%	0.1%	0.4	0.4	0.5	5.6%	-
Payments for capital assets	4.4	2.4	9.0	-	-100.0%	0.4%	-	-	-	-	-
Machinery and equipment	4.4	2.4	9.0	-	-100.0%	0.4%	-	-	-	-	-
Total	962.3	729.8	1 145.7	1 220.4	8.2%	100.0%	1 073.6	1 093.4	1 164.6	-1.5%	100.0%
Proportion of total programme expenditure to vote expenditure	13.6%	9.9%	14.1%	14.5%	-	-	13.6%	13.2%	13.3%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

Electoral Commission

Mandate

The Electoral Commission is a chapter 9 constitutional institution reporting directly to Parliament. It was established in terms of the Electoral Commission Act (1996), which sets out its composition, powers, functions and duties. The commission is mandated to manage national, provincial and municipal elections; ensure that those elections are free and fair; and declare results within a prescribed period. The commission also administers funds transferred by the department for use by the Represented Political Parties' Fund.

¹ This section has been compiled with the latest available information from the entities concerned.

Selected performance indicators

Table 5.12 Electoral Commission performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of registered voters reflected on the voters roll as at 31 March each year	Electoral operations	Outcome 12: An efficient, effective and development oriented public service	25 161 799	25 642 052	26 139 122	25 616 339	27 653 320	27 233 126	28 414 590
Number of registered voters who appeared on the voters roll as at 31 March 2016 for whom the Electoral Commission did not have addresses or sufficient particularities for each year	Electoral operations		-1	-1	-1	9 218 041	7 200 000	-2	-2
Number of contracted voting stations in place on main registration weekends or general election days in the years where applicable	Electoral operations		22 263	22 569	22 612	Non-election year	23 000	23 000	23 200
Number of liaison sessions held with members of party liaison committees at national, provincial and municipal levels per year	Electoral operations		1 748 sessions (17 national/ 69 provincial/ 1 662 local)	2 433 sessions (13 national/ 70 provincial/ 2 350 Local)	1 937 sessions (17 national/ 57 provincial/ 1 863 local)	892 sessions (4 national/ 36 provincial/ 852 local)	1 784 sessions (8 national/ 72 provincial/ 1 704 local)	1 338 sessions (6 national/ 54 provincial/ 1 278 local)	1 338 sessions (6 national/ 54 provincial/ 1 278 local)
Number of electoral staff recruited and trained per year	Electoral operations		211 252	52 169	262 738	Non-election year	56 850	210 000	58 000
Number of civic and democracy education events held per year	Outreach		11 363	73 621	48 449	15 000	45 000	40 000	35 000
Public perception rating of the Electoral Commission as per media reports per year	Outreach		72%	83.5%	92.3%	75%	80%	85%	75%
Number of international interactions/liaisons achieved per year	Outreach		28	32	20	20	20	20	20

1. No historical data available.

2. Project concludes in 2018/19.

Expenditure analysis

The Electoral Commission's mandate is directly aligned with the NDP's vision of building a capable developmental state, and an active and engaged citizenry. Accordingly, over the medium term, the commission intends focusing on preparations for the 2019 national and provincial elections, and the 2021 local government elections. R3.1 billion is allocated over the MTEF period for the commission's electoral operations and R808.2 million is allocated for its outreach activities.

The commission plans to begin its electoral operations by conducting 2 weekends of registrations in the first half of 2018; procuring, distributing and warehousing voting registration materials; and providing logistical support for registrations.

The commission's expenditure is influenced by the electoral cycle, which usually comprises two parts: the four years in which election preparations and voting take place for national, provincial and municipal elections, and the one year dedicated to municipal by-elections. Initially, 2017/18 was regarded as a one-year electoral cycle. However, the Constitutional Court made 2 judgments that directed the commission to obtain and record the addresses of all registered voters to ensure that they are registered in the correct voting districts before June 2018. As such, all voting stations are scheduled to open on 10 March and 11 March 2018, with about 68 000 full-time and fixed term staff deployed to record the addresses of registered voters. This activity is expected to cost R230 million.

The updating of addresses on the voters roll in line with the court judgments, registration activities, and the procurement of ballot papers, ballot boxes and stationery account for estimated spending of R649 million over the MTEF period. In addition, between R450 million and R500 million is budgeted for the updating of databases in line with electoral requirements, updating and rolling out the commission's IT infrastructure, replacing the commission's fleet of zip-zip machines, and the erection of 8 prefabricated offices housing commission staff, bringing the total number of these offices to 38 by 2020/21.

The commission has a staff complement of 1 033, which is expected to remain constant over the medium term. Spending on compensation of employees is expected to increase at an average annual rate of 15.2 per cent between 2017/18 and 2020/21, from R604.5 million to R924 million. This increase is mainly due to the appointment of approximately 6 000 expansion staff on fixed term contracts over a seven-month period in 2018/19 when election-related activities are at their peak. In 2019/20, expansion staff will only be appointed for a three-month period.

R890 million is allocated over the MTEF period to attract an estimated 324 850 mature and experienced electoral staff for work on election days, 114 850 of whom are also expected to be compensated for registration activities. This funding is also expected to enable the commission to improve on and increase the training it provides through the electoral operations programme.

The commission undertakes extensive civic and democracy education and communications campaigns to protect the credibility and integrity of electoral processes. Through these campaigns, the commission keeps the electorate informed and aims to attain high voter turnouts on election days. R808.2 million is set aside over the MTEF period for these campaigns.

The commission derives its revenue mainly from transfer payments it receives from the department. The commission also generates revenue from the sale of goods and services, and interest earned from investments. The commission's own revenue is expected to remain constant at R15 million per year over the MTEF period.

Programmes/Objectives/Activities

Table 5.13 Electoral Commission expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	522.3	496.1	612.9	571.5	3.0%	35.0%	621.1	658.6	682.7	6.1%	35.4%
Electoral operations	926.5	664.2	1 199.7	701.9	-8.8%	54.0%	976.7	1 156.6	1 009.2	12.9%	52.8%
Outreach	167.0	255.0	197.8	80.0	-21.8%	11.0%	301.1	184.5	322.6	59.2%	11.8%
Total	1 615.9	1 415.3	2 010.4	1 353.3	-5.7%	100.0%	1 898.8	1 999.7	2 014.6	14.2%	100.0%

Statements of historical financial performance and position

Table 5.14 Electoral Commission statements of historical financial performance and position

Statement of financial performance									
R million	Audited		Audited		Audited		Budget	Revised	Average: Outcome/ Budget (%)
	Budget	outcome	Budget	outcome	Budget	outcome	estimate	estimate	
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Revenue									
Non-tax revenue	15.0	31.4	15.0	16.8	33.0	41.0	10.0	10.0	135.8%
Other non-tax revenue	15.0	31.4	15.0	16.8	33.0	41.0	10.0	10.0	135.8%
Transfers received	1 553.6	1 553.6	1 517.1	1 517.1	1 657.9	1 657.9	1 299.9	1 299.9	100.0%
Total revenue	1 568.6	1 585.0	1 532.1	1 533.9	1 690.9	1 698.9	1 309.9	1 309.9	100.4%
Expenses									
Current expenses	1 613.1	1 615.9	1 569.1	1 415.3	2 017.9	2 010.4	1 172.8	1 353.3	100.3%
Compensation of employees	566.2	572.0	655.2	646.1	741.9	755.7	595.0	604.5	100.8%
Goods and services	984.2	980.0	851.9	710.1	1 206.5	1 186.6	508.7	678.3	100.1%
Depreciation	62.8	63.8	62.0	59.1	69.5	68.0	69.1	70.5	99.3%
Total expenses	1 613.1	1 615.9	1 569.1	1 415.3	2 017.9	2 010.4	1 172.8	1 353.3	100.3%
Surplus/(Deficit)	(44.0)	(31.0)	(37.0)	119.0	(327.0)	(312.0)	137.0	(43.0)	
Statement of financial position									
Carrying value of assets	242.7	303.8	293.5	319.7	274.4	294.2	400.7	250.4	96.4%
<i>of which:</i>									
<i>Acquisition of assets</i>	(18.3)	(16.4)	(25.0)	(78.3)	(24.3)	(43.1)	(195.5)	(26.5)	62.4%
Inventory	10.0	7.9	45.0	45.4	15.0	11.9	12.0	8.0	89.2%
Accrued investment interest	–	–	–	0.4	–	0.0	–	–	–
Receivables and prepayments	13.5	30.4	25.0	17.2	18.0	22.3	18.0	18.0	118.0%
Cash and cash equivalents	30.0	157.5	162.6	341.0	5.0	14.1	7.6	15.0	257.1%
Total assets	296.2	499.5	526.1	723.7	312.4	342.5	438.3	291.4	118.1%
Accumulated surplus/(deficit)	213.2	388.4	372.6	507.1	180.1	195.6	370.8	145.9	108.8%
Trade and other payables	83.0	110.9	153.0	216.6	131.8	143.9	67.0	142.5	141.2%
Provisions	–	0.2	0.5	–	0.5	1.7	0.5	1.7	233.8%
Derivatives financial instruments	–	–	–	–	–	1.3	–	1.3	–
Total equity and liabilities	296.2	499.5	526.1	723.7	312.4	342.5	438.3	291.4	118.1%

Statements of estimates of financial performance and position

Table 5.15 Electoral Commission statements of estimates of financial performance and position

Statement of financial performance								
R million	Revised	Average	Average:	Medium-term estimate			Average	Average:
	estimate	growth	Expenditure/ Total	2018/19	2019/20	2020/21	growth	Expenditure/ Total
	2017/18	rate	(%)				rate	(%)
		(%)	(%)				(%)	(%)
Revenue								
Non-tax revenue	10.0	-31.7%	1.6%	15.0	15.0	15.0	14.5%	0.8%
Other non-tax revenue	10.0	-31.7%	1.6%	15.0	15.0	15.0	14.5%	0.8%
Transfers received	1 299.9	-5.8%	98.4%	1 965.0	1 966.9	1 989.3	15.2%	99.2%
Total revenue	1 309.9	-6.2%	100.0%	1 980.0	1 981.9	2 004.3	15.2%	100.0%
Expenses								
Current expenses	1 353.3	-5.7%	100.0%	1 898.8	1 999.7	2 014.6	14.2%	100.0%
Compensation of employees	604.5	1.9%	40.8%	835.6	801.6	924.0	15.2%	43.7%
Goods and services	678.3	-11.5%	55.0%	1 009.1	1 167.2	1 064.5	16.2%	53.6%
Depreciation	70.5	3.4%	4.2%	54.1	30.9	26.0	-28.3%	2.7%
Total expenses	1 353.3	-5.7%	100.0%	1 898.8	1 999.7	2 014.6	14.2%	100.0%
Surplus/(Deficit)	(43.0)			81.0	(18.0)	(10.0)		
Statement of financial position								
Carrying value of assets	250.4	-6.2%	69.2%	331.6	313.8	303.6	6.6%	83.6%
<i>of which:</i>								
<i>Acquisition of assets</i>	(26.5)	17.3%	-8.9%	(135.3)	(13.1)	(14.0)	-19.2%	-12.4%
Inventory	8.0	0.6%	3.5%	45.0	8.0	45.0	77.8%	6.9%
Receivables and prepayments	18.0	-16.0%	5.3%	18.5	18.5	18.5	0.9%	5.2%
Cash and cash equivalents	15.0	-54.3%	22.0%	15.0	15.0	15.0	–	4.2%
Total assets	291.4	-16.4%	100.0%	410.1	355.3	382.1	9.5%	100.0%
Accumulated surplus/(deficit)	145.9	-27.8%	63.7%	244.6	209.8	236.6	17.5%	57.7%
Trade and other payables	142.5	8.7%	35.8%	162.5	142.5	142.5	–	41.5%
Provisions	1.7	109.3%	0.3%	1.7	1.7	1.7	-0.4%	0.5%
Derivatives financial instruments	1.3	–	0.2%	1.3	1.3	1.3	–	0.4%
Total equity and liabilities	291.4	-16.4%	100.0%	410.1	355.3	382.1	9.5%	100.0%

Personnel information

Table 5.16 Electoral Commission personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
Electoral Commission																			
Salary level	3 688	3 789	11 681	755.7	0.1	2 723	604.5	0.2	10 281	835.6	0.1	10 281	801.6	0.1	10 504	924.0	0.1	15.2%	100.0%
1 – 6	2 826	2 834	10 812	202.2	0.0	1 861	35.2	0.0	9 344	167.9	0.0	9 344	102.6	0.0	9 567	178.5	0.0	71.8%	85.3%
7 – 10	785	861	791	431.0	0.5	785	442.6	0.6	849	522.6	0.6	849	547.1	0.6	849	583.5	0.7	9.6%	13.4%
13 – 16	72	89	73	113.1	1.5	72	114.0	1.6	83	137.7	1.7	83	144.2	1.7	83	153.8	1.9	10.5%	1.3%
17 – 22	5	5	5	9.4	1.9	5	12.6	2.5	5	7.3	1.5	5	7.8	1.6	5	8.3	1.7	-13.2%	0.1%

1. Rand million.

Government Printing Works

Mandate

Government Printing Works is mandated to provide security printing and ancillary services to all organs of state in all spheres of government. It was converted to a full government component in 2009, in terms of the Public Service Act (1999), enabling it to start operating on sound business principles. The entity performs its mandate subject to policies as prescribed by the Minister of Home Affairs.

Selected performance indicators

Table 5.17 Government Printing Works performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of national and provincial government gazettes published per year	Production and operations	Entity Mandate	2 400	3 115	2 400	2 400	2 400	2 400	2 400
Number of new passports printed per year	Production and operations		600 000	820 237	886 119	600 000	900 000	900 000	900 000
Number of smart identity cards printed per year	Production and operations		1 660 280	2 413 929	2 699 047	5 000 000	3 000 000	4 000 000	5 000 000

Expenditure analysis

Government Printing Works provides secure printing services to South Africa and some countries within the SADC. The entity's main objective is to establish itself as the security printer of choice in the region by assisting its customers in dealing with the complex problems of identity theft and document fraud. As such, over the medium term, the entity intends to focus on replacing old equipment and machinery, and refurbishing its production facility.

A new security printing division in Pretoria was expected to be completed by 2019/20, but due to delays in finalising the master plan, the project is still in the construction phase. The certificate of occupation for the property is scheduled to be obtained from the municipality in March 2018, with the project expected to be completed in 2020/21. 2 pavilions (phases) of the printing facility have been completed and once pavilion 3 is ready for use, it will provide an additional facility for the processing and dispatching of smart identity cards and passports. Costs for refurbishing the site are projected at R1.2 billion over the MTEF period and are to be covered by the entity's accumulated funds.

As part of its equipment upgrade, and at a total estimated cost of R180 million in 2018/19, the entity plans to buy specialised machinery, including 2 dynamic box production machines, 2 sheet fed printing presses, a wide web printing press, 2 paper finishing machines and a narrow web printing press. Spending on this equipment will increase expenditure on goods and services from a projected R928.7 million in 2018/19 to R1.2 billion in 2020/21. To recruit and train personnel to use the equipment, expenditure on compensation of employees is expected to increase from R269.2 million in 2017/18 to R403.3 million in 2020/21.

The entity generates its own revenue, which is expected to increase at an average annual rate of 9.9 per cent, from R1.6 billion in 2018/19 to R2.1 billion in 2020/21. The entity expects to increase revenue by expanding

the production of passports and identity documents with the new equipment.

Programmes/Objectives/Activities

Table 5.18 Government Printing Works expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Administration	158.1	195.5	208.5	260.5	18.1%	21.7%	364.9	412.6	462.7	21.1%	23.4%
Production and operations	602.2	632.5	713.4	1 044.7	20.2%	78.3%	1 088.4	1 278.8	1 454.3	11.7%	76.6%
Total	760.3	827.9	921.9	1 305.1	19.7%	100.0%	1 453.3	1 691.4	1 917.0	13.7%	100.0%

Statements of historical financial performance and position

Table 5.19 Government Printing Works statements of historical financial performance and position

Statement of financial performance										
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)	
	Budget	2014/15	Budget	2015/16	Budget	2016/17				2017/18
Revenue										
Non-tax revenue		1 203.0	1 020.5	1 122.1	1 142.3	1 341.0	1 442.0	1 453.5	1 453.5	98.8%
Sale of goods and services other than capital assets		1 203.0	1 013.0	1 116.8	1 138.2	1 338.0	1 432.0	1 450.2	1 450.2	98.5%
<i>of which:</i>										
<i>Sales by market establishment</i>		1 203.0	1 013.0	1 116.8	1 138.2	1 338.0	1 432.0	1 450.2	1 450.2	98.5%
Other non-tax revenue		0.0	7.5	5.3	4.1	3.0	10.0	3.3	3.3	213.3%
Transfers received		97.3	44.6	99.8	68.7	68.7	71.9	72.3	72.3	76.1%
Total revenue		1 300.3	1 065.2	1 221.9	1 211.1	1 409.8	1 513.9	1 525.8	1 525.8	97.4%
Expenses										
Current expenses		1 105.2	760.3	1 059.7	827.9	1 211.4	921.9	1 305.1	1 305.1	81.5%
Compensation of employees		140.8	157.4	208.5	166.0	212.8	201.5	269.2	269.2	95.5%
Goods and services		837.3	538.3	743.5	570.2	875.6	627.3	886.4	886.4	78.4%
Depreciation		122.3	64.6	107.7	91.8	123.1	93.2	149.4	149.4	79.4%
Interest, dividends and rent on land		4.8	-	-	-	-	-	-	-	-
Total expenses		1 105.2	760.3	1 059.7	827.9	1 211.4	921.9	1 305.1	1 305.1	81.5%
Surplus/(Deficit)		195.0	305.0	162.0	383.0	198.0	592.0	221.0	221.0	
Statement of financial position										
Carrying value of assets		904.6	480.8	813.8	715.7	974.6	829.9	1 144.6	1 144.6	82.6%
<i>of which:</i>										
<i>Acquisition of assets</i>		(455.8)	(183.5)	(17.0)	(326.7)	(183.8)	(210.7)	(319.5)	(319.5)	106.6%
Inventory		167.3	196.5	188.4	227.8	277.9	192.7	333.0	333.0	98.3%
Receivables and prepayments		252.9	349.3	308.2	309.1	352.7	278.9	396.3	396.3	101.8%
Cash and cash equivalents		685.5	1 316.2	834.2	1 411.0	1 138.5	1 875.6	1 049.6	1 049.6	152.4%
Total assets		2 010.2	2 342.8	2 144.5	2 663.6	2 743.8	3 177.1	2 923.6	2 923.6	113.1%
Capital and reserves		1 285.0	1 439.6	1 442.0	1 822.7	2 021.1	2 414.6	2 241.7	2 241.7	113.3%
Deferred income		636.6	702.4	571.3	633.6	564.9	561.8	492.6	492.6	105.5%
Trade and other payables		83.3	197.0	123.4	202.9	155.6	196.2	186.4	186.4	142.6%
Provisions		5.2	3.9	7.8	4.4	2.2	4.6	2.9	2.9	86.8%
Total equity and liabilities		2 010.2	2 342.8	2 144.5	2 663.6	2 743.8	3 177.1	2 923.6	2 923.6	113.1%

Statements of estimates of financial performance and position

Table 5.20 Government Printing Works statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
Revenue									
Non-tax revenue	1 453.5	12.5%	95.2%	1 501.4	1 754.2	1 991.5	11.1%	94.8%	
Sale of goods and services other than capital assets	1 450.2	12.7%	94.7%	1 497.9	1 750.4	1 987.4	11.1%	94.6%	
<i>of which:</i>									
<i>Sales by market establishment</i>	1 450.2	12.7%	94.7%	1 497.9	1 750.4	1 987.4	11.1%	94.6%	
Other non-tax revenue	3.3	-24.1%	0.5%	3.6	3.8	4.1	7.5%	0.2%	
Transfers received	72.3	17.5%	4.8%	82.4	105.0	110.7	15.3%	5.2%	
Total revenue	1 525.8	12.7%	100.0%	1 583.8	1 859.2	2 102.2	11.3%	100.0%	
Expenses									
Current expenses	1 305.1	19.7%	100.0%	1 453.3	1 691.4	1 917.0	13.7%	100.0%	
Compensation of employees	269.2	19.6%	20.8%	331.0	365.1	403.3	14.4%	21.5%	
Goods and services	886.4	18.1%	68.9%	928.7	1 081.1	1 225.7	11.4%	64.9%	
Depreciation	149.4	32.2%	10.3%	193.5	245.2	288.0	24.4%	13.6%	
Total expenses	1 305.1	19.7%	100.0%	1 453.3	1 691.4	1 917.0	13.7%	100.0%	
Surplus/(Deficit)	221.0			130.0	168.0	185.0			

Table 5.20 Government Printing Works statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Carrying value of assets	1 144.6	33.5%	28.2%	1 349.4	1 500.2	1 596.2	11.7%	43.4%
of which:								
Acquisition of assets	(319.5)	20.3%	-9.4%	(398.3)	(396.0)	(384.0)	6.3%	-11.7%
Inventory	333.0	19.2%	8.6%	251.9	152.0	186.3	-17.6%	7.3%
Receivables and prepayments	396.3	4.3%	12.2%	284.6	332.6	377.6	-1.6%	10.9%
Cash and cash equivalents	1 049.6	-7.3%	51.0%	1 317.3	1 313.8	1 243.2	5.8%	38.3%
Total assets	2 923.6	7.7%	100.0%	3 203.3	3 298.6	3 403.2	5.2%	100.0%
Capital and reserves	2 241.7	15.9%	70.6%	2 617.4	2 785.2	2 970.4	9.8%	82.5%
Deferred income	492.6	-11.2%	22.1%	407.1	302.2	191.4	-27.0%	11.1%
Trade and other payables	186.4	-1.8%	7.1%	174.1	206.6	236.8	8.3%	6.3%
Provisions	2.9	-9.3%	0.1%	4.6	4.6	4.6	16.9%	0.1%
Total equity and liabilities	2 923.6	7.7%	100.0%	3 203.3	3 298.6	3 403.2	5.2%	100.0%

Personnel information**Table 5.21 Government Printing Works personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number								
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)							
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21										
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Government Printing Works		687			660	201.5	0.3	661	269.2	0.4	760	331.0	0.4	760	365.1	0.5	760	403.3	0.5	14.4%	100.0%	
Salary level																						
1 – 6	485	485	460	96.9	0.2	460	132.6	0.3	510	151.9	0.3	510	166.3	0.3	510	181.9	0.4	510	181.9	0.4	11.1%	67.7%
7 – 10	154	154	152	55.5	0.4	153	73.5	0.5	175	99.1	0.6	175	110.9	0.6	175	125.5	0.7	175	125.5	0.7	19.5%	23.1%
11 – 12	22	22	22	17.1	0.8	22	22.9	1.0	45	43.2	1.0	45	47.7	1.1	45	52.1	1.2	45	52.1	1.2	31.5%	5.3%
13 – 16	26	26	26	31.9	1.2	26	40.2	1.5	30	36.9	1.2	30	40.1	1.3	30	43.7	1.5	30	43.7	1.5	2.8%	3.9%

1. Rand million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
Departmental infrastructure									
Small projects (total cost of less than R250 million over the project life cycle)									
Taung	Renovations, repairs and maintenance of buildings to make them habitable	Design	-	-	-	-	13.5	17.4	-
Stanger	Renovations, repairs and maintenance of buildings to make them habitable	Feasibility	-	-	-	-	17.1	17.1	3.1
Lusikisiki	Renovations, repairs and maintenance of buildings to make them habitable	Various	-	-	-	-	43.8	3.7	-
Randfontein	Renovations, repairs and maintenance of buildings to make them habitable	Various	-	-	-	-	3.0	3.0	-
New head office	Refurbishment of 13th floor	Design	-	-	-	-	40.0	5.0	3.0
Ganyesa	Construction of new office building	Pre-feasibility	-	-	-	-	0.3	6.3	-
Bushbuckridge	Construction of new office building	Pre-feasibility	-	-	-	-	7.7	-	-
Modimolle	Construction of new office building	Pre-feasibility	-	-	-	-	0.3	0.3	-
Bochum	Construction of new office building	Pre-feasibility	-	-	-	-	-	0.0	-
Mokopane	Construction of new office building	Construction	-	-	-	-	12.0	8.0	5.0
Lebombo refugee reception centre	Construction of a refugee reception centre	Feasibility	-	-	-	-	10.0	12.0	13.5
Sea port of entry: New offices	Construction of new office building	Feasibility	-	-	-	-	11.0	11.0	12.4
Lebombo official residential accommodation	Provision of residential accommodation for officials	Feasibility	-	-	-	-	11.0	13.5	15.1
Oshoek	Provision of residential accommodation for officials	Feasibility	-	-	-	-	15.6	15.5	15.5
Maseru	Provision of residential accommodation for officials	Feasibility	-	-	-	-	14.5	14.5	14.5
Belitridge	Provision of residential accommodation for officials	Feasibility	-	-	-	-	15.6	15.6	15.6
Planned maintenance	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	-	-	-	-	4.5	5.0	-
Itsoseng	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	-	-	-	-	3.5	-	-
Christiana	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	-	-	-	-	3.5	-	-
Thohoyandou	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	-	-	-	-	3.5	-	-
Louis Trichardt	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	-	-	-	-	3.5	-	-
Harding	Construction of new office building	Feasibility	-	-	-	-	3.5	-	-
Ingwavuma	Construction of new office building	Feasibility	-	-	-	-	3.5	-	-
Komanga	Construction of new office building	Feasibility	-	-	-	-	3.5	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Nqamakhwe	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	-	-	-	-	-	-	-	16.2
Phutaditjaba	Construction of new office building	Construction	22.0	11.4	1.4	-	-	-	-	-
Taung	Construction of new office building	Design	36.2	-	-	5.3	-	-	-	-
Hluhluwe	Construction of new office building	Feasibility	40.2	10.3	27.4	1.5	-	-	-	-
Stanger	Construction of new office building	Feasibility	45.5	7.3	0.6	0.4	-	-	-	-
Lusikisiki	Demolition of old prison and construction of new office building	Various	70.5	16.6	0.3	4.6	1.5	-	-	-
Randfontein	Demolition of old commando and construction of new office building	Various	19.0	6.5	0.7	2.8	3.0	-	-	-
Marabastad	Construction of ablution block and shelter	Various	79.1	25.6	0.2	53.3	-	-	-	-
Onverwacht	Renovations, repairs and maintenance of buildings to make them habitable	Construction	0.4	-	-	0.4	-	-	-	-
Feasibility study: Redevelopment of the 6 Ports of Entry (Beitbridge, Lebombo, Maseru Bridge, Kopfontein Gate, Oshoek and Ficksburg)	Renovations, repairs and maintenance of buildings to make them habitable	Feasibility	38.9	-	26.6	12.3	-	-	-	-
Brakpan	Renovations, repairs and maintenance of buildings to make them habitable	Construction	4.6	-	2.6	2.0	-	-	-	-
Pampierstad/Mol	Renovations, repairs and maintenance of buildings to make them habitable	Construction	5.5	-	3.6	1.9	-	-	-	-
New head office	Refurbishment of 13th floor	Design	50.2	-	0.5	0.2	1.5	-	-	-
Ganyesa	Construction of new office building	Pre-feasibility	6.9	-	-	-	0.3	-	-	-
Bushbuckridge	Construction of new office building	Pre-feasibility	7.7	-	-	-	-	-	-	-
Modimolle	Construction of new office building	Pre-feasibility	1.2	-	0.1	-	0.5	-	-	-
Bochum	Construction of new office building	Pre-feasibility	0.6	-	0.3	-	0.3	-	-	-
Mokopane	Construction of new office building	Construction	27.6	-	-	-	2.6	-	-	-
Supply and delivery: Park Homes	Construction of residential accommodation for officials	Construction	7.3	-	3.0	4.3	-	-	-	-
Ministry	Rezoning of office building	Pre-feasibility	0.2	-	0.2	-	-	-	-	-
Lebombo refugee reception centre	Construction of a refugee reception centre	Feasibility	37.9	-	1.5	0.9	-	-	-	-
Sea port of entry: New offices	Construction of new office building	Feasibility	34.4	-	-	-	-	-	-	-
Lebombo official residential accommodation	Provision of residential accommodation for officials	Feasibility	51.5	-	11.5	0.4	-	-	-	-
Oshoek	Provision of residential accommodation for officials	Feasibility	53.3	-	6.7	-	-	-	-	-
Maseru	Provision of residential accommodation for officials	Feasibility	46.0	-	2.5	-	-	-	-	-
Beitbridge	Provision of residential accommodation for officials	Feasibility	51.2	-	4.3	-	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome					Adjusted appropriation 2017/18	Medium-term expenditure estimate			
				2014/15	2015/16	2016/17	2018/19	2019/20		2020/21			
R million													
Planned maintenance	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	21.4	-	6.5	1.4	-	4.0	-	-	-	-	-
Look and feel	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	30.2	-	18.6	11.6	-	-	-	-	-	-	-
Itsoseng	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	6.2	-	0.3	-	2.4	-	-	-	-	-	-
Christiana	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	5.8	-	0.3	-	2.0	-	-	-	-	-	-
Thohoyandou	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	7.1	-	0.3	-	3.3	-	-	-	-	-	-
Lichtenburg	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	5.3	-	0.3	-	5.0	-	-	-	-	-	-
Louis Trichardt	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	5.3	-	0.8	-	1.0	-	-	-	-	-	-
New head office	Construction of new office building	Feasibility	3.0	-	1.5	-	1.5	-	-	-	-	-	-
Atamelang, Molopo and Mankwe	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	8.2	-	7.8	0.3	0.1	-	-	-	-	-	-
Harding	Construction of new office building	Feasibility	9.3	-	0.3	-	5.5	-	-	-	-	-	-
Ingwavuma	Construction of new office building	Feasibility	9.8	-	0.3	-	6.0	-	-	-	-	-	-
Komanga	Construction of new office building	Feasibility	10.0	-	0.3	-	6.2	-	-	-	-	-	-
Phalaborwa	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	0.2	-	0.1	-	0.1	-	-	-	-	-	-
Nqamakhwe	Upgrades and renovations of office buildings (such as painting and new flooring)	Construction	16.2	-	-	-	-	-	-	-	-	-	-
Total			875.9	66.2	123.5	126.0	54.1	244.4	164.1	97.7			

Vote 6

International Relations and Cooperation

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 665.6	1 372.5	1.6	291.5	1 711.3	1 816.2
International Relations	3 359.4	3 334.9	5.5	19.0	3 044.3	3 246.4
International Cooperation	568.3	566.9	1.2	0.1	574.4	613.8
Public Diplomacy and Protocol Services	302.1	300.6	1.6	–	322.9	344.8
International Transfers	657.4	–	657.4	–	655.6	691.7
Total expenditure estimates	6 552.8	5 574.9	667.2	310.7	6 308.5	6 712.8
Executive authority	Minister of International Relations and Cooperation					
Accounting officer	Director General of International Relations and Cooperation					
Website address	www.dirco.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Formulate, coordinate, implement and manage South Africa's foreign policy and international relations programmes.

Mandate

According to the Constitution, the president is ultimately responsible for the foreign policy and international relations of South Africa. As such, it is the president's prerogative to appoint heads of mission, receive foreign heads of mission, conduct state to state relations, and negotiate and sign all international agreements. International agreements that are not of a technical, administrative or executive nature will only bind the country after being approved by Parliament, which also approves the country's ratification of or accession to multilateral agreements. All international agreements must be tabled in Parliament for information purposes.

The Minister of International Relations and Cooperation is entrusted with the formulation, promotion, execution and daily conduct of South Africa's foreign policy. The department's overall mandate is to work for the realisation of South Africa's foreign policy objectives. This is done by:

- coordinating and aligning South Africa's international relations
- monitoring developments in the international environment
- communicating government's policy positions
- developing and advising government on policy options, and creating mechanisms and avenues for achieving objectives
- protecting South Africa's sovereignty and territorial integrity
- contributing to the creation of an enabling international environment for South African businesses
- sourcing developmental assistance
- assisting South African citizens abroad.

Selected performance indicators

Table 6.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of structured bilateral mechanisms facilitated to promote national priorities (the African Agenda and the Agenda of the South) per year	International Relations	Outcome 11: Create a better South Africa, a better Africa and a better world	29	29	22	26	15 ¹	15 ¹	15 ¹
Number of high level engagements facilitated to promote national priorities (the African Agenda and the Agenda of the South) per year	International Relations		32	39	26	40	20 ¹	20	20
Number of economic diplomacy initiatives undertaken to contribute to South Africa's economic growth per year: - trade and investment seminars - engagements with chambers of commerce	International Relations		111 122	111 144	124 127	112 126	112 126	112 126	112 126
Number of tourism promotional events hosted per year	International Relations		96	94	67	60	60	60	60
Number of bilateral meetings per year to seek investment into South Africa held with ² : - targeted government ministries to seek cooperation and possible technology exchange - high level potential investors	International Relations		52	99	120	70	70	70	70
Number of Southern African Development Community structures and processes supported with substance and logistics to promote peace and stability, socioeconomic development, good governance, democracy, and regional integration per year	International Relations		9 ³	12 ³	9 ³	7	7	7	7
Number of multilateral structures and processes engaged in to strengthen outcomes to meet the needs of South Africa, Africa and developing countries per year	International Cooperation		-4	-4	-4	20	11	18	18
Number of African Union structures and processes used to promote peace and stability, socioeconomic development, good governance, and democracy on the continent per year	International Cooperation		3	3	4	6	6	6	6
Number of high level meetings of organisations of the South engaged to contribute and advance common positions of the South, and align with South Africa's foreign policy per year	International Cooperation		10	13	14	16	20	16	16
Number of platforms created per year to inform and promote South Africa's foreign policy to domestic and international audiences ⁵ : - public participation programmes - media statements published - opinion pieces published	Public Diplomacy and Protocol Services		17 229 24	12 197 10	19 186 14	12 120 10	12 120 10	12 120 10	12 120 10

1. Targets decrease and remain constant over the MTEF period in line with budget allocations.
2. Old indicator split to better capture the types of meetings held.
3. Historical figures revised as per the department's 2016/17 annual report.
4. No historical data available.
5. Old indicator selected for publication in the Estimates of National Expenditure.

Expenditure analysis

Chapter 7 of the National Development Plan (NDP) details a vision for positioning South Africa to facilitate broad-based socioeconomic development and foster strong international ties. Outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium-term strategic framework gives expression to this, and is directly aligned with the work of the Department of International Relations and Cooperation. Over the medium term, the department intends to focus on: strengthening regional integration and the African Agenda; consolidating global economic, political and social relations; enhancing its operational capacity; and developing and managing infrastructure projects and properties.

As the work of the department is labour intensive, compensation of employees is its largest cost driver, spending on which is expected to increase at an average annual rate of 0.7 per cent, from R3 billion in 2017/18 to R3.1 billion in 2020/21. The department's overall expenditure is projected to increase from R6.4 billion in 2017/18 to R6.7 billion in 2020/21. Cabinet has approved baseline reductions of R212.9 million in 2018/19, R197 million in 2019/20 and R208 million in 2020/21 to the department's budget. As such, the department has adjusted performance targets for its programmes and operations and, in some instances, has scaled down or postponed certain programmes and projects.

Strengthening regional integration and the African Agenda

The department uses the NDP as an overarching vision for guiding South Africa's foreign policy and international relations programme. Chapter 7 of the NDP emphasises the importance of regional integration, specifically in the Southern African Development Community (SADC), which is South Africa's largest trade partner in Africa. With the aim of partnering with the private sector to develop industry and value chains in the SADC, South Africa assumed the rolling one-year chairpersonship of the SADC. To facilitate this position, R23 million is allocated for the following ministerial meetings: the ministerial meeting of labour and social partners (May 2018); the ministerial meeting of agriculture, food and security (May 2018); the joint ministerial meeting of education, science and technology (June 2018); the ministerial meeting on youth (July 2018); and the ministerial meeting of justice and attorneys general (July 2018).

Over the medium term, the department plans to continue making contributions towards operationalising the tripartite agreement between South Africa, Angola and the Democratic Republic of the Congo in support of the peace and security framework agreement for the Great Lakes region. Through the department, South Africa will continue to support the African Union (AU) Peace Fund and other efforts of the AU Peace and Security Council in pursuit of lasting peace on the continent. South Africa's contributions to the AU for membership are expected to increase at an average annual rate of 7.9 per cent, from R200.1 million in 2017/18 to R251 million in 2020/21, mainly due to inflationary budget adjustments and revised membership contributions. Funds for this purpose are allocated to the *International Transfers* programme.

The department also plans to be involved in mobilising regional economic communities towards a continental free trade area; revitalising the New Partnership for Africa's Development on infrastructure development; and promoting good governance systems through the African Peer Review Mechanism. R10.3 million is allocated to the *International Cooperation* programme over the MTEF period to carry out these activities.

Consolidating global economic, political and social relations

To reflect the increasing influence of emerging economies in the multilateral trading system, over the MTEF period, South Africa aims to consolidate South-South relations. As such, the department intends to continue leveraging South Africa's membership to groupings such as the Forum on China-Africa Cooperation, the G77, and the Brazil-Russia-India-China-South Africa (BRICS) group of countries to advance its foreign policy objectives. In 2017/18, the department developed a strategy for chairing BRICS in 2018, and plans to spend R27 million in 2018/19 in the *Asia and Middle East* subprogramme in the *International Relations* programme to host the BRICS summit in 2018. As the chair of BRICS, South Africa intends to place the AU's Agenda 2063 on the BRICS agenda.

Also in the *Asia and Middle East* subprogramme, the department expects to spend R15 million in 2018/19 on chairing the Indian Ocean Rim Association, and R13 million on hosting the Indian Ocean Rim Association Summit. Membership to the Indian Ocean Rim Association provides a strategic platform through which South Africa is able to pursue and realise domestic, regional and international policy priorities and objectives. The department has also allocated R1 million over the medium term to the *International Transfers* programme for spending on the Indian Ocean Rim Association's research centre.

In support of South Africa's economic growth, in 2018/19, the department expects to undertake 238 economic diplomacy initiatives on trade and investment, as well as engagements with chambers of commerce. The department also plans to enhance South Africa's existing 175 bilateral relations, which are characterised by strong political and economic partnerships with the potential to contribute significantly to its economic growth imperatives. Spending on these activities is in the *International Cooperation* programme, allocations to which

are expected to increase at an average annual rate of 7.8 per cent, from R490.1 million in 2017/18 to R613.8 million in 2020/21.

Enhancing operational capacity

The department operates in a global environment under conditions that are often significantly different from those defined by the policy context for the public service in South Africa. To cope with the demands of the global environment, the department has reviewed the legislative framework governing its operations. The Foreign Services Bill is before Parliament and is expected to be finalised over the medium term. The department is also responsible for capacitating government officials in administrative and diplomatic skills through the diplomatic training academy. Spending on these activities is in the *Diplomatic Training, Research and Development* subprogramme in the *Administration* programme, allocations to which are expected to increase at an average annual rate of 11.6 per cent, from R64.9 million in 2017/18 to R90.2 million in 2020/21.

Developing and managing infrastructure projects and properties

The department's new property management strategy was approved in August 2017 to provide for a mixture of rental and ownership. To reduce the cost of rental properties, the department is in the process of drafting a plan to own properties in missions for office and residential accommodation. Accordingly, and for piloting purposes, the department is in the process of purchasing a property in New York to house the country's mission office and residence in the United States. In line with the approved strategy, similar acquisitions and development projects will be planned and undertaken in Luanda, Angola; Juba, Republic of South Sudan; Geneva, Switzerland; New Delhi, India; Beijing, China; Riyadh, Kingdom of Saudi Arabia; and Kigali, Rwanda. R2.2 billion will be spent over the medium term in the *International Relations* programme on lease commitments for chanceries, official residences and staff accommodation for the department's staff, as well as staff from the Department of Home Affairs.

Expenditure trends

Table 6.2 Vote expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. International Relations																																	
3. International Cooperation																																	
4. Public Diplomacy and Protocol Services																																	
5. International Transfers																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Annual Outcome/budget (%)			Average: Adjusted appropriation (%)		
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18					
Programme 1	1 396.3	1 419.6	1 247.9	1 418.5	1 381.6	1 381.5	1 458.7	1 458.7	1 544.8	1 556.6	1 556.6	1 556.8	98.3%	98.5%																			
Programme 2	2 810.2	3 047.5	3 194.9	2 931.7	3 506.2	3 640.4	3 083.1	3 825.1	3 742.9	3 568.9	3 470.3	3 470.3	113.4%	101.4%																			
Programme 3	486.4	504.4	485.2	466.9	525.2	523.1	579.3	514.3	462.9	565.4	490.1	489.9	93.5%	96.4%																			
Programme 4	317.2	309.3	275.9	246.3	363.6	333.2	252.1	252.1	271.9	266.1	282.7	282.7	107.6%	96.4%																			
Programme 5	744.3	823.6	862.7	635.2	734.3	766.6	515.5	788.4	822.4	617.8	608.6	608.6	121.8%	103.6%																			
Total	5 754.3	6 104.3	6 066.5	5 698.6	6 510.9	6 644.8	5 888.7	6 838.7	6 844.9	6 574.9	6 408.3	6 408.3	108.6%	100.4%																			
Change to 2017 Budget estimate	(166.5)																																
Economic classification																																	
Current payments	4 582.6	4 996.6	5 029.2	4 773.5	5 561.3	5 614.1	5 084.8	5 764.0	5 747.7	5 654.7	5 470.6	5 470.6	108.8%	100.3%																			
Compensation of employees	2 461.8	2 581.8	2 754.7	2 526.2	2 986.2	3 083.7	2 767.4	3 071.4	3 115.6	2 914.0	3 022.0	3 022.0	112.2%	102.7%																			
Goods and services	2 120.8	2 414.8	2 227.8	2 247.3	2 525.9	2 474.9	2 265.2	2 640.3	2 563.8	2 685.4	2 365.9	2 365.9	103.4%	96.8%																			
Interest and rent on land	–	–	46.6	–	49.2	55.4	52.3	52.3	68.3	55.3	82.7	82.7	235.2%	137.3%																			
Transfers and subsidies	745.7	833.7	869.0	641.2	740.3	772.5	522.7	795.1	828.6	625.5	616.3	616.3	121.7%	103.4%																			
Departmental agencies and accounts	285.6	285.6	277.6	154.0	154.0	145.6	8.8	8.8	0.0	31.5	22.2	22.2	–	–																			
Foreign governments and international organisations	460.1	539.4	585.2	481.2	580.3	621.0	506.7	779.6	822.4	586.4	586.4	586.4	128.5%	105.2%																			
Households	0.0	8.7	6.3	6.0	6.0	5.9	7.1	6.7	6.2	7.7	7.7	7.7	125.0%	89.5%																			

Table 6.2 Vote expenditure trends by programme and economic classification

Economic classification	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Payments for capital assets	426.0	274.0	168.4	284.0	209.3	240.8	281.1	279.5	268.6	294.6	321.4	321.4	77.7%	92.2%
Buildings and other fixed structures	400.2	236.6	131.5	233.1	153.4	130.2	249.9	248.7	215.2	250.3	253.6	253.6	64.4%	81.9%
Machinery and equipment	25.8	37.4	36.9	50.9	55.9	109.9	31.2	30.9	53.5	44.3	67.8	67.8	176.1%	139.7%
Software and other intangible assets	-	-	-	-	-	0.7	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	17.3	-	-	-	-	-	-	-	-
Total	5 754.3	6 104.3	6 066.5	5 698.6	6 510.9	6 644.8	5 888.7	6 838.7	6 844.9	6 574.9	6 408.3	6 408.3	108.6%	100.4%

Expenditure estimates

Table 6.3 Vote expenditure estimates by programme and economic classification

Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Programme 1	1 556.8	3.1%	22.1%	1 665.6	1 711.3	1 816.2	5.3%	26.0%
Programme 2	3 470.3	4.4%	54.1%	3 359.4	3 044.3	3 246.4	-2.2%	50.5%
Programme 3	489.9	-1.0%	7.6%	568.3	574.4	613.8	7.8%	8.6%
Programme 4	282.7	-2.9%	4.5%	302.1	322.9	344.8	6.8%	4.8%
Programme 5	608.6	-9.6%	11.8%	657.4	655.6	691.7	4.4%	10.1%
Total	6 408.3	1.6%	100.0%	6 552.8	6 308.5	6 712.8	1.6%	100.0%
Change to 2017 Budget estimate				(212.9)	(197.0)	(208.0)		
Economic classification								
Current payments	5 470.6	3.1%	84.2%	5 574.9	5 321.1	5 671.2	1.2%	84.8%
Compensation of employees	3 022.0	5.4%	46.1%	2 964.5	2 874.5	3 090.1	0.7%	46.0%
Goods and services	2 365.9	-0.7%	37.1%	2 523.2	2 354.6	2 484.1	1.6%	37.4%
Interest and rent on land	82.7	-	1.0%	87.3	92.0	97.1	5.5%	1.4%
Transfers and subsidies	616.3	-9.6%	11.9%	667.2	666.0	702.6	4.5%	10.2%
Departmental agencies and accounts	22.2	-57.3%	1.7%	48.2	56.3	59.4	38.8%	0.7%
Foreign governments and international organisations	586.4	2.8%	10.1%	609.2	599.3	632.2	2.5%	9.3%
Households	7.7	-4.0%	0.1%	9.8	10.3	10.9	12.2%	0.1%
Payments for capital assets	321.4	5.5%	3.8%	310.7	321.5	339.1	1.8%	5.0%
Buildings and other fixed structures	253.6	2.4%	2.8%	268.0	251.9	265.7	1.6%	4.0%
Machinery and equipment	67.8	21.9%	1.0%	42.7	69.6	73.3	2.7%	1.0%
Total	6 408.3	1.6%	100.0%	6 552.8	6 308.5	6 712.8	1.6%	100.0%

Expenditure trends and estimates for significant spending items

Table 6.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Compensation of employees	2 754 732	3 083 741	3 115 625	3 022 027	3.1%	46.1%	2 964 489	2 874 494	3 090 080	0.7%	46.0%
Operating leases	893 262	1 016 886	1 070 255	944 975	1.9%	15.1%	978 491	924 565	966 218	0.7%	14.7%
Property payments	225 119	388 497	393 839	267 793	6.0%	4.9%	416 514	371 015	389 593	13.3%	5.6%
Travel and subsistence	315 896	335 194	272 413	279 885	-4.0%	4.6%	292 425	271 649	279 946	-	4.3%
Foreign governments and international organisations	585 152	621 004	822 355	586 357	0.1%	10.1%	609 176	599 274	632 235	2.5%	9.3%
Total	4 774 161	5 445 322	5 674 487	5 101 037	7.1%	80.8%	5 261 095	5 040 997	5 358 072	17.2%	79.9%

Goods and services expenditure trends and estimates

Table 6.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	9 294	12 105	9 248	9 471	0.6%	0.4%	12 169	12 897	13 730	13.2%	0.5%
Advertising	12 608	4 094	3 627	11 437	-3.2%	0.3%	6 219	6 574	7 609	-12.7%	0.3%
Minor assets	3 366	2 800	2 880	4 616	11.1%	0.1%	4 873	5 147	5 429	5.6%	0.2%
Audit costs: External	20 937	23 324	23 830	31 225	14.3%	1.0%	26 315	27 789	29 317	-2.1%	1.2%
Bursaries: Employees	1 247	1 037	1 340	1 480	5.9%	0.1%	1 565	1 653	1 744	5.6%	0.1%
Catering: Departmental activities	30 813	19 947	20 357	24 378	-7.5%	1.0%	21 765	22 985	24 249	-0.2%	1.0%
Communication	56 384	61 327	56 516	48 270	-5.0%	2.3%	58 906	57 877	61 404	8.4%	2.3%
Computer services	169 331	166 362	181 291	141 503	-5.8%	6.8%	148 312	144 473	152 419	2.5%	6.0%
Consultants: Business and advisory services	130 129	3 994	3 537	130 370	0.1%	2.8%	4 166	4 461	4 815	-66.7%	1.5%
Infrastructure and planning services	3 783	–	–	5	-89.0%	–	–	–	–	-100.0%	–
Legal services	3 953	4 363	7 260	7 991	26.4%	0.2%	6 862	6 678	6 979	-4.4%	0.3%
Contractors	56 460	85 896	169 497	63 362	3.9%	3.9%	93 701	100 914	110 072	20.2%	3.8%
Agency and support/outsourced services	4 080	4 489	1 729	8 358	27.0%	0.2%	8 379	8 952	10 117	6.6%	0.4%
Entertainment	13 801	12 559	12 392	14 280	1.1%	0.6%	15 141	17 676	18 674	9.4%	0.7%
Fleet services (including government motor transport)	294	1 601	280	11 177	236.2%	0.1%	15 498	13 464	7 365	-13.0%	0.5%
Housing	–	1	–	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	24	–	–	161	88.6%	–	37	39	55	-30.1%	–
Inventory: Fuel, oil and gas	1	–	–	1 358	1007.4%	–	–	–	176	-49.4%	–
Inventory: Materials and supplies	828	–	–	546	-13.0%	–	656	14	81	-47.1%	–
Inventory: Medical supplies	–	–	–	36	–	–	–	–	2	-61.8%	–
Inventory: Other supplies	–	–	–	614	–	–	–	2 699	3 639	81.0%	0.1%
Consumable supplies	31 431	35 343	56 694	35 341	4.0%	1.6%	34 735	33 461	35 211	-0.1%	1.4%
Consumables: Stationery, printing and office supplies	18 643	17 176	977	20 911	3.9%	0.6%	24 030	25 346	26 612	8.4%	1.0%
Operating leases	893 262	1 016 886	1 070 255	944 975	1.9%	40.8%	978 491	924 565	966 218	0.7%	39.2%
Rental and hiring	3 745	4 252	1 433	1 559	-25.3%	0.1%	1 391	1 469	1 550	-0.2%	0.1%
Property payments	225 119	388 497	393 839	267 793	6.0%	13.2%	416 514	371 015	389 593	13.3%	14.9%
Transport provided: Departmental activity	–	–	–	–	–	–	–	885	–	–	–
Travel and subsistence	315 896	335 194	272 413	279 885	-4.0%	12.5%	292 425	271 649	279 946	–	11.6%
Training and development	6 074	8 144	6 024	10 004	18.1%	0.3%	10 893	10 889	20 081	26.1%	0.5%
Operating payments	200 777	205 031	246 643	266 603	9.9%	9.5%	317 384	254 556	279 551	1.6%	11.5%
Venues and facilities	15 549	60 514	21 749	28 157	21.9%	1.3%	22 740	26 470	27 426	-0.9%	1.1%
Total	2 227 829	2 474 936	2 563 811	2 365 866	2.0%	100.0%	2 523 167	2 354 597	2 484 064	1.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 6.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Households											
Social benefits											
Current	6 250	5 897	6 199	7 705	7.2%	0.8%	9 799	10 349	10 885	12.2%	1.5%
Employee social benefits	6 250	5 897	6 199	7 705	7.2%	0.8%	9 799	10 349	10 885	12.2%	1.5%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	277 560	145 637	31	22 243	-56.9%	14.4%	48 224	56 337	59 435	38.8%	7.0%
African Renaissance and International Cooperation Fund	277 560	145 637	31	22 243	-56.9%	14.4%	38 692	46 272	48 816	30.0%	5.9%
South African Development Partnership Agency	–	–	–	–	–	–	9 532	10 065	10 619	–	1.1%
Foreign governments and international organisations											
Current	585 152	621 004	822 355	586 357	0.1%	84.7%	609 131	599 274	632 235	2.5%	91.5%
African Union	231 840	271 911	406 296	200 075	-4.8%	36.0%	227 417	237 912	250 997	7.9%	34.6%
Group of 77 Countries	126	237	134	208	18.2%	–	241	253	222	2.2%	–
India-Brazil-South Africa Trust Fund	17 292	14 925	13 139	14 060	-6.7%	1.9%	15 900	14 616	15 690	3.7%	2.3%
New Partnership for Africa's Development	7 950	7 950	7 354	7 030	-4.0%	1.0%	7 700	8 375	8 686	7.3%	1.2%
African Peer Review Mechanism	2 650	2 650	1 471	2 730	1.0%	0.3%	3 243	3 425	3 613	9.8%	0.5%
Organisation for Economic Cooperation and Development	52	594	522	553	119.9%	0.1%	305	322	340	-15.0%	0.1%
United Nations Development Programme	11 269	7 481	7 481	6 862	-15.2%	1.1%	7 260	7 667	8 089	5.6%	1.1%

Table 6.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
African, Caribbean and Pacific Group of States	12 019	4 319	7 755	10 747	-3.7%	1.1%	7 552	7 624	7 921	-9.7%	1.3%
Commonwealth of Nations	7 925	8 996	8 044	8 206	1.2%	1.1%	11 927	12 134	12 252	14.3%	1.7%
Southern African Development Community	70 462	88 421	113 164	107 884	15.3%	12.3%	97 708	74 469	78 565	-10.0%	13.5%
United Nations	198 957	199 643	216 958	175 870	-4.0%	25.6%	180 403	180 763	190 705	2.7%	27.4%
United Nations Human Rights Council	–	388	405	424	–	–	449	474	500	5.6%	0.1%
Biological and Toxin Weapons Convention	357	144	708	744	27.7%	0.1%	649	685	723	-0.9%	0.1%
Comprehensive Nuclear-Test-Ban Treaty	5 239	5 141	6 401	6 371	6.7%	0.8%	6 711	6 586	7 531	5.7%	1.0%
Humanitarian Aid	16 800	3 164	28 779	37 497	30.7%	2.8%	34 276	36 195	38 186	0.6%	5.5%
Indian Ocean Rim Research Centre	–	371	314	387	–	–	341	344	355	-2.8%	0.1%
Perez-Guerrero Trust Fund	67	108	72	95	12.3%	–	80	84	89	-2.2%	–
South Centre Capital Fund	–	2 982	1 366	1 484	–	0.2%	1 570	1 658	1 749	5.6%	0.2%
United Nations Development Programme in Southern Africa	–	–	–	1 410	–	–	1 492	1 576	1 663	5.7%	0.2%
United Nations Technical Cooperation	588	129	135	142	-37.7%	–	150	158	167	5.6%	–
United Nations Voluntary Fund for Disability	79	82	89	95	6.3%	–	101	107	113	6.0%	–
United Nations Children's Fund	237	247	267	282	6.0%	–	298	315	332	5.6%	–
United Nations Convention on the Law of the Sea	–	–	443	1 329	–	0.1%	705	792	836	-14.3%	0.1%
International Tribunal for the Law of the sea	909	783	628	1 448	16.8%	0.1%	2 055	2 035	2 320	17.0%	0.3%
Asia-Africa Legal Consultative Organisation	177	195	269	266	14.5%	–	383	433	399	14.5%	0.1%
Permanent Court of Arbitration	157	143	161	158	0.2%	–	215	272	192	6.7%	–
Total	868 962	772 538	828 585	616 305	-10.8%	100.0%	667 154	665 960	702 555	4.5%	100.0%

Personnel information

Table 6.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
Number of posts estimated for 31 March 2018		Actual			Revised estimate			Medium-term expenditure estimate						2017/18 - 2020/21						
Number of funded posts	Number of posts additional to the establishment	2016/17			2017/18			2018/19		2019/20		2020/21		Average growth rate (%)	Average: Salary level/Total (%)					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost							
International Relations and Cooperation		3 993	75	3 981	3 115.6	0.8	3 508	3 022.0	0.9	3 065	2 964.5	1.0	2 615	2 874.5	1.1	2 725	3 090.1	1.1	-8.1%	100.0%
1 – 6	326	59	324	73.4	0.2	325	80.1	0.2	322	85.6	0.3	324	93.0	0.3	324	100.3	0.3	-0.1%	10.9%	
7 – 10	1 310	3	1 300	1 220.1	0.9	1 236	1 203.7	1.0	1 225	1 245.0	1.0	1 218	1 292.6	1.1	1 210	1 379.0	1.1	-0.7%	41.0%	
11 – 12	375	5	375	515.4	1.4	358	526.9	1.5	351	541.9	1.5	332	544.8	1.6	303	517.1	1.7	-5.4%	11.3%	
13 – 16	277	8	277	535.7	1.9	277	573.1	2.1	280	615.6	2.2	272	648.7	2.4	267	685.5	2.6	-1.2%	9.2%	
Other	1 705	–	1 705	771.0	0.5	1 312	638.2	0.5	887	476.4	0.5	469	295.4	0.6	621	408.3	0.7	-22.1%	27.6%	
Programme	3 993	75	3 981	3 115.6	0.8	3 508	3 022.0	0.9	3 065	2 964.5	1.0	2 615	2 874.5	1.1	2 725	3 090.1	1.1	-8.1%	100.0%	
Programme 1	879	75	867	401.8	0.5	872	437.4	0.5	911	495.6	0.5	919	534.3	0.6	915	574.5	0.6	1.6%	30.4%	
Programme 2	2 501	–	2 501	2 245.2	0.9	2 040	2 091.8	1.0	1 559	1 943.6	1.2	1 082	1 766.4	1.6	1 187	1 898.7	1.6	-16.5%	49.3%	
Programme 3	294	–	294	311.5	1.1	278	322.6	1.2	277	341.8	1.2	289	376.1	1.3	295	404.2	1.4	2.0%	9.6%	
Programme 4	319	–	319	157.1	0.5	318	170.3	0.5	318	183.5	0.6	325	197.7	0.6	328	212.6	0.6	1.0%	10.8%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 6.8 Departmental receipts by economic classification

	Audited outcome				Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21		
R thousand													
Departmental receipts	35 147	34 884	29 000	38 464	38 464	3.1%	100.0%	40 388	42 407	43 466	4.2%	100.0%	
Sales of goods and services produced by department	903	1 013	972	990	990	3.1%	2.8%	1 179	1 237	1 267	8.6%	2.8%	
Sales by market establishments of which:	903	569	502	587	587	-13.4%	1.9%	663	696	713	6.7%	1.6%	
<i>Parking fees</i>	454	371	423	587	587	8.9%	1.3%	575	604	619	1.8%	1.4%	
<i>Rent income</i>	449	198	79	–	–	-100.0%	0.5%	88	92	94	–	0.2%	
Administrative fees of which:	–	360	366	333	333	–	0.8%	417	438	449	10.5%	1.0%	
<i>Insurance fees</i>	–	360	366	333	333	–	0.8%	417	438	449	10.5%	1.0%	
Other sales of which:	–	84	104	70	70	–	0.2%	99	103	105	14.5%	0.2%	
<i>Replacement of access cards and name tags</i>	–	6	8	7	7	–	–	9	9	9	8.7%	–	
<i>Sale of departmental documents and publications</i>	–	1	3	32	32	–	–	1	1	1	-68.5%	–	
<i>Transport fees</i>	–	77	61	31	31	–	0.1%	89	93	95	45.3%	0.2%	
<i>Sales: Waste paper</i>	–	–	32	–	–	–	–	–	–	–	–	–	
Sales of scrap, waste, arms and other used current goods of which:	–	–	–	10	10	–	–	–	–	–	-100.0%	–	
<i>Sales of scrap</i>	–	–	–	10	10	–	–	–	–	–	-100.0%	–	
Fines, penalties and forfeits	7	–	–	4	4	-17.0%	–	–	–	–	-100.0%	–	
Interest, dividends and rent on land	1 090	1 740	694	653	653	-15.7%	3.0%	2 014	2 115	2 168	49.2%	4.2%	
Interest	1 090	1 740	694	653	653	-15.7%	3.0%	2 014	2 115	2 168	49.2%	4.2%	
Sales of capital assets	3 033	5 807	4 357	5 071	5 071	18.7%	13.3%	6 722	7 058	7 234	12.6%	15.8%	
Transactions in financial assets and liabilities	30 114	26 324	22 977	31 736	31 736	1.8%	80.8%	30 473	31 997	32 797	1.1%	77.1%	
Total	35 147	34 884	29 000	38 464	38 464	3.1%	100.0%	40 388	42 407	43 466	4.2%	100.0%	

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 6.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million												
Ministry	5.9	6.2	6.1	7.3	7.3	7.3%	0.4%	7.7	8.3	8.9	7.0%	0.5%
Departmental Management	14.5	14.1	12.8	14.2	14.2	-0.6%	1.0%	18.8	20.2	21.7	15.1%	1.1%
Audit Services	14.7	20.1	16.8	24.1	24.1	17.7%	1.3%	20.7	22.3	24.0	–	1.4%
Financial Management	99.2	103.9	179.8	188.5	188.5	23.9%	10.0%	198.2	215.0	225.9	6.2%	12.3%
Corporate Services	657.4	755.0	757.6	682.8	682.8	1.3%	49.8%	735.7	743.7	786.9	4.8%	43.7%
Diplomatic Training, Research and Development	60.2	65.5	62.0	64.9	64.9	2.5%	4.4%	72.7	77.6	90.2	11.6%	4.5%
Foreign Fixed Assets Management	122.3	135.1	204.4	243.5	243.5	25.8%	12.3%	256.1	263.5	278.0	4.5%	15.4%
Office Accommodation	273.7	281.6	305.3	331.4	331.4	6.6%	20.8%	355.7	360.6	380.5	4.7%	21.2%
Total	1 247.9	1 381.5	1 544.8	1 556.6	1 556.6	7.6%	100.0%	1 665.6	1 711.3	1 816.2	5.3%	100.0%
Change to 2017 Budget estimate				–	–			(17.2)	(17.0)	(17.5)		

Table 6.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	1 099.7	1 133.1	1 285.8	1 250.1	4.4%	83.2%	1 372.5	1 408.7	1 496.9	6.2%	81.9%
Compensation of employees	369.6	389.3	401.8	437.2	5.8%	27.9%	495.6	534.3	574.5	9.5%	30.2%
Goods and services ¹	683.5	688.5	815.7	730.1	2.2%	50.9%	789.7	782.4	825.4	4.2%	46.3%
<i>of which:</i>											
Computer services	168.3	165.5	180.4	140.6	-5.8%	11.4%	147.3	143.4	151.3	2.5%	8.6%
Contractors	40.9	70.5	154.5	55.8	10.9%	5.6%	76.9	84.2	92.3	18.2%	4.6%
Operating leases	82.9	78.8	67.5	99.3	6.2%	5.7%	109.1	94.4	103.2	1.3%	6.0%
Property payments	17.8	149.8	154.7	26.3	14.0%	6.1%	164.6	158.9	167.7	85.3%	7.7%
Travel and subsistence	93.8	97.3	95.2	95.3	0.5%	6.7%	88.8	94.2	91.4	-1.4%	5.5%
Operating payments	86.7	65.4	95.8	93.1	2.4%	6.0%	109.4	109.2	113.6	6.8%	6.3%
Interest and rent on land	46.6	55.4	68.3	82.7	21.1%	4.4%	87.3	92.0	97.1	5.5%	5.3%
Transfers and subsidies¹	1.7	1.5	1.9	1.5	-4.1%	0.1%	1.6	1.6	1.7	5.6%	0.1%
Households	1.7	1.5	1.9	1.5	-4.1%	0.1%	1.6	1.6	1.7	5.6%	0.1%
Payments for capital assets	146.6	229.8	257.1	305.1	27.7%	16.4%	291.5	301.0	317.5	1.3%	18.0%
Buildings and other fixed structures	131.5	130.2	215.2	253.6	24.5%	12.7%	268.0	251.9	265.7	1.6%	15.4%
Machinery and equipment	15.0	98.8	42.0	51.4	50.6%	3.6%	23.6	49.1	51.8	0.2%	2.6%
Land and sub-soil assets	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	-	0.7	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	17.1	-	-	-	0.3%	-	-	-	-	-
Total	1 247.9	1 381.5	1 544.8	1 556.6	7.6%	100.0%	1 665.6	1 711.3	1 816.2	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	20.6%	20.8%	22.6%	24.3%	-	-	25.4%	27.1%	27.1%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: International Relations

Programme purpose

Promote relations with foreign countries.

Objective

- Strengthen political, economic and social relations through structured bilateral agreements and high level engagements to advance South Africa's national priorities, the African Agenda, and strengthen South-South cooperation on an ongoing basis.

Subprogrammes

- Africa* embraces relevant national priorities by strengthening bilateral cooperation with countries in Africa, particularly through focusing on increasing exports of South African goods and services, foreign direct investment with technology transfers into value adding industries and mineral beneficiation, and inbound tourism and the skills base. South Africa has foreign representation in 47 diplomatic missions in Africa.
- Asia and Middle East* embraces relevant national priorities by strengthening bilateral cooperation with countries in Asia and the Middle East, particularly through focusing on increasing exports of South African goods and services, foreign direct investment with technology transfers into value adding industries and mineral beneficiation, and inbound tourism and the skills base. South Africa has foreign representation in 32 diplomatic missions in Asia and the Middle East.
- Americas and Caribbean* embraces relevant national priorities by strengthening bilateral cooperation with countries in the Americas and Caribbean, particularly through focusing on increasing exports of South African goods and services, foreign direct investment with technology transfers into value adding industries and mineral beneficiation, and inbound tourism and the skills base. South Africa foreign representation in 16 diplomatic missions in the Americas and Caribbean.
- Europe* embraces relevant national priorities by strengthening bilateral cooperation with countries in Europe, particularly through focusing on increasing exports of South African goods and services, foreign

direct investment with technology transfers into value adding industries and mineral beneficiation, and inbound tourism and the skills base. South Africa has foreign representation in 28 diplomatic missions in Europe.

Expenditure trends and estimates

Table 6.10 International Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Africa	949.3	1 094.4	1 133.5	1 066.4	4.0%	30.2%	1 062.5	1 007.6	1 068.6	0.1%	32.0%
Asia and Middle East	825.3	965.2	1 015.5	898.4	2.9%	26.4%	897.4	728.1	780.4	-4.6%	25.2%
Americas and Caribbean	535.8	605.9	572.6	551.9	1.0%	16.1%	515.8	474.9	507.4	-2.8%	15.6%
Europe	884.4	974.9	1 021.3	953.6	2.5%	27.3%	883.6	833.7	890.0	-2.3%	27.1%
Total	3 194.9	3 640.4	3 742.9	3 470.3	2.8%	100.0%	3 359.4	3 044.3	3 246.4	-2.2%	100.0%
Change to 2017				(98.6)			(192.6)	(177.1)	(188.1)		
Budget estimate											
Economic classification											
Current payments	3 171.6	3 627.0	3 728.9	3 451.2	2.9%	99.5%	3 334.9	3 018.4	3 219.0	-2.3%	99.3%
Compensation of employees	1 944.5	2 212.5	2 245.2	2 091.8	2.5%	60.5%	1 943.6	1 766.4	1 898.7	-3.2%	58.7%
Goods and services ¹	1 227.0	1 414.6	1 483.6	1 359.4	3.5%	39.0%	1 391.4	1 252.0	1 320.3	-1.0%	40.6%
of which:											
Communication	32.3	37.4	35.2	25.5	-7.6%	0.9%	33.3	30.9	33.0	9.0%	0.9%
Consumable supplies	24.4	27.3	36.8	27.7	4.3%	0.8%	23.6	21.7	22.9	-6.1%	0.7%
Operating leases	727.9	852.8	928.1	766.1	1.7%	23.3%	767.9	741.8	782.1	0.7%	23.3%
Property payments	169.9	192.3	188.5	195.3	4.8%	5.3%	201.7	161.5	166.6	-5.2%	5.5%
Travel and subsistence	102.9	103.2	97.4	101.6	-0.4%	2.9%	108.5	90.3	95.7	-2.0%	3.0%
Operating payments	92.7	120.9	129.4	152.9	18.2%	3.5%	156.2	99.8	107.0	-11.2%	3.9%
Transfers and subsidies¹	3.6	3.2	3.5	5.2	13.1%	0.1%	5.5	5.8	6.1	5.6%	0.2%
Households	3.6	3.2	3.5	5.2	13.1%	0.1%	5.5	5.8	6.1	5.6%	0.2%
Payments for capital assets	19.7	10.1	10.5	14.0	-10.7%	0.4%	19.0	20.1	21.2	14.9%	0.6%
Buildings and other fixed structures	(0.0)	-	-	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	19.7	10.1	10.5	14.0	-10.7%	0.4%	19.0	20.1	21.2	14.9%	0.6%
Total	3 194.9	3 640.4	3 742.9	3 470.3	2.8%	100.0%	3 359.4	3 044.3	3 246.4	-2.2%	100.0%
Proportion of total programme expenditure to vote expenditure	52.7%	54.8%	54.7%	54.2%	-	-	51.3%	48.3%	48.4%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	3.6	3.2	3.5	5.2	13.1%	0.1%	5.5	5.8	6.1	5.6%	0.2%
Employee social benefits	3.6	3.2	3.5	5.2	13.1%	0.1%	5.5	5.8	6.1	5.6%	0.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: International Cooperation

Programme purpose

Participate in initiatives of international organisations and institutions in line with South Africa's national values and foreign policy objectives.

Objectives

- Contribute towards a reformed, strengthened and equal rules-based multilateral system that will respond to the needs of developing countries and Africa, in particular, by participating in the global system of governance on an ongoing basis.
- Strengthen the AU and its structures by providing financial support for the operations of the Pan African Parliament in terms of the country host agreement on an ongoing basis.
- Improve governance and capacity in the SADC secretariat by implementing the secretariat's job evaluation plan and assisting with the recruitment process on an ongoing basis.

- Contribute to the processes of the New Partnership for Africa's Development for socioeconomic development in Africa by participating in the African Peer Review Mechanism and submitting the African Peer Review Mechanism country report when required.
- Strengthen bilateral, trilateral and multilateral interests and relations within the dialogue forum of the BRICS group of countries through active participation in forum structures on an ongoing basis.
- Strengthen political solidarity, economic cooperation and sociocultural relations with Asian countries by participating in structures of the New Asian-African Strategic Partnership over the medium term.
- Strengthen North-South economic and political relations and cooperation to advance the African Agenda through the financing of development initiatives, and supporting institutional and governance reforms on an ongoing basis.

Subprogrammes

- *Global System of Governance* provides for multilateralism and a rules-based international order. This entails participating and playing an active role in all forums of the UN system and its specialised agencies, and funding programmes that promote the principles of multilateral activity.
- *Continental Cooperation* provides for the enhancement of the African Agenda and sustainable development.
- *South-South Cooperation* provides for partnerships with countries of the South in advancing South Africa's own development needs and the needs of the African Agenda; and creates political, economic and social convergence for the fight against poverty, underdevelopment and the marginalisation of the South.
- *North-South Dialogue* provides for South Africa's bilateral and multilateral engagements to consolidate and strengthen relations with organisations of the North to advance and support national priorities, the African Agenda and the developmental agenda of the South.

Expenditure trends and estimates

Table 6.11 International Cooperation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Global System of Governance	270.3	293.8	282.3	331.0	7.0%	60.0%	346.8	346.8	362.5	3.1%	61.7%
Continental Cooperation	132.0	141.0	91.5	80.4	-15.2%	22.7%	119.2	117.5	132.8	18.2%	20.0%
South-South Cooperation	4.6	4.5	3.3	5.2	4.1%	0.9%	8.1	8.7	9.3	21.7%	1.4%
North-South Dialogue	78.2	83.8	85.8	73.5	-2.0%	16.4%	94.2	101.4	109.2	14.1%	16.8%
Total	485.2	523.1	462.9	490.1	0.3%	100.0%	568.3	574.4	613.8	7.8%	100.0%
Change to 2017 Budget estimate				(75.3)			(15.9)	(16.8)	(17.5)		
Economic classification											
Current payments	482.7	522.2	461.7	487.7	0.3%	99.6%	566.9	572.7	612.2	7.9%	99.7%
Compensation of employees	305.9	347.1	311.5	322.8	1.8%	65.6%	341.8	376.1	404.2	7.8%	64.3%
Goods and services ¹	176.9	175.1	150.2	164.8	-2.3%	34.0%	225.1	196.6	208.0	8.1%	35.4%
of which:											
Communication	5.2	6.1	4.7	5.8	3.9%	1.1%	6.5	6.8	7.2	7.5%	1.2%
Entertainment	1.9	1.9	1.3	2.2	5.6%	0.4%	2.6	2.8	2.9	9.9%	0.5%
Operating leases	82.5	85.3	74.7	79.6	-1.2%	16.4%	101.5	88.4	80.8	0.5%	15.6%
Property payments	9.4	11.2	11.3	11.2	6.2%	2.2%	10.7	9.3	12.0	2.4%	1.9%
Travel and subsistence	47.4	42.2	31.6	37.2	-7.8%	8.1%	43.1	33.9	36.3	-0.8%	6.7%
Operating payments	21.0	18.6	21.4	20.1	-1.5%	4.1%	51.3	45.0	58.4	42.8%	7.8%
Transfers and subsidies ¹	0.6	0.3	0.3	0.7	0.7%	0.1%	1.2	1.3	1.4	27.4%	0.2%
Households	0.6	0.3	0.3	0.7	0.7%	0.1%	1.2	1.3	1.4	27.4%	0.2%
Payments for capital assets	1.8	0.6	1.0	1.8	0.6%	0.3%	0.1	0.4	0.3	-44.5%	0.1%
Machinery and equipment	1.8	0.6	1.0	1.8	0.6%	0.3%	0.1	0.4	0.3	-44.5%	0.1%
Total	485.2	523.1	462.9	490.1	0.3%	100.0%	568.3	574.4	613.8	7.8%	100.0%
Proportion of total programme expenditure to vote expenditure	8.0%	7.9%	6.8%	7.6%	-	-	8.7%	9.1%	9.1%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Public Diplomacy and Protocol Services

Programme purpose

Communicate South Africa's role and position in international relations in domestic and international arenas, and provide state protocol services.

Objective

- Ensure a better understanding of South Africa's foreign policy by providing ongoing strategic public diplomacy direction and state protocol services nationally and internationally.

Subprogrammes

- *Public Diplomacy* promotes a positive projection of South Africa's image; communicates foreign policy positions to domestic and foreign audiences; and markets and brands South Africa by using public diplomacy platforms, strategies, products and services.
- *Protocol Services* facilitates incoming and outgoing high level visits and ceremonial events, coordinates and regulates engagement with the local diplomatic community, provides protocol advice and support to the various spheres of government, facilitates the hosting of international conferences in South Africa, and manages the state protocol lounges and guesthouses.

Expenditure trends and estimates

Table 6.12 Public Diplomacy and Protocol Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Public Diplomacy	71.2	65.1	75.5	78.5	3.3%	24.9%	86.2	93.0	93.9	6.2%	28.1%
Protocol Services	204.7	268.2	196.4	204.2	-0.1%	75.1%	216.0	229.9	250.9	7.1%	71.9%
Total	275.9	333.2	271.9	282.7	0.8%	100.0%	302.1	322.9	344.8	6.8%	100.0%
Change to 2017 Budget estimate				16.6			14.1	15.4	16.6		
Economic classification											
Current payments	275.1	331.7	271.4	281.7	0.8%	99.7%	300.6	321.3	343.0	6.8%	99.5%
Compensation of employees	134.7	134.9	157.1	170.2	8.1%	51.3%	183.5	197.7	212.6	7.7%	61.0%
Goods and services ¹	140.4	196.8	114.3	111.5	-7.4%	48.4%	117.1	123.6	130.4	5.4%	38.5%
of which:											
Advertising	9.5	1.9	1.4	3.5	-28.7%	1.4%	3.2	3.2	3.7	1.8%	1.1%
Communication	4.5	4.7	3.6	3.7	-6.2%	1.4%	3.4	3.7	3.9	1.7%	1.2%
Consumables: Stationery, printing and office supplies	3.5	2.3	-	3.3	-1.8%	0.8%	4.4	4.6	4.9	13.9%	1.4%
Property payments	28.1	35.3	39.4	35.0	7.6%	11.8%	39.5	41.4	43.3	7.4%	12.7%
Travel and subsistence	71.8	92.5	48.3	45.7	-14.0%	22.2%	52.0	53.2	56.5	7.3%	16.6%
Venues and facilities	5.2	50.8	10.8	13.9	39.1%	6.9%	7.9	10.5	10.8	-8.1%	3.4%
Transfers and subsidies¹	0.4	1.0	0.5	0.4	3.5%	0.2%	1.6	1.6	1.7	61.5%	0.4%
Households	0.4	1.0	0.5	0.4	3.5%	0.2%	1.6	1.6	1.7	61.5%	0.4%
Payments for capital assets	0.4	0.3	0.0	0.5	13.5%	0.1%	-	-	0.0	-60.7%	-
Machinery and equipment	0.4	0.3	0.0	0.5	13.5%	0.1%	-	-	0.0	-60.7%	-
Payments for financial assets	-	0.2	-	-	-	-	-	-	-	-	-
Total	275.9	333.2	271.9	282.7	0.8%	100.0%	302.1	322.9	344.8	6.8%	100.0%
Proportion of total programme expenditure to vote expenditure	4.5%	5.0%	4.0%	4.4%	-	-	4.6%	5.1%	5.1%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: International Transfers

Programme purpose

Fund membership fees and transfers to international organisations.

Objectives

- Promote multilateral activities that enhance South Africa's economic and diplomatic relations within the continent and with the world by:
 - providing for South Africa's annual contributions for membership to international organisations, such as the United Nations, the AU and the SADC.
 - providing annual transfers to recapitalise the African Renaissance and International Cooperation Fund as a contribution to its operations.

Subprogrammes

- Departmental Agencies* facilitates the transfer to the African Renaissance and International Cooperation Fund, a public entity of the department.
- Membership Contribution* facilitates transfers to international organisations.

Expenditure trends and estimates

Table 6.13 International Transfers expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Departmental Agencies	277.6	145.6	0.0	22.2	-56.9%	14.6%	48.2	56.3	59.4	38.8%	7.1%
Membership Contribution	585.2	621.0	822.4	586.4	0.1%	85.4%	609.1	599.3	632.2	2.5%	92.9%
Total	862.7	766.6	822.4	608.6	-11.0%	100.0%	657.4	655.6	691.7	4.4%	100.0%
Change to 2017 Budget estimate				(9.2)			(1.2)	(1.4)	(1.5)		
Economic classification											
Transfers and subsidies¹	862.7	766.6	822.4	608.6	-11.0%	100.0%	657.4	655.6	691.7	4.4%	100.0%
Departmental agencies and accounts	277.6	145.6	0.0	22.2	-56.9%	14.6%	48.2	56.3	59.4	38.8%	7.1%
Foreign governments and international organisations	585.2	621.0	822.4	586.4	0.1%	85.4%	609.1	599.3	632.2	2.5%	92.9%
Total	862.7	766.6	822.4	608.6	-11.0%	100.0%	657.4	655.6	691.7	4.4%	100.0%
Proportion of total programme expenditure to vote expenditure	14.2%	11.5%	12.0%	9.5%	-	-	10.0%	10.4%	10.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	277.6	145.6	0.0	22.2	-56.9%	14.6%	48.2	56.3	59.4	38.8%	7.1%
African Renaissance and International Cooperation Fund	277.6	145.6	0.0	22.2	-56.9%	14.6%	38.7	46.3	48.8	30.0%	6.0%
South African Development Partnership Agency	-	-	-	-	-	-	9.5	10.1	10.6	-	1.2%
Foreign governments and international organisations											
Current	585.0	620.8	822.2	586.2	0.1%	85.4%	609.0	599.1	632.0	2.5%	92.8%
African Union	231.8	271.9	406.3	200.1	-4.8%	36.3%	227.4	237.9	251.0	7.9%	35.1%
Group of 77 Countries	0.1	0.2	0.1	0.2	18.2%	-	0.2	0.3	0.2	2.2%	-
India-Brazil-South Africa Trust Fund	17.3	14.9	13.1	14.1	-6.7%	1.9%	15.9	14.6	15.7	3.7%	2.3%
New Partnership for Africa's Development	8.0	8.0	7.4	7.0	-4.0%	1.0%	7.7	8.4	8.7	7.3%	1.2%
African Peer Review Mechanism	2.7	2.7	1.5	2.7	1.0%	0.3%	3.2	3.4	3.6	9.8%	0.5%
Organisation for Economic Cooperation and Development	0.1	0.6	0.5	0.6	119.9%	0.1%	0.3	0.3	0.3	-15.0%	0.1%
United Nations Development Programme	11.3	7.5	7.5	6.9	-15.2%	1.1%	7.3	7.7	8.1	5.6%	1.1%
African, Caribbean and Pacific Group of States	12.0	4.3	7.8	10.7	-3.7%	1.1%	7.6	7.6	7.9	-9.7%	1.3%
Commonwealth of Nations	7.9	9.0	8.0	8.2	1.2%	1.1%	11.9	12.1	12.3	14.3%	1.7%
Southern African Development Community	70.5	88.4	113.2	107.9	15.3%	12.4%	97.7	74.5	78.6	-10.0%	13.7%
United Nations	199.0	199.6	217.0	175.9	-4.0%	25.9%	180.4	180.8	190.7	2.7%	27.8%
United Nations Human Rights Council	-	0.4	0.4	0.4	-	-	0.4	0.5	0.5	5.6%	0.1%
Biological and Toxin Weapons Convention	0.4	0.1	0.7	0.7	27.7%	0.1%	0.6	0.7	0.7	-0.9%	0.1%
Comprehensive Nuclear-Test-Ban Treaty	5.2	5.1	6.4	6.4	6.7%	0.8%	6.7	6.6	7.5	5.7%	1.0%
Humanitarian Aid	16.8	3.2	28.8	37.5	30.7%	2.8%	34.3	36.2	38.2	0.6%	5.6%
Indian Ocean Rim Research Centre	-	0.4	0.3	0.4	-	-	0.3	0.3	0.4	-2.8%	0.1%
South Centre Capital Fund	-	3.0	1.4	1.5	-	0.2%	1.6	1.7	1.7	5.6%	0.2%
United Nations Development Programme in Southern Africa	-	-	-	1.4	-	-	1.5	1.6	1.7	5.7%	0.2%
United Nations Technical Cooperation	0.6	0.1	0.1	0.1	-37.7%	-	0.2	0.2	0.2	5.6%	-

Table 6.13 International Transfers expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
United Nations Children's Fund	0.2	0.2	0.3	0.3	6.0%	–	0.3	0.3	0.3	5.6%	–
United Nations Convention on the Law of the Sea	–	–	0.4	1.3	–	0.1%	0.7	0.8	0.8	-14.3%	0.1%
International Tribunal for the Law of the sea	0.9	0.8	0.6	1.4	16.8%	0.1%	2.1	2.0	2.3	17.0%	0.3%
Asia-Africa Legal Consultative Organisation	0.2	0.2	0.3	0.3	14.5%	–	0.4	0.4	0.4	14.5%	0.1%
Permanent Court of Arbitration	0.2	0.1	0.2	0.2	0.2%	–	0.2	0.3	0.2	6.7%	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity

Comprehensive coverage of the following public entity is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- **The African Renaissance and International Cooperation Fund** provides cooperation funding for initiatives between South Africa and other countries that relate to the promotion of democracy and good governance, the prevention and resolution of conflicts, socioeconomic development and integration, humanitarian assistance and relief, and human resources and infrastructure development. The entity's total budget allocation over the medium term is expected to increase from R38.7 million in 2018/19 to R48.8 million in 2020/21.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
Departmental infrastructure									
R million									
Mega projects (total project cost of at least R1 billion over the project life cycle)									
New York: Construction of Chancery	Construction of Chancery	Design	–	–	113.9	192.8	186.7	172.9	197.3
Small projects (total project cost of less than R250 million over the project life cycle)									
Dar es Salaam: Construction of chancery	Construction of chancery	Construction	114.3	28.8	39.8	50.7	2.8	–	–
Lilongwe: Construction of chancery and staff housing	Construction of chancery and staff housing	Construction	117.9	33.3	60.0	9.1	2.4	–	–
Design of standard concept for chancery and official residence	Once off project with an aim to design a standard concept for the chancery and official residence	Design	0.5	–	–	–	–	–	–
Kigali: Construction of chancery and official residence	Construction of chancery	Design	75.0	–	–	–	–	–	–
Mbabane: Construction of staff housing and official Res	Construction of chancery and official residence	Feasibility	65.8	–	–	–	–	–	–
Mbabane: Construction of chancery	Construction of chancery	Feasibility	29.5	–	–	–	–	–	–
Dakar: Construction of chancery: Vacant land: Building of wall	Construction of chancery: Vacant land: Building of wall	Feasibility	0.0	–	–	–	–	–	–
Bamako: Construction of chancery, official residence and staff housing: Building of wall	Construction of chancery, official residence and staff housing: Building of wall	Feasibility	1.9	–	–	–	–	–	–
Montevideo: Construction of staff housing	Construction of staff housing	Feasibility	3.3	–	–	–	–	–	–
Luanda: Property redevelopment	Property redevelopment	Identification	130.1	–	–	–	2.5	–	–
Gaborone: Construction of official residence	Construction of official residence	Feasibility	25.0	–	–	–	–	–	–
London: Refurbishment of official residence	Refurbishment of infrastructure	Handed over	1.8	–	–	–	–	–	–
Washington: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Handed over	234.2	17.6	–	–	2.2	–	–
Juba: Construction of chancery:	Refurbishment of infrastructure	Feasibility	63.3	–	–	–	–	2.5	2.5
Paris: Refurbishment of official residence	Refurbishment of infrastructure	Tender	7.0	5.1	–	–	–	–	–
The Hague: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	153.6	16.0	2.2	–	14.4	29.0	3.0
Madrid: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	4.5	–	–	–	–	–	–
Sao Paulo: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	2.7	–	–	–	–	–	–
London: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	51.0	–	–	–	–	–	–
Kinshasa: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	15.0	–	–	–	–	–	–
New York: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	5.0	–	–	–	–	–	–
Buenos Aires: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	25.0	–	–	–	–	–	–

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Harare: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	18.0	-	-	-	-	-	-	-
Maputo: Refurbishment of chancery, official residence and staff housing	Refurbishment of infrastructure	Feasibility	28.5	-	-	-	-	-	-	-
Lisbon: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	21.5	-	-	-	-	-	-	-
Tehran: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	8.5	-	-	-	-	-	-	-
Brasilia: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	12.0	-	-	-	2.0	-	6.0	-
Vienna: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	10.0	-	-	-	-	-	-	-
Abuja: Construction of chancery and official residence	Construction of chancery and official residence	On hold	144.3	-	-	-	-	-	-	-
Maseru: Office accommodation	Construction of office accommodation	Identification	1.5	-	-	-	-	-	-	-
Tokyo: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	51.7	-	-	-	-	-	-	-
Mbabane: Refurbishment of official residence	Refurbishment of infrastructure	Tender	2.0	0.5	-	-	-	-	-	-
Addis Ababa: Refurbishment of chancery and staff residence	Refurbishment of infrastructure	Construction	21.0	-	-	-	-	-	-	-
Copenhagen: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Construction	0.1	2.2	-	-	-	-	-	-
New Delhi: Construction of chancery and official residence	Property acquisition	Feasibility	140.0	-	-	-	-	-	-	-
Antananarivo: Acquisition of chancery and official residence	Property acquisition	Feasibility	40.0	-	-	-	-	-	-	-
Port Louis: Acquisition of chancery and official residence	Property acquisition	Feasibility	40.0	-	-	-	-	-	-	-
Lusaka: Acquisition of chancery and official residence	Property acquisition	Feasibility	50.0	-	-	-	-	-	-	-
Nairobi: Acquisition of chancery	Property acquisition	Feasibility	70.0	-	-	-	-	-	-	-
Maintenance of current property portfolio	Refurbishment of infrastructure	Construction	-	-	-	-	6.1	19.0	40.0	41.5
New Delhi: Construction of chancery and official residence	Construction of chancery and official residence	Feasibility	-	-	-	-	-	2.5	2.5	-
Geneva: Construction of chancery and official residence	Construction of chancery	Feasibility	-	-	-	-	-	-	2.5	2.5
Beijing: Construction of chancery	Construction of chancery	Feasibility	-	-	-	-	-	-	2.5	2.5
Total			1 785.2	103.6	102.0	173.7	215.6	238.5	251.9	249.4

Vote 7

National Treasury

Budget summary

R million	2018/19					2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	484.7	445.5	3.9	35.3	–	555.8	590.7
Economic Policy, Tax, Financial Regulation and Research	141.0	106.9	33.2	0.9	–	148.0	158.1
Public Finance and Budget Management	290.1	236.1	51.8	2.2	–	308.9	330.5
Asset and Liability Management	110.4	109.9	–	0.5	–	111.5	119.4
Financial Accounting and Supply Chain Management Systems	1 196.6	1 085.9	104.3	6.4	–	1 080.7	1 144.3
International Financial Relations	5 402.1	51.5	972.8	0.5	4 377.3	5 745.1	6 061.4
Civil and Military Pensions, Contributions to Funds and Other Benefits	5 163.8	68.9	5 094.9	–	–	5 574.5	5 881.2
Technical Support and Development Finance	2 798.8	407.8	2 391.1	–	–	2 987.8	3 726.9
Revenue Administration	9 007.2	–	9 007.2	–	–	9 130.3	9 630.9
Financial Intelligence and State Security	4 763.5	–	4 763.5	–	–	4 951.1	5 223.2
Subtotal	29 358.4	2 512.5	22 422.8	45.8	4 377.3	30 593.7	32 866.5
Direct charge against the National Revenue Fund							
Provincial equitable share	470 286.5	–	470 286.5	–	–	505 019.7	542 446.9
Debt-service costs	180 124.0	180 124.0	–	–	–	197 663.6	213 859.0
General fuel levy sharing with metropolitan municipalities	12 468.6	–	12 468.6	–	–	13 166.8	14 026.9
National Revenue Fund payments	135.1	–	–	–	135.1	–	–
Total expenditure estimates	692 372.5	182 636.5	505 177.8	45.8	4 512.3	746 443.7	803 199.3

Executive authority Minister of Finance
 Accounting officer Director General of the National Treasury
 Website address www.treasury.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Support economic growth and development, good governance, social progress and rising living standards through the accountable, economical, efficient, equitable and sustainable management of public finances, maintenance of macroeconomic and financial sector stability, and effective financial regulation of the economy.

Mandate

National Treasury's legislative mandate is based on section 216(1) of the Constitution, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances. This role is further elaborated in the Public Finance Management Act (1999). The department is mandated to:

- promote national government's fiscal policy and the coordination of macroeconomic policy
- ensure the stability and soundness of the financial system and financial services
- coordinate intergovernmental financial and fiscal relations
- manage the budget preparation process
- enforce transparency and effective management in respect of revenue and expenditure, assets and liabilities, public entities, and constitutional institutions.

Selected performance indicators

Table 7.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive growth	41% (R1.6tr)	44.2% (R1.8tr)	45.6% (R2tr)	48.6% (2.3tr)	50.3% (R2.5tr)	51.4% (R2.8tr)	52.2% (R3.0tr)
Value of government gross annual borrowing	Asset and Liability Management		R215.3bn	R200.4bn	R240.9bn	R246.0bn	R224.1bn	R301.5bn	R282.3bn
Cost to service debt as a percentage of GDP	Asset and Liability Management		3% (R114.8bn)	3.1% (R128.8bn)	3.3% (R146.5bn)	3.5% (R163.2bn)	3.6% (R180.1bn)	3.7% (R197.7bn)	3.7% (R213.9bn)
Number of active training providers delivering the municipal regulated minimum competency levels programme per year	Financial Accounting and Supply Chain Management Systems	Outcome 12: An efficient, effective and development oriented public service	40	78	40	-1	-1	-1	-1
Number of municipal officials trained in financial management competencies per year ²	Financial Accounting and Supply Chain Management Systems		1 034	1 380	1 080	1 000	1 000	1 000	1 000
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Accounting and Supply Chain Management Systems		350	312	750	640	-1	-1	-1
Number of transversal term contracts renewed per year for national procurement	Financial Accounting and Supply Chain Management Systems		16	14	28	17	11	15	6
Number of precinct plans completed per year	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	-3	-3	4	4	4	2	2
Number of catalytic projects approved per year	Technical Support and Development Finance		317	352	459	20	20	20	20
Total estimated third party investment leveraged for neighbourhood development	Technical Support and Development Finance		R2.5bn	R4.2bn	R5bn	-1	-1	-1	-1
Number of integrated projects in integration zones identified for planning per year	Technical Support and Development Finance		14	30	12	12	12	12	12
Number of integrated projects in integration zones under implementation per year	Technical Support and Development Finance	3	13	8	10	12	12	12	
Total number of new jobs contracted in the Jobs Fund across the term of project	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive growth	132 725	142 445	136 069	150 000	150 000	150 000	150 000
Total number of placements contracted on the Jobs Fund across the term of project	Technical Support and Development Finance		84 513	77 317	90 087	100 000	100 000	100 000	100 000

1. Indicator discontinued.

2. Old indicator selected for publication in the Estimates of National Expenditure.

3. No historical data available.

Expenditure analysis

Chapter 3 of the National Development Plan (NDP) details a vision for South Africa towards building an inclusive economy that ensures social equality. This vision is expressed specifically in terms of outcome 4 (decent employment through inclusive growth), outcome 8 (sustainable human settlements and improved quality of household life) and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework, which are closely aligned with the work of National Treasury. The department's continual focus, therefore, remains on directing government spending towards programmes that create jobs, improving and developing infrastructure, and eliminating poverty and inequality. To this end, the Treasury anticipates continuing to improve efficiencies and prioritising essential sectors and services such as social protection for vulnerable members of society.

Over the MTEF period, the department intends to focus on reviewing tax policy, managing future spending growth and fiscal risk, managing government's assets and liabilities, making government procurement more efficient, strengthening financial management within government, strengthening the regulation of the

financial sector, promoting regional and international cooperation, supporting sustainable employment, and supporting the development of infrastructure and economically integrated cities and communities.

The department plans to transfer a total of R1.5 trillion over the medium term to provincial governments for the provincial equitable share. To address the gap in the funding of welfare services provided through non-profit organisations and in programmes aimed at preventing violence against women and children, Cabinet has approved increases of R201 million in 2018/19, R500 million in 2019/20 and R527.5 million in 2020/21 in the provincial equitable share. Cabinet has also approved reductions of R1.4 billion in 2018/19, R1.6 billion in 2019/20 and R1.7 billion in 2020/21 in the provincial equitable share for provincial departments' administration programmes and transfers to provincial entities.

The Treasury is also responsible for servicing government's debt and distributing the general fuel levy to metropolitan municipalities. Accordingly, the department anticipates spending R180.1 billion in 2018/19, R197.7 billion in 2019/20 and R213.9 billion in 2020/21 to service government's debt. Cabinet has approved a reduction in funding of R527.5 million in 2018/19, and increases in funding of R343.8 million in 2019/20 and R5.7 billion in 2020/21 to cater for higher debt service costs. Spending on the distribution of the general fuel levy to metropolitan municipalities is projected at R12.5 billion in 2018/19, R13.2 billion in 2019/20 and R14 billion in 2020/21.

Cabinet has approved total budget reductions of R3.5 billion in 2018/19, R3.3 billion in 2019/20 and R3.4 billion in 2020/21 to the department's budget for purposes of fiscal consolidation. The department will adjust its operations to align with these budget reductions, but this is not expected to have a negative impact on performance.

Reviewing tax policy and strengthening financial sector regulation

Over the medium term, the department aims to conclude proposals for tax policy amendments to meet government's revenue requirements and eliminate tax loopholes to improve fairness in the tax system. Recent amendments have included the introduction of the health promotion levy, which discourages the consumption of sugary beverages, with a proposed start date of 1 April 2018; and the publication of the draft Carbon Tax Bill for public comment and introduction in Parliament in 2018. The carbon tax aims to encourage investments in low carbon, energy efficient alternatives and reduce greenhouse gas emissions. Spending on these activities over the MTEF period is projected to be R30 million in 2018/19, R31 million in 2019/20 and R33.2 million in 2020/21 in the *Tax Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

The department also plans to implement the Financial Sector Regulation Act (2017), which creates a new system of financial regulation by establishing a prudential authority and a financial sector conduct authority. The transition towards this new regulatory architecture involves closing down existing entities and managing shifts in legal responsibilities, and human and other resources. The act also aims to preserve and enhance South Africa's financial stability by conferring powers on the South African Reserve Bank and establishing a committee to oversee financial stability. The act also provides for the protection of financial customers through the creation of a market conduct authority and ombud tasked with ensuring fair, effective and accessible platforms to resolve complaints. To streamline regulations applicable to financial institutions, the market conduct unit also plans to develop a new law for the proportionate regulation of the market conduct of all institutions in the financial sector. Spending on these activities is projected to be R24.9 million in 2018/19, R26.3 million in 2019/20 and R28.3 million in 2020/21 in the *Financial Sector Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

Managing future spending growth and fiscal risk

A combination of fiscal measures and economic interventions is required to grow the economy, address challenges facing public finances and reduce long-term risks. In this regard, over the MTEF period, the Treasury plans to ensure that government departments adhere to spending limits, as considered during the national budget preparation process. Spending on related activities is expected to be R238.3 million in 2018/19, R254.3 million in 2019/20 and R272.8 million in 2020/21 in the *Public Finance and Budget Management*

programme.

Managing government's assets and liabilities

The department is responsible for overseeing state-owned enterprises and enabling them to meet government's policy objectives in a financially and fiscally sustainable manner. The Treasury compiles annual reviews of the corporate plans of all public entities listed in schedules 2 and 3B of the Public Finance Management Act (1999), as well as selected entities listed in schedule 3A of the act. In addition to assessing these entities' alignment with government's priorities, their financial sustainability and their soundness of governance, the reviews aim to identify potential risks and mitigate their possible effects. Similarly, the performance of public entities is evaluated through reviews of their annual reports. With the significant increase of contingent liabilities in government, over the medium term, the department plans to develop frameworks to reduce the number of government guarantees issued to public entities, especially for operational purposes, while improving the risk exposure from such guarantees.

Over the medium term, the Treasury will continue to finance government's gross borrowing requirements in domestic and international capital markets, taking into consideration a risk sensitive approach to debt financing and the management of the debt portfolio. Prudent cash management is to be maintained to ensure government's liquidity. Spending on these activities is projected to be R110.4 million in 2018/19, R111.5 million in 2019/20 and R119.4 million in 2020/21 in the *Asset and Liability Management* programme.

Making government procurement more efficient

The Office of the Chief Procurement Officer is tasked with ensuring efficient procurement practices in government. Over the medium term, reforms in the procurement process are expected to ensure efficiencies and value for money, and that opportunities to abuse the supply chain management system are minimised. The office intends to continue implementing cost containment measures by applying strategic procurement principles; identifying opportunities for centrally arranged contracts; implementing preferential procurement as a lever to support black economic empowerment, small business development and industrial development; and strengthening measures to promote transparency and accountability.

Transversal contracts are arranged where multiple departments require the same or similar products and services. The Office of the Chief Procurement Officer has been structured into 6 main commodity groups: health and medical technology; vehicles equipment and services; textiles, perishables and consumables; ICTs; property and leasing; and education. In line with its function to ensure efficient procurement practices, the Office of the Chief Procurement Officer facilitates the arrangement of more than 70 transversal contracts across the different commodity groups with an estimated value of R62 billion to derive benefits from economies of scale and value for money.

The Public Procurement Bill is intended to provide for consolidating the fragmented procurement legislative environment to create a flexible, agile and expanded scope of service delivery, economic empowerment, transparency and good governance. The bill is scheduled to be gazetted for public comment in 2018/19.

Spending on activities related to government procurement processes is projected to be R191.3 million in 2018/19, R137.6 million in 2019/20 and R145.2 million in 2020/21 in the *Programme Management for Financial Accounting and Supply Chain Management Systems* subprogramme in the *Financial Accounting and Supply Chain Management System* programme.

Strengthening government financial management

The integrated financial management system is designed to enhance the productivity and effectiveness of government departments by improving access to information, raising the quality of data, eliminating the duplication of systems and resources, and curtailing manual processes. Spending on activities related to the integrated financial management system is projected to be R350.1 million in 2018/19, R243 million in 2019/20 and R256.4 million in 2020/21 in the *Financial Systems* subprogramme in the *Financial Accounting and Supply Chain Management System* programme. The higher projected spending in 2018/19 is due to an once-off payment on the project.

Through the *local government financial management grant*, the department promotes and supports financial management reform and builds capacity in municipalities to improve the implementation of the Municipal Finance Management Act (2003). Funds disbursed through the grant assist in: strengthening the capacity of municipal budgets, treasury offices, and internal audit units and audit committees; providing training for and appointing financial management interns; investing in financial management systems; implementing reforms, including the development of financial recovery plans; implementing consequence management processes; and attending to matters arising from audit outcomes.

Municipalities use funds from the grant to prepare their annual financial statements towards the preparation of audit action plans, to upskill and provide capacity to their internal audit units and audit committees, and to acquire and update their financial management systems to comply with the municipal standard chart of accounts.

Over the medium term, funding from the grant is also expected to address current reforms in financial management, and new reforms for addressing shortcomings identified in the financial management capability maturity model. The grant receives allocations of R504.6 million in 2018/19, R532.8 million in 2019/20 and R561.7 million in 2020/21 through the *Local Government Financial Management Support* subprogramme in the *Technical Support and Development Finance* programme.

Facilitating regional and international cooperation

The New Development Bank was established in 2014 to strengthen cooperation among the Brazil-Russia-India-China-South Africa (BRICS) group of countries and complement the efforts of multilateral and regional financial institutions for global development. As part of the South African government's capital contribution to the bank, the department transferred R5.8 billion for 2 capital instalments, in 2015/16 and 2016/17. A third transfer of R4.1 billion was made in 2017/18. A total of R12.7 billion is allocated over the period ahead for transfers to the bank in the *International Development Funding Institutions* subprogramme in the *International Financial Relations* programme. US\$1.5 billion has been made available to South Africa for development finance over the next 2 years.

Compensation to member countries of the Common Monetary Area for the use of the rand as currency in Namibia, Lesotho and Swaziland is projected to be R804.9 million in 2018/19, R849.9 million in 2019/20 and R896.7 million in 2020/21 in the *African Integration and Support* subprogramme in the *International Financial Relations* programme.

Supporting sustainable employment

The Jobs Fund was introduced in 2011 with a total operating budget of R9 billion to create a targeted 150 000 permanent jobs by 2023. Through the fund, the department supports innovative, partnership-based approaches to sustainable job creation; and facilitates research into employment, income distribution and inclusive growth. As at 30 September 2017, 104 443 new permanent jobs had been created by implementing 113 projects, and an additional 57 746 unemployed individuals had been placed in permanent employment. In addition, 223 271 people have benefitted from work readiness and technical training interventions. Current estimates suggest that the fund will exceed its target by 2023 as 70 per cent of the target has already been met. R6.1 billion of the fund's total budget has been spent to date in a portfolio of 117 approved employment generating initiatives, and an additional R8.6 billion has been committed from project partners in the form of matched funding.

Cabinet has approved a total reduction of R705 million on transfers to the Jobs Fund (R272 million in 2018/19, R240 million in 2019/20 and R193 million in 2020/21). The department's spending on activities related to the creation of sustainable employment is expected to be R2.9 billion over the medium term in the *Employment Creation Facilitation* subprogramme in the *Technical Support and Development Finance* programme.

Supporting infrastructure development and economically integrated cities and communities

To promote the efficient use of urban spaces, the *integrated city development grant* provides a financial incentive for metropolitan municipalities to integrate and use infrastructure investment in a more focused

way. For this purpose, 25 strategic integration zones have been identified in South Africa's 8 metropolitan municipalities, and detailed planning is under way towards the implementation of catalytic integrated development projects within these prioritised areas. The projects involve urban regeneration, integrated public transport networks and integrated mixed use developments. Funding from the grant supplements cities' capital budgets is used to leverage loan financing and other investments from the private sector. Total transfers to the grant over the medium term are expected to amount to R931 million in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme.

The infrastructure delivery improvement programme supports provincial departments that deliver infrastructure, and aims to improve the delivery of public sector infrastructure through institutionalising best practice and building capacity. An estimated 300 officials are expected to be trained on the programme's infrastructure delivery management system over the MTEF period. The programme has a projected allocation of R295.1 million over the MTEF period in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme.

The *neighbourhood development partnership grant* provides funding for neighbourhood development projects that aim to improve the quality of life for residents in targeted areas, generally townships. Capital funding is reserved for projects that contribute to spatial transformation. The grant assists metropolitan municipalities and secondary city municipalities in planning and developing inclusive and productive cities. Such projects use catalytic infrastructure (transport, water, sewerage and energy infrastructure; and community and government facilities) to attract third-party investment to township nodes in strategic integration zones. A two-stage approval process for capital funding, first for project planning then for implementation, was developed and has been implemented since 2016/17 to access the grant. This funding process is intended to reduce the risk of contingent project liabilities that result in slow spending due to factors such as procurement delays. Over the medium term, the grant is expected to support an estimated 18 urban hub precinct plans that seek to prioritise 60 catalytic infrastructure projects. Spending on the grant is projected at R631.2 million in 2018/19, R652.2 million in 2019/20 and R687.6 million in 2020/21 in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme.

The *infrastructure skills development grant* supports municipalities by recruiting and training unemployed graduates within the built environment to get them professionally registered with the relevant statutory councils. The grant currently funds the training of 502 graduates from various municipalities. Training is provided according to structured plans as per the requirements of the statutory councils. Graduates undergo intensive practical work for a period of 3 to 4 years, depending on the requirements of the log books and experience reports they must compile in order to meet the registration requirements of the various statutory councils. 201 graduates have completed the training, of which 168 have been permanently appointed. The grant was introduced in 2011/12 with the aim of expanding and deepening the built environment skills pipeline within local government. Due to the overwhelming demand within municipalities, the grant has exceeded the annual target of 400 graduates. To support this, the grant is expected to disburse R141.5 million in 2018/19, R149.4 million in 2019/20 and R157.9 million in 2020/21 in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme.

Expenditure trends

Table 7.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Economic Policy, Tax, Financial Regulation and Research														
3. Public Finance and Budget Management														
4. Asset and Liability Management														
5. Financial Accounting and Supply Chain Management Systems														
6. International Financial Relations														
7. Civil and Military Pensions, Contributions to Funds and Other Benefits														
8. Technical Support and Development Finance														
9. Revenue Administration														
10. Financial Intelligence and State Security														
Programme	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Annual Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (ex.1)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	343.1	372.4	362.5	366.7	363.6	375.6	412.7	467.4	436.3	414.3	439.1	439.3	105.0%	98.2%
Programme 2	138.9	134.4	124.3	133.9	135.4	131.3	146.1	150.2	151.2	139.6	164.0	163.9	102.2%	97.7%
Programme 3	262.8	259.9	245.3	257.0	266.1	262.6	287.0	294.5	281.8	286.1	303.0	303.1	100.0%	97.3%
Programme 4	3 342.1	3 343.4	3 089.4	3 116.9	3 264.9	3 264.3	107.2	113.1	110.1	102.4	10 100.3	10 100.3	248.4%	98.5%
Programme 5	761.6	770.0	731.5	751.4	807.1	774.5	849.9	1 216.8	1 209.9	1 087.9	1 079.1	868.5	103.9%	92.5%
Programme 6	1 179.8	1 199.7	1 198.7	1 247.4	3 254.9	3 546.1	5 039.1	4 978.0	4 955.8	5 836.8	5 831.4	5 789.3	116.4%	101.5%
Programme 7	3 717.8	3 717.8	3 730.9	3 962.9	3 962.9	3 967.7	4 173.2	4 462.6	4 400.2	4 835.0	4 835.0	4 835.0	101.5%	99.7%
Programme 8	3 712.2	3 099.8	2 893.3	3 143.9	2 774.6	2 472.2	2 634.7	2 612.7	2 478.4	2 873.3	2 558.5	2 558.5	84.1%	94.2%
Programme 9	9 440.3	9 440.3	9 440.3	9 434.4	9 334.4	9 334.4	10 009.2	9 363.7	9 363.7	10 218.2	10 168.2	10 168.2	98.0%	100.0%
Programme 10	4 366.3	4 366.3	4 366.3	4 542.8	4 562.1	4 562.1	4 812.5	4 812.5	4 812.5	5 005.6	5 005.6	5 005.6	100.1%	100.0%
Subtotal	27 265.0	26 703.9	26 182.5	26 957.3	28 726.1	28 690.8	28 471.4	28 471.4	28 199.8	30 799.2	40 484.3	40 231.8	108.6%	99.1%
Direct charge against the National Revenue Fund	485 012.5	484 907.8	486 435.9	519 893.8	525 742.6	526 636.1	569 787.4	570 833.0	570 197.1	615 856.8	616 714.0	616 587.0	100.4%	100.1%
Provincial equitable share	359 921.8	359 921.8	359 921.8	382 673.5	386 500.0	386 500.0	410 698.6	410 698.6	410 698.6	441 331.1	441 331.1	441 331.1	100.2%	100.0%
Debt-service costs	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 496.7	162 353.1	163 347.9	163 155.4	100.3%	100.0%
General fuel levy sharing with metropolitan municipalities	10 190.2	10 190.2	10 190.2	10 658.9	10 658.9	10 658.9	11 223.8	11 223.8	11 223.8	11 785.0	11 785.0	11 785.0	100.0%	100.0%
National Revenue Fund payments	–	310.9	1 525.5	121.0	681.7	681.7	145.0	1 221.4	1 778.0	387.6	250.0	315.5	658.0%	174.5%
Total	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5	598 396.9	646 656.0	657 198.4	656 818.8	100.8%	100.0%
Change to 2017 Budget estimate	10 542.3													
Economic classification														
Current payments	116 832.7	116 304.8	116 328.4	128 388.5	129 824.5	130 621.5	149 812.3	150 180.2	148 442.1	164 689.2	165 692.4	165 289.1	100.2%	99.8%
Compensation of employees	764.9	689.0	671.5	725.5	733.4	732.7	817.6	815.7	786.4	799.3	823.3	823.3	97.0%	98.4%
Goods and services	1 167.2	1 130.8	858.5	1 222.6	1 189.1	1 093.2	1 274.8	1 675.2	1 159.0	1 536.8	1 521.2	1 310.4	85.0%	80.1%
Interest and rent on land	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 496.7	162 353.1	163 347.9	163 155.4	100.3%	100.0%
Transfers and subsidies	391 863.0	391 336.9	391 368.2	414 954.5	418 329.0	418 144.3	444 111.4	443 844.7	443 713.1	476 694.5	476 362.8	476 498.0	100.1%	100.0%
Provinces and municipalities	371 511.7	371 511.7	371 510.9	394 767.6	398 594.2	398 570.7	423 409.0	423 409.0	423 376.8	454 714.4	454 714.4	454 714.4	100.2%	100.0%
Departmental agencies and accounts	14 011.1	14 127.7	14 115.1	15 420.4	15 042.1	14 816.6	15 741.5	15 096.0	15 074.1	16 281.0	15 951.0	15 951.0	–	–
Higher education institutions	5.8	5.8	–	–	–	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	828.3	777.2	790.5	854.1	777.9	831.3	838.0	925.5	907.6	917.5	913.3	1 048.5	104.1%	105.4%
Public corporations and private enterprises	1 844.5	1 252.2	1 274.5	11.4	11.4	11.4	12.0	12.0	12.0	12.6	10.6	10.6	69.6%	101.7%
Households	3 661.6	3 662.2	3 677.1	3 900.9	3 903.5	3 914.3	4 111.0	4 402.2	4 342.5	4 769.0	4 773.5	4 773.5	101.6%	99.8%
Payments for capital assets	11.4	19.6	20.1	16.4	26.1	33.2	38.0	56.9	462.5	15.7	24.1	24.1	663.2%	426.1%
Buildings and other fixed structures	–	–	–	–	0.4	–	–	0.2	–	–	–	–	–	–
Machinery and equipment	11.4	19.6	20.1	16.4	25.7	33.2	37.9	56.7	46.4	15.7	19.4	19.4	146.4%	98.2%
Software and other intangible assets	–	–	–	–	–	–	0.0	0.0	416.1	–	4.7	4.7	1 402 746.7%	8 840.8%
Payments for financial assets	3 570.5	3 950.5	4 901.8	3 491.7	6 289.0	6 527.9	4 297.2	5 222.6	5 779.2	5 256.7	15 119.1	15 007.6	193.9%	105.3%
Total	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5	598 396.9	646 656.0	657 198.4	656 818.8	100.8%	100.0%

Expenditure estimates

Table 7.3 Vote expenditure estimates by programme and economic classification

Programmes										
1. Administration										
2. Economic Policy, Tax, Financial Regulation and Research										
3. Public Finance and Budget Management										
4. Asset and Liability Management										
5. Financial Accounting and Supply Chain Management Systems										
6. International Financial Relations										
7. Civil and Military Pensions, Contributions to Funds and Other Benefits										
8. Technical Support and Development Finance										
9. Revenue Administration										
10. Financial Intelligence and State Security										
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)		
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21			
Programme 1	439.3	5.7%	0.1%	484.7	555.8	590.7	10.4%	0.1%		
Programme 2	163.9	6.9%	0.0%	141.0	148.0	158.1	-1.2%	0.0%		
Programme 3	303.1	5.3%	0.0%	290.1	308.9	330.5	2.9%	0.0%		
Programme 4	10 100.3	44.6%	0.7%	110.4	111.5	119.4	-77.2%	0.4%		
Programme 5	868.5	4.1%	0.2%	1 196.6	1 080.7	1 144.3	9.6%	0.1%		
Programme 6	5 789.3	69.0%	0.7%	5 402.1	5 745.1	6 061.4	1.5%	0.8%		
Programme 7	4 835.0	9.2%	0.7%	5 163.8	5 574.5	5 881.2	6.7%	0.7%		
Programme 8	2 558.5	-6.2%	0.4%	2 798.8	2 987.8	3 726.9	13.4%	0.4%		
Programme 9	10 168.2	2.5%	1.6%	9 007.2	9 130.3	9 630.9	-1.8%	1.3%		
Programme 10	5 005.6	4.7%	0.8%	4 763.5	4 951.1	5 223.2	1.4%	0.7%		
Subtotal	40 231.8	14.6%	5.3%	29 358.4	30 593.7	32 866.5	-6.5%	4.6%		
Direct charge against the National Revenue Fund	616 587.0	8.3%	94.7%	663 014.1	715 850.0	770 332.8	7.7%	95.4%		
Provincial equitable share	441 331.1	7.0%	68.8%	470 286.5	505 019.7	542 446.9	7.1%	67.6%		
Debt-service costs	163 155.4	12.5%	23.8%	180 124.0	197 663.6	213 859.0	9.4%	26.0%		
General fuel levy sharing with metropolitan municipalities	11 785.0	5.0%	1.9%	12 468.6	13 166.8	14 026.9	6.0%	1.8%		
National Revenue Fund payments	315.5	0.5%	0.2%	135.1	-	-	-100.0%	0.0%		
Total	656 818.8	8.7%	100.0%	692 372.5	746 443.7	803 199.3	6.9%	100.0%		
Change to 2017 Budget estimate				(4 665.1)	(4 160.5)	980.2				
Economic classification										
Current payments	165 289.1	12.4%	24.1%	182 636.5	200 195.2	216 547.3	9.4%	26.4%		
Compensation of employees	823.3	6.1%	0.1%	807.8	869.3	934.5	4.3%	0.1%		
Goods and services	1 310.4	5.0%	0.2%	1 704.7	1 662.3	1 753.7	10.2%	0.2%		
Interest and rent on land	163 155.4	12.5%	23.8%	180 124.0	197 663.6	213 859.0	9.4%	26.0%		
Transfers and subsidies	476 498.0	6.8%	74.5%	505 177.8	541 558.0	581 703.8	6.9%	72.6%		
Provinces and municipalities	454 714.4	7.0%	70.9%	484 296.6	519 799.9	558 690.1	7.1%	69.6%		
Departmental agencies and accounts	15 951.0	4.1%	2.6%	14 796.7	15 211.3	16 106.8	0.3%	2.1%		
Foreign governments and international organisations	1 048.5	10.5%	0.2%	975.5	1 030.1	1 086.8	1.2%	0.1%		
Public corporations and private enterprises	10.6	-79.6%	0.1%	13.3	14.1	14.8	11.9%	0.0%		
Households	4 773.5	9.2%	0.7%	5 095.8	5 502.7	5 805.2	6.7%	0.7%		
Payments for capital assets	24.1	7.2%	0.0%	45.8	32.5	34.6	12.7%	0.0%		
Machinery and equipment	19.4	-0.4%	0.0%	34.6	18.0	18.7	-1.3%	0.0%		
Software and other intangible assets	4.7	-	0.0%	11.3	14.5	15.9	49.8%	0.0%		
Payments for financial assets	15 007.6	56.0%	1.4%	4 512.3	4 657.9	4 913.7	-31.1%	1.0%		
Total	656 818.8	8.7%	100.0%	692 372.5	746 443.7	803 199.3	6.9%	100.0%		

Expenditure trends and estimates for significant spending items

Table 7.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R thousand											
South African Revenue Service	844 105	943 444	1 043 355	1 141 561	10.6%	3.2%	1 207 772	1 275 407	1 345 554	5.6%	3.7%
Post-Retirement medical scheme	1 511 127	2 109 613	2 135 862	2 404 553	16.7%	6.6%	2 615 996	2 896 491	3 068 233	8.5%	8.3%
Secret Services	286 736	307 211	403 474	303 554	1.9%	1.1%	417 067	440 422	464 645	15.2%	1.2%
Government Technical Advisory Centre	28 300	693 000	625 602	524 964	164.7%	1.5%	777 680	867 157	975 051	22.9%	2.4%
BRICS	-	2 298 000	3 515 000	4 500 000	-	8.4%	3 991 000	4 250 000	4 483 360	-0.1%	12.9%
Total	2 670 268	6 351 268	7 723 293	8 874 632	193.9%	20.8%	9 009 515	9 729 477	10 336 843	52.1%	28.5%

Goods and services expenditure trends and estimates

Table 7.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	3 110	3 510	3 264	4 597	13.9%	0.3%	3 609	4 058	4 278	-2.4%	0.2%
Advertising	1 871	6 344	705	1 546	-6.2%	0.2%	2 836	2 891	3 069	25.7%	0.2%
Minor assets	1 880	523	330	2 345	7.6%	0.1%	3 399	2 443	2 218	-1.8%	0.2%
Audit costs: External	15 299	11 819	11 586	16 195	1.9%	1.2%	14 532	15 268	16 111	-0.2%	0.9%
Bursaries: Employees	4 230	4 802	5 648	8 672	27.0%	0.5%	8 957	9 013	9 071	1.5%	0.5%
Catering: Departmental activities	1 225	1 098	1 271	1 857	14.9%	0.1%	1 987	2 059	2 174	5.4%	0.1%
Communication	6 102	7 976	5 869	8 174	10.2%	0.6%	9 102	9 587	11 412	11.8%	0.6%
Computer services	420 591	368 743	402 010	623 396	14.0%	39.2%	612 296	527 461	557 673	-3.6%	34.9%
Consultants: Business and advisory services	218 091	505 356	522 129	622 516	41.9%	40.3%	784 406	803 951	846 961	10.8%	46.0%
Legal services	12 667	11 946	-	12 567	-0.3%	0.8%	18 404	15 568	15 850	8.0%	0.9%
Science and technological services	-	180	14 944	-	-	0.3%	-	2 425	2 558	-	0.1%
Contractors	2 381	2 414	2 374	3 030	8.4%	0.2%	7 178	4 228	5 462	21.7%	0.3%
Agency and support/outsourced services	9 833	11 052	11 908	13 710	11.7%	1.0%	14 927	14 782	15 595	4.4%	0.9%
Entertainment	121	121	88	536	64.2%	-	519	532	559	1.4%	-
Fleet services (including government motor transport)	2 255	1 350	1 478	1 365	-15.4%	0.1%	1 527	1 701	1 772	9.1%	0.1%
Inventory: Clothing material and accessories	-	13	8	-	-	-	-	-	-	-	-
Consumable supplies	3 459	2 183	2 365	3 371	-0.9%	0.2%	3 730	4 622	4 839	12.8%	0.2%
Consumables: Stationery, printing and office supplies	11 388	10 724	7 685	16 249	12.6%	1.0%	14 981	32 767	35 103	29.3%	1.5%
Operating leases	60 797	52 928	71 130	69 009	4.3%	5.5%	91 585	81 647	85 814	7.5%	4.9%
Rental and hiring	-	10	-	-	-	-	-	-	-	-	-
Property payments	21 389	23 057	25 260	27 744	9.1%	2.1%	28 178	36 374	38 392	11.4%	2.0%
Transport provided: Departmental activity	-	1 185	-	-	-	-	-	-	-	-	-
Travel and subsistence	43 077	44 313	48 051	59 408	11.3%	4.2%	60 120	64 734	67 165	4.2%	3.8%
Training and development	6 490	4 908	5 855	6 641	0.8%	0.5%	7 423	8 217	8 680	9.3%	0.5%
Operating payments	5 528	10 301	9 335	5 975	2.6%	0.7%	7 427	7 659	7 925	9.9%	0.4%
Venues and facilities	6 690	6 310	5 691	12 266	22.4%	0.7%	7 618	10 314	10 999	-3.6%	0.6%
Total	858 474	1 093 166	1 158 984	1 521 169	21.0%	100.0%	1 704 741	1 662 301	1 753 680	4.9%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 7.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Provinces and municipalities											
Municipal bank accounts											
Current	10 743 725	11 235 865	11 819 565	12 427 803	5.0%	2.7%	13 114 612	13 849 031	15 260 946	7.1%	2.6%
Local government financial management grant	449 138	452 491	465 264	502 006	3.8%	0.1%	504 566	532 822	561 713	3.8%	0.1%
Infrastructure skills development grant	104 425	124 465	130 471	140 774	10.5%	-	141 492	149 416	157 930	3.9%	-
Municipal restructuring grant	-	-	-	-	-	-	-	-	514 425	-	-
General fuel levy sharing with metropolitan municipalities	10 190 162	10 658 909	11 223 830	11 785 023	5.0%	2.5%	12 468 554	13 166 793	14 026 878	6.0%	2.4%
Capital	845 390	834 875	858 665	955 509	4.2%	0.2%	895 476	931 223	982 255	0.9%	0.2%
Integrated city development grant	255 000	251 300	266 805	292 119	4.6%	0.1%	293 609	310 051	327 319	3.9%	0.1%
Neighbourhood development partnership grant	590 390	583 575	591 860	663 390	4.0%	0.1%	601 867	621 172	654 936	-0.4%	0.1%
Households											
Social benefits											
Current	3 675 562	3 912 917	4 341 435	4 771 705	9.1%	1.0%	5 093 909	5 500 713	5 803 199	6.7%	1.0%
Employee social benefits	1 317	3 902	3 791	4 466	50.2%	-	1 664	1 768	1 668	-28.0%	-
Contribution to provident funds for associated institutions	321	339	314	300	-2.2%	-	330	360	380	8.2%	-
Parliamentary Awards	21	19	17	23	3.1%	-	24	25	26	4.2%	-
Other benefits	70 416	82 512	92 820	84 330	6.2%	-	98 584	104 093	109 819	9.2%	-
Injury on duty	526 387	514 865	563 450	577 151	3.1%	0.1%	652 309	688 838	726 724	8.0%	0.1%
Post-Retirement medical scheme	1 509 427	2 107 413	2 133 462	2 401 913	16.7%	0.5%	2 613 092	2 893 297	3 064 719	8.5%	0.5%
Special pensions	423 483	439 801	447 781	457 669	2.6%	0.1%	457 200	468 000	480 000	1.6%	0.1%
Political Office Bearers Pension Fund	71 997	-	-	291 222	59.3%	-	306 083	323 224	341 001	5.4%	0.1%

Table 7.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Pension benefits: President of South Africa	7 884	7 275	7 732	7 807	-0.3%	–	11 732	12 894	14 277	22.3%	–
Military pensions: Ex-servicemen	11 694	2 879	2 285	3 420	-33.6%	–	3 000	2 801	2 599	-8.7%	–
South African citizen force	155 941	166 202	175 485	180 143	4.9%	–	193 647	205 293	217 131	6.4%	–
Civil protection	19	19	19	19	–	–	19	19	20	1.7%	–
Other benefits: Ex-servicemen	20 155	10 491	12 279	23 302	5.0%	–	16 021	18 318	19 910	-5.1%	–
Non-statutory forces	874 800	575 000	899 600	737 300	-5.5%	0.2%	737 300	778 589	821 411	3.7%	0.1%
Post-retirement medical scheme - Parliamentary staff	1 700	2 200	2 400	2 640	15.8%	–	2 904	3 194	3 514	10.0%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	12 972 492	13 552 569	13 610 586	14 489 879	3.8%	3.2%	13 154 912	13 477 574	14 277 793	-0.5%	2.6%
Finance and Accounting Services Sector	2 295	1 850	2 085	2 061	-3.5%	–	2 032	2 140	2 258	3.1%	–
Education and Training Authority	–	–	–	–	–	–	–	–	–	–	–
Communication	9	9	9	19	28.3%	–	20	21	22	5.0%	–
Cooperative Banks Development Agency	16 838	17 341	16 872	19 275	4.6%	–	19 883	20 997	22 151	4.7%	–
Financial and Fiscal Commission	45 288	41 156	44 839	50 647	3.8%	–	51 782	54 682	57 690	4.4%	–
Accounting Standards Board	10 250	–	12 517	13 463	9.5%	–	14 054	14 843	15 659	5.2%	–
Independent Regulatory Board for Auditors	34 577	41 273	28 978	39 624	4.6%	–	40 874	43 163	45 537	4.7%	–
Auditor-General of South Africa	61 257	41 856	79 075	46 278	-8.9%	–	47 738	50 411	53 184	4.7%	–
Government Technical Advisory Centre	107 677	776 062	713 608	605 040	77.8%	0.1%	848 753	942 818	1 055 423	20.4%	0.2%
Neighbourhood development partnership grant (indirect)	30 000	–	–	–	-100.0%	–	–	–	–	–	–
South African Revenue Service: Operations	8 596 216	8 390 995	8 320 321	8 991 607	1.5%	2.0%	7 757 918	7 814 599	8 242 778	-2.9%	1.6%
South African Revenue Service: Office of the Tax Ombud	–	–	–	35 030	–	–	41 527	40 308	42 525	6.7%	–
Financial Intelligence Centre: Operations	186 651	226 664	239 641	254 941	11.0%	0.1%	262 581	277 285	292 537	4.7%	0.1%
Secret Services: Operations	3 881 434	4 015 363	4 152 641	4 431 894	4.5%	1.0%	4 067 750	4 216 307	4 448 029	0.1%	0.8%
Capital	1 142 645	1 264 026	1 463 560	1 461 107	8.5%	0.3%	1 641 759	1 733 697	1 829 050	7.8%	0.3%
Government Technical Advisory Centre	375	547	–	742	25.5%	–	785	829	875	5.6%	–
South African Revenue Service: Machinery and equipment	844 105	943 444	1 043 355	1 141 561	10.6%	0.2%	1 207 772	1 275 407	1 345 554	5.6%	0.2%
Financial Intelligence Centre: Machinery and equipment	11 429	12 824	16 731	15 250	10.1%	–	16 135	17 039	17 976	5.6%	–
Secret Services: Machinery and equipment	286 736	307 211	403 474	303 554	1.9%	0.1%	417 067	440 422	464 645	15.2%	0.1%
Foreign governments and international organisations											
Current	607 773	740 644	816 927	783 124	8.8%	0.2%	839 381	886 401	935 153	6.1%	0.2%
Common Monetary Area Compensation	581 616	712 496	792 269	754 924	9.1%	0.2%	804 866	849 938	896 685	5.9%	0.2%
Collaborative Africa Budget Reform Initiative	4 409	1 834	2 431	2 512	-17.1%	–	1 712	1 808	1 907	-8.8%	–
Commonwealth Fund for Technical Cooperation	5 714	5 533	5 815	6 117	2.3%	–	6 423	6 783	7 156	5.4%	–
International Finance Facility for Immunisation	11 481	15 498	13 180	14 410	7.9%	–	13 445	14 212	14 994	1.3%	–
African Institute for Economic Development and Planning	917	1 242	1 007	1 153	7.9%	–	1 351	1 427	1 505	9.3%	–
Africa Regional Technical Assistance Centre for Southern Africa	350	959	988	1 441	60.3%	–	1 213	1 281	1 351	-2.1%	–
Infrastructure Consortium for Africa	1 000	1 000	–	–	-100.0%	–	–	–	–	–	–
African Risk Capacity	–	–	–	–	–	–	7 676	8 106	8 552	–	–
United Kingdom tax	2 286	2 082	1 237	2 567	3.9%	–	2 695	2 846	3 003	5.4%	–
Capital	182 776	90 660	90 680	130 132	-10.7%	–	136 120	143 743	151 650	5.2%	–
African Development Fund	92 116	–	–	73 465	-7.3%	–	35 406	37 389	39 446	-18.7%	–
World Bank Group	90 660	90 660	90 680	56 667	-14.5%	–	100 714	106 354	112 204	25.6%	–
Households											
Other transfers to households											
Current	1 557	1 394	1 080	1 800	5.0%	–	1 850	1 943	2 050	4.4%	–
Bursaries for non-employees	1 557	1 394	1 080	1 800	5.0%	–	1 850	1 943	2 050	4.4%	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	1 274 456	11 384	11 999	10 586	-79.7%	0.1%	13 316	14 062	14 835	11.9%	–
Economic Research Southern Africa	10 780	11 384	11 999	10 586	-0.6%	–	13 316	14 062	14 835	11.9%	–
Development Bank of Southern Africa	1 164 888	–	–	–	-100.0%	0.1%	–	–	–	–	–
Municipal Finance Improvement Programme	98 788	–	–	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities											
Provincial revenue funds											
Current	359 921 783	386 500 009	410 698 585	441 331 122	7.0%	92.4%	470 286 510	505 019 653	542 446 855	7.1%	93.1%
Provincial equitable share	359 921 783	386 500 009	410 698 585	441 331 122	7.0%	92.4%	470 286 510	505 019 653	542 446 855	7.1%	93.1%
Total	391 368 159	418 144 343	443 713 082	476 362 767	6.8%	100.0%	505 177 845	541 558 040	581 703 786	6.9%	100.0%

Personnel information

Table 7.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number					
National Treasury	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate				Average growth rate (%)	Average Salary level/Total (%)					
			2016/17		2017/18		2018/19		2019/20		2020/21				2017/18 - 2020/21				
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
	1 197	124	1 168	786.4	0.7	1 125	823.3	0.7	1 036	807.8	0.8	1 039	869.3	0.8	1 038	934.5	0.9	-2.6%	100.0%
Salary level																			
1 – 6	79	23	80	15.1	0.2	75	15.4	0.2	74	16.3	0.2	76	18.2	0.2	76	19.8	0.3	0.4%	7.1%
7 – 10	468	78	477	214.0	0.4	448	216.7	0.5	417	217.0	0.5	414	231.7	0.6	408	246.0	0.6	-3.1%	39.8%
11 – 12	333	7	313	237.9	0.8	299	249.0	0.8	273	245.8	0.9	276	268.4	1.0	279	292.6	1.0	-2.3%	26.6%
13 – 16	315	16	296	315.8	1.1	301	338.3	1.1	270	324.6	1.2	271	346.6	1.3	273	371.4	1.4	-3.2%	26.3%
Other	2	–	2	3.6	1.8	2	3.9	1.9	2	4.1	2.1	2	4.4	2.2	2	4.7	2.4	–	0.2%
Programme	1 197	124	1 168	786.4	0.7	1 125	823.3	0.7	1 036	807.8	0.8	1 039	869.3	0.8	1 038	934.5	0.9	-2.6%	100.0%
Programme 1	363	75	359	195.4	0.5	339	207.4	0.6	309	201.9	0.7	312	219.4	0.7	311	235.6	0.8	-2.8%	30.0%
Programme 2	105	1	97	79.7	0.8	87	79.9	0.9	81	78.7	1.0	79	82.2	1.0	80	88.4	1.1	-2.8%	7.7%
Programme 3	278	1	272	201.9	0.7	277	218.9	0.8	241	204.1	0.8	240	219.1	0.9	241	235.7	1.0	-4.5%	23.6%
Programme 4	107	7	109	77.0	0.7	104	78.5	0.8	97	78.7	0.8	98	84.5	0.9	99	91.2	0.9	-1.6%	9.4%
Programme 5	304	39	294	200.5	0.7	283	208.2	0.7	268	208.2	0.8	268	223.8	0.8	265	240.4	0.9	-2.2%	25.6%
Programme 6	40	1	37	32.0	0.9	35	30.4	0.9	40	36.2	0.9	42	40.4	1.0	42	43.2	1.0	6.3%	3.8%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 7.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
	2014/15	2015/16	2016/17	2017/18	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
Departmental receipts	5 599 130	5 602 331	4 951 206	4 111 329	3 711 329	-12.8%	25.8%	3 835 469	3 861 122	4 177 938	4.0%	41.2%
Sales of goods and services produced by department	65 722	38 619	11 813	31 706	31 706	-21.6%	0.2%	14 335	14 363	14 230	-23.4%	0.2%
Sales by market establishments of which:												
Rental parking: Covered and open	100	103	100	110	110	3.2%	–	120	127	110	–	–
Administrative fees of which:	1	5	1	10	10	115.4%	–	10	11	–	-100.0%	–
Required information: Duplicate certificate	1	5	1	10	10	115.4%	–	10	11	–	-100.0%	–
Other sales of which:	65 621	38 511	11 712	31 586	31 586	-21.6%	0.2%	14 205	14 225	14 120	-23.5%	0.2%
Commission: Insurance	82	–	94	100	100	6.8%	–	100	106	90	-3.5%	–
Directors fees	250	–	228	210	210	-5.6%	–	220	232	145	-11.6%	–
Replacement of security cards	12	–	10	16	16	10.1%	–	15	16	10	-14.5%	–
Fees for government guarantee insurance	65 158	38 511	11 260	31 235	31 235	-21.7%	0.2%	13 855	13 855	13 855	-23.7%	0.2%
Sales of assets less than R5 000	119	–	120	25	25	-40.6%	–	15	16	20	-7.2%	–
Sales of scrap, waste, arms and other used current goods	69	20	14	22	22	-31.7%	–	23	24	27	7.1%	–
of which:												
Waste paper	9	20	–	–	–	-100.0%	–	8	8	7	–	–
Scrap	30	–	–	–	–	-100.0%	–	–	–	–	–	–
Departmental publications	30	–	14	22	22	-9.8%	–	15	16	20	-3.1%	–
Interest, dividends and rent on land	4 580 566	4 640 219	4 032 638	2 988 602	2 588 602	-17.3%	20.6%	3 560 761	3 571 805	3 887 901	14.5%	35.9%
Interest	4 374 788	4 377 214	3 881 438	2 817 934	2 417 934	-17.9%	19.6%	3 400 500	3 400 500	3 700 000	15.2%	34.1%
Dividends of which:	205 778	263 005	151 200	170 668	170 668	-6.0%	1.0%	160 261	171 305	187 901	3.3%	1.8%
South African Special Risks Insurance Association	205 778	263 005	151 200	170 668	170 668	-6.0%	1.0%	160 261	171 305	187 901	3.3%	1.8%

Table 7.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2017/18	Revised estimate	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
Sales of capital assets	–	17	136	659	659	–	–	–	–	–	-100.0%	–
Transactions in financial assets and liabilities	952 773	923 456	906 605	1 090 340	1 090 340	4.6%	5.0%	260 350	274 930	275 780	-36.8%	5.0%
National Revenue Fund receipts	12 646 970	14 377 522	14 240 651	16 710 000	15 719 600	7.5%	74.2%	6 185 000	–	372 000	-71.3%	58.8%
of which:												
Revaluation of profits on foreign currency transactions	4 406 734	8 869 128	10 710 440	13 316 000	12 676 000	42.2%	47.7%	6 185 000	–	372 000	-69.2%	50.8%
Premiums on loan transactions	5 467 553	2 873 818	2 594 049	1 353 000	1 000 000	-43.2%	15.5%	–	–	–	-100.0%	2.6%
Liquidation of South African Special Risks Insurance Association investment	40 000	–	–	–	–	-100.0%	0.1%	–	–	–	–	–
Other (mainly penalties on retail bonds)	2 646	69 673	19 172	–	2 600	-0.6%	0.1%	–	–	–	-100.0%	–
Premiums on debt portfolio restructuring (switches)	2 730 037	2 564 903	916 990	2 041 000	2 041 000	-9.2%	10.7%	–	–	–	-100.0%	5.4%
Total	18 246 100	19 979 853	19 191 857	20 821 329	19 430 929	2.1%	100.0%	10 020 469	3 861 122	4 549 938	-38.4%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 7.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Ministry	3.3	3.6	3.6	4.9	13.7%	1.0%	4.1	4.4	4.7	-0.8%	0.9%
Departmental Management	47.5	47.1	50.5	65.1	11.1%	13.0%	60.0	66.7	70.0	2.4%	12.7%
Corporate Services	107.3	116.5	154.9	127.5	5.9%	31.4%	147.7	144.9	155.6	6.9%	27.8%
Enterprise Wide Risk Management	22.5	27.5	26.3	28.8	8.5%	6.5%	30.7	32.7	34.8	6.6%	6.1%
Financial Administration	38.6	38.7	37.9	39.9	1.1%	9.6%	40.2	85.2	90.5	31.3%	12.4%
Legal Services	16.6	18.7	22.9	20.5	7.4%	4.9%	20.8	21.9	23.3	4.3%	4.2%
Internal Audit	17.1	20.7	21.8	23.9	11.8%	5.2%	25.6	27.8	29.9	7.7%	5.2%
Communications	10.1	10.2	8.6	14.2	12.0%	2.7%	11.4	12.1	12.5	-4.2%	2.4%
Office Accommodation	99.5	92.6	109.9	114.3	4.7%	25.8%	144.2	159.9	169.2	14.0%	28.4%
Total	362.5	375.6	436.3	439.1	6.6%	100.0%	484.7	555.8	590.7	10.4%	100.0%
Change to 2017 Budget estimate				24.8			28.5	(4.3)	(4.6)		
Economic classification											
Current payments	345.1	347.8	392.6	424.4	7.1%	93.6%	445.5	529.5	563.3	9.9%	94.8%
Compensation of employees	166.4	182.4	195.4	207.2	7.6%	46.6%	201.9	219.4	235.6	4.4%	41.7%
Goods and services ¹	178.7	165.4	197.2	217.3	6.7%	47.0%	243.6	310.1	327.6	14.7%	53.1%
of which:											
Computer services	24.9	18.6	34.9	32.0	8.8%	6.8%	28.7	27.9	29.2	-3.0%	5.7%
Consultants: Business and advisory services	8.9	7.0	4.5	8.3	-2.6%	1.8%	6.7	54.3	57.4	90.8%	6.1%
Consumables: Stationery, printing and office supplies	3.0	3.0	3.0	3.7	7.3%	0.8%	4.0	21.2	22.3	82.2%	2.5%
Operating leases	58.9	51.1	66.0	65.3	3.5%	15.0%	88.9	78.8	82.9	8.3%	15.3%
Property payments	21.4	23.1	25.3	27.7	9.1%	6.0%	28.2	36.4	38.4	11.4%	6.3%
Travel and subsistence	13.2	14.5	14.1	21.9	18.2%	3.9%	19.4	21.7	22.1	0.4%	4.1%
Transfers and subsidies¹	4.3	4.3	4.8	7.3	19.6%	1.3%	3.9	4.1	4.3	-16.0%	0.9%
Departmental agencies and accounts	2.3	1.9	2.1	2.1	-3.4%	0.5%	2.1	2.2	2.3	3.1%	0.4%
Households	2.0	2.4	2.7	5.2	38.5%	0.8%	1.9	1.9	2.1	-26.8%	0.5%
Payments for capital assets	13.1	23.4	38.9	7.3	-17.6%	5.1%	35.3	22.1	23.1	46.5%	4.2%
Machinery and equipment	13.1	23.4	38.9	7.0	-18.9%	5.1%	24.6	8.3	7.8	3.9%	2.3%
Software and other intangible assets	–	–	–	0.3	–	–	10.7	13.8	15.2	254.3%	1.9%
Payments for financial assets	0.1	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Total	362.5	375.6	436.3	439.1	6.6%	100.0%	484.7	555.8	590.7	10.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.4%	1.3%	1.5%	1.1%	–	–	1.7%	1.8%	1.8%	–	–

Table 7.9 Administration expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2.3	1.9	2.1	2.1	-3.5%	0.5%	2.0	2.1	2.3	3.1%	0.4%
Finance and Accounting Services Sector	2.3	1.9	2.1	2.1	-3.5%	0.5%	2.0	2.1	2.3	3.1%	0.4%
Education and Training Authority											

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Economic Policy, Tax, Financial Regulation and Research

Programme purpose

Provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, the financial sector, taxation and regulatory reform.

Objectives

- Improve South Africa's macroeconomic and microeconomic framework by conducting ongoing analytical work and research, and developing policy advisory services.
- Build and maintain economic research capacity to inform economic policy in South Africa by providing academic and research institutions with funding annually.
- Promote an effective, equitable and efficient tax policy framework and tax administrative system by developing and updating tax policies, and supporting legislation for the annual budget process.

Subprogrammes

- *Programme Management for Economic Policy, Tax, Financial Regulation and Research* provides overall programme management and policy advice to government relating to the promotion of economic growth, employment, and microeconomic and macroeconomic stability.
- *Research* promotes economic research institutions through the funding of economic research in the public interest, as well as more dedicated research on behalf of the department. This includes promoting the research capacity of local academic researchers in areas such as economic growth, job creation, macroeconomic stability, poverty alleviation, retirement reform and financial sector development.
- *Financial Sector Policy* is responsible for developing policy on the regulation of the financial sector in South Africa; developing policies to broaden access to financial services for all South Africans; and developing policies to improve the national savings rate through reforms to the legislative framework governing the savings industry, including work being undertaken towards the implementation of retirement reform proposals.
- *Tax Policy* is responsible for drafting annual tax proposals and tax legislation as part of the national budget to promote an effective, equitable and efficient tax policy framework and tax administrative system that ensures sustainable growth and delivery on government's mandate to address the needs of all South Africans. This includes providing tax proposals towards improved environmental sustainability.
- *Economic Policy* provides macroeconomic and microeconomic forecasts, policy analysis on microeconomic and regulatory issues, economic impact assessments, and scenario modelling to provide sound policy advice on the economic environment for the annual budget and other government processes. Policy advice is mainly focused on creating decent employment through inclusive growth. This subprogramme also provides analytical work and policy advice on a wide range of issues, including: inflation management; electricity pricing; economic growth; structural budget balances; industrial policy; small, medium and micro enterprise policy; and the exchange rate.

- *Cooperative Banks Development Agency* facilitates the transfer payment to the Cooperative Banks Development Agency, which provides for the registration, supervision and regulation of cooperative banks and the development of cooperative financial institutions, such as savings and credit cooperatives, community banks, village banks and financial services cooperatives, into cooperative banks.

Expenditure trends and estimates

Table 7.10 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management for Economic Policy, Tax, Financial Regulation and Research	20.7	21.2	45.0	46.0	30.6%	23.3%	39.2	41.4	43.9	-1.6%	27.9%
Research	11.5	11.0	7.3	15.0	9.2%	7.8%	-	-	-	-100.0%	2.5%
Financial Sector Policy	28.0	27.6	24.3	27.2	-0.9%	18.8%	24.9	26.3	28.3	1.3%	17.5%
Tax Policy	21.6	27.6	30.3	30.3	12.0%	19.2%	30.0	31.0	33.2	3.1%	20.4%
Economic Policy	25.7	26.5	27.5	26.2	0.6%	18.6%	27.0	28.4	30.6	5.3%	18.3%
Cooperative Banks Development Agency	16.8	17.3	16.9	19.3	4.6%	12.3%	19.9	21.0	22.2	4.7%	13.5%
Total	124.3	131.3	151.2	164.0	9.7%	100.0%	141.0	148.0	158.1	-1.2%	100.0%
Change to 2017 Budget estimate				24.3			(1.5)	(1.4)	(1.2)		
Economic classification	96.3	102.2	121.3	132.8	11.3%	79.3%	106.9	112.1	120.2	-3.3%	77.2%
Current payments											
Compensation of employees	70.8	78.2	79.7	79.9	4.1%	54.1%	78.7	82.2	88.4	3.4%	53.9%
Goods and services ¹	25.5	24.0	41.7	52.9	27.5%	25.2%	28.2	29.9	31.8	-15.6%	23.4%
<i>of which:</i>											
Communication	0.3	0.4	0.3	0.3	4.0%	0.2%	0.4	0.4	0.5	11.7%	0.3%
Consultants: Business and advisory services	11.8	11.5	28.2	37.7	47.1%	15.6%	13.7	14.7	15.5	-25.6%	13.4%
Consumables: Stationery, printing and office supplies	1.0	0.5	1.4	3.2	44.4%	1.1%	1.2	1.2	1.3	-25.7%	1.1%
Travel and subsistence	5.4	5.1	6.6	5.6	1.7%	4.0%	6.2	6.5	6.8	6.6%	4.1%
Training and development	0.7	0.3	0.5	0.6	-4.7%	0.4%	0.7	0.8	0.9	14.2%	0.5%
Operating payments	4.0	4.5	3.3	3.3	-6.1%	2.7%	4.4	4.6	5.0	14.0%	2.8%
Transfers and subsidies¹	27.7	28.8	29.2	30.2	3.0%	20.3%	33.2	35.1	37.0	7.0%	22.2%
Departmental agencies and accounts	16.8	17.3	16.9	19.3	4.6%	12.3%	19.9	21.0	22.2	4.7%	13.5%
Public corporations and private enterprises	10.8	11.4	12.0	10.6	-0.6%	7.8%	13.3	14.1	14.8	11.9%	8.6%
Households	0.0	0.1	0.3	0.3	110.2%	0.1%	-	-	-	-100.0%	0.1%
Payments for capital assets	0.4	0.3	0.7	1.0	37.2%	0.4%	0.9	0.9	0.9	-3.4%	0.6%
Machinery and equipment	0.4	0.3	0.7	1.0	37.2%	0.4%	0.9	0.9	0.9	-3.4%	0.6%
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	124.3	131.3	151.2	164.0	9.7%	100.0%	141.0	148.0	158.1	-1.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.4%	-	-	0.5%	0.5%	0.5%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	16.8	17.3	16.9	19.3	4.6%	12.3%	19.9	21.0	22.2	4.7%	13.5%
Cooperative Banks Development Agency	16.8	17.3	16.9	19.3	4.6%	12.3%	19.9	21.0	22.2	4.7%	13.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	10.8	11.4	12.0	10.6	-0.6%	7.8%	13.3	14.1	14.8	11.9%	8.6%
Economic Research Southern Africa	10.8	11.4	12.0	10.6	-0.6%	7.8%	13.3	14.1	14.8	11.9%	8.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Public Finance and Budget Management

Programme purpose

Provide analysis and advice on fiscal policy and public finances, intergovernmental financial relations, expenditure planning and priorities. Manage government's annual budget process and provide public finance management support.

Objectives

- Promote growth, social development and poverty reduction through sound fiscal and financial policies, and the effective, efficient and appropriate allocation of public funds annually.
- Prepare a national budget that gives effect to government's economic, fiscal, social and developmental goals, as expressed in the NDP and the government's 2014-2019 medium-term strategic framework, to provide fiscal policy advice by monitoring economic and fiscal trends and advising on policy options and the budget framework.
- Deepen transparency in the allocation of public finances through the annual production and publication of the Budget Review, Estimates of National Expenditure, Adjusted Estimates of National Expenditure, Medium Term Budget Policy Statement and appropriation legislation containing relevant, accurate and clear financial information and associated indicators of service delivery and performance.
- Contribute to public policy and programme development by providing support for planning, policy and programme analysis, budgeting and project management, including support for public finance reform in provinces and municipalities on an ongoing basis.
- Promote public and private investment in infrastructure and public services on an ongoing basis by providing technical support for capital expenditure planning and project analysis, advice on financing alternatives, support for municipal development, and financial assistance for neighbourhood development projects.
- Measure the appropriate use of public financial resources by monitoring, supporting and analysing public expenditure and service delivery for social, economic development and infrastructure investment on an ongoing basis.
- Support and enable budget analysis by a broad range of stakeholders, such as Parliament, on an ongoing basis through increased budget participation by the public.

Subprogrammes

- *Programme Management for Public Finance and Budget Management* provides support to the programme's planning, monitoring and delivery functions. Key activities include oversight and managing the processes related to the annual publication of the Medium Term Budget Policy Statement, the coordination of the annual budget, and the production of the Division of Revenue Bill for the three spheres of government.
- *Public Finance* provides financial and budgetary analysis of government programmes, advises on policy and service delivery trends, and manages National Treasury's relations with other national departments.
- *Budget Office and Coordination* is responsible for the national budget process including the publication of the Budget Review, Medium Term Budget Policy Statement and Estimates of National Expenditure. The unit leads the budget reform programme, coordinates international technical assistance and donor finance, provides advice on public service remuneration and pension arrangements, compiles public finance statistics, and provides fiscal policy advice.
- *Intergovernmental Relations* coordinates fiscal relations between national, provincial and local government; promotes sound provincial and municipal budgetary planning, reporting and financial management; and provides support for government with the aim of promoting improved infrastructure planning and management to support the service delivery targets in all spheres of government.
- *Financial and Fiscal Commission* facilitates the annual transfer payment to the Financial and Fiscal Commission, which provides independent, objective, impartial and unbiased advice to all three spheres of government regarding the division of revenue, as well as advice on the enactment of legislation pertaining to provincial taxes, municipal fiscal powers and functions, and provincial and municipal loans.

Expenditure trends and estimates

Table 7.11 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management for Public Finance and Budget Management	20.6	17.9	21.4	24.1	5.3%	7.7%	26.6	27.9	29.9	7.4%	8.8%
Public Finance	52.3	59.2	56.6	63.2	6.5%	21.2%	57.6	61.4	65.7	1.3%	20.1%
Budget Office and Coordination	53.2	55.4	57.0	59.6	3.9%	20.6%	59.0	63.3	68.1	4.5%	20.3%
Intergovernmental Relations	73.8	89.0	102.0	105.5	12.6%	33.9%	95.0	101.7	109.2	1.2%	33.4%
Financial and Fiscal Commission	45.3	41.2	44.8	50.6	3.8%	16.7%	51.8	54.7	57.7	4.4%	17.4%
Total	245.3	262.6	281.8	303.0	7.3%	100.0%	290.1	308.9	330.5	2.9%	100.0%
Change to 2017 Budget estimate				16.9			(1.1)	(1.5)	(1.4)		
Economic classification											
Current payments	198.4	218.7	235.0	250.3	8.0%	82.6%	236.1	252.3	270.5	2.6%	81.9%
Compensation of employees	175.1	192.3	201.9	218.9	7.7%	72.1%	204.1	219.1	235.7	2.5%	71.2%
Goods and services ¹	23.3	26.4	33.1	31.4	10.4%	10.4%	32.0	33.2	34.8	3.5%	10.7%
<i>of which:</i>											
<i>Bursaries: Employees</i>	0.7	0.8	0.6	1.2	19.3%	0.3%	1.6	1.6	1.4	7.3%	0.5%
<i>Consultants: Business and advisory services</i>	4.4	6.8	14.2	8.6	24.7%	3.1%	8.0	7.9	8.0	-2.2%	2.6%
<i>Consumables: Stationery, printing and office supplies</i>	5.8	5.7	2.1	7.1	6.6%	1.9%	7.5	7.9	8.9	7.9%	2.5%
<i>Operating leases</i>	0.6	0.6	0.9	1.0	18.8%	0.3%	1.1	1.1	1.1	4.2%	0.3%
<i>Travel and subsistence</i>	7.9	7.8	8.3	9.2	5.2%	3.0%	9.5	10.0	10.4	4.5%	3.2%
<i>Training and development</i>	0.4	0.2	0.5	0.8	27.7%	0.2%	0.9	1.0	1.0	5.6%	0.3%
Transfers and subsidies¹	45.5	42.7	45.2	51.0	3.9%	16.9%	51.8	54.7	57.7	4.2%	17.5%
Departmental agencies and accounts	45.3	41.2	44.8	50.6	3.8%	16.7%	51.8	54.7	57.7	4.4%	17.4%
Households	0.2	1.5	0.4	0.3	20.3%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	1.3	1.1	1.5	1.8	10.7%	0.5%	2.2	2.0	2.3	8.2%	0.7%
Machinery and equipment	1.3	1.1	1.5	1.8	10.7%	0.5%	2.2	2.0	2.3	8.2%	0.7%
Payments for financial assets	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Total	245.3	262.6	281.8	303.0	7.3%	100.0%	290.1	308.9	330.5	2.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.9%	0.9%	1.0%	0.7%	-	-	1.0%	1.0%	1.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	45.3	41.2	44.8	50.6	3.8%	16.7%	51.8	54.7	57.7	4.4%	17.4%
Financial and Fiscal Commission	45.3	41.2	44.8	50.6	3.8%	16.7%	51.8	54.7	57.7	4.4%	17.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Asset and Liability Management

Programme purpose

Manage government's annual funding programme in a manner that ensures prudent cash management, and an optimal portfolio of debt and other fiscal obligations. Promote and enforce prudent financial management of state-owned entities through financial analysis and oversight.

Objectives

- Exercise oversight of state-owned enterprises on an ongoing basis by:
 - reviewing the corporate plans and annual financial statements of state-owned entities
 - coordinating state-owned entities' borrowing programmes
 - tracking progress on capital expenditure programmes
 - reviewing applications for funding, guarantees and borrowing limits in terms of the Public Finance Management Act (1999), and monitoring progress.

- Meet government's annual gross borrowing requirement consisting of the budget deficit and maturing debt by sourcing funds from domestic and international markets, and service government's debt optimally.
- Ensure that government's liquidity requirements are consistently met within credit risk guidelines through effective cash management and by making sound cash flow forecasts on an ongoing basis.
- Minimise and mitigate risks emanating from government's fiscal obligations to develop and maintain a risk management framework for the debt and contingent liabilities of government, by implementing debt management strategies that minimise government's exposure to adverse risks on an ongoing basis.

Subprogrammes

- *Programme Management for Asset and Liability Management* provides support for planning, monitoring and delivering the programme's activities.
- *State-Owned Entity Financial Management and Governance* is responsible for overseeing and enabling state-owned entities to meet government's policy objectives in a financially and fiscally sustainable manner, and for promoting sound corporate governance.
- *Government Debt Management* is responsible for government's long-term funding needs. The subprogramme manages domestic and foreign debt, contributes to the development of financial markets, and maintains sound investor relations.
- *Financial Operations* provides for government's short-term funding needs, the prudent management of cash, the efficient accounting of debt and investment transactions in government, and quality information relating to the division's operations; invests government surplus cash; and supplies reliable computer systems to service government's debt portfolio and cash operations.
- *Strategy and Risk Management* develops and maintains a risk management framework for the debt and contingent liabilities of government, and implements debt management strategies that minimise government's exposure to adverse risks.
- *Financial Investments* provides for the funding needs of state-owned entities.

Expenditure trends and estimates

Table 7.12 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management for Asset and Liability Management	12.0	9.2	24.4	12.5	1.5%	0.4%	20.9	15.7	17.0	10.8%	0.6%
State-Owned Entity Financial Management and Governance	29.2	30.8	33.5	10 035.1	600.7%	61.1%	34.2	36.8	39.4	-84.2%	97.2%
Government Debt Management	19.3	19.4	18.8	18.6	-1.2%	0.5%	19.4	20.8	22.3	6.1%	0.8%
Financial Operations	20.0	21.0	22.5	22.4	3.9%	0.5%	24.3	25.9	27.6	7.2%	1.0%
Strategy and Risk Management	9.0	9.8	10.9	11.7	9.3%	0.2%	11.6	12.3	13.2	4.0%	0.5%
Financial Investments	3 000.0	3 174.0	-	-	-100.0%	37.3%	-	-	-	-	-
Total	3 089.4	3 264.3	110.1	10 100.3	48.4%	100.0%	110.4	111.5	119.4	-77.2%	100.0%
Change to 2017 Budget estimate				9 998.0			(29.0)	1.0	1.1		
Economic classification											
Current payments	88.9	89.1	108.9	96.8	2.9%	2.3%	109.9	110.8	118.6	7.0%	4.2%
Compensation of employees	69.3	72.1	77.0	78.5	4.2%	1.8%	78.7	84.5	91.2	5.1%	3.2%
Goods and services ¹	19.6	17.1	31.9	18.3	-2.2%	0.5%	31.2	26.2	27.4	14.4%	1.0%
of which:											
Audit costs: External	0.5	0.5	0.6	0.7	6.6%	-	0.7	0.7	0.7	3.3%	-
Bursaries: Employees	0.6	0.6	0.6	1.0	21.5%	-	1.4	1.3	1.2	6.3%	-
Computer services	9.6	9.5	13.1	8.1	-5.5%	0.2%	11.6	12.3	12.9	16.9%	0.4%
Consultants: Business and advisory services	4.9	2.2	14.1	2.9	-16.1%	0.1%	11.4	5.6	5.9	26.8%	0.2%
Travel and subsistence	1.7	2.3	2.1	3.3	24.7%	0.1%	3.4	3.6	3.8	4.8%	0.1%
Training and development	0.4	0.4	0.4	0.7	17.6%	-	0.8	0.8	0.8	5.0%	-
Transfers and subsidies ¹	0.2	0.9	0.5	0.2	-1.3%	-	-	-	-	-100.0%	-
Households	0.2	0.9	0.5	0.2	-1.3%	-	-	-	-	-100.0%	-

Table 7.12 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Payments for capital assets	0.3	0.2	0.7	3.3	132.4%	–	0.5	0.7	0.8	-38.1%	0.1%
Machinery and equipment	0.3	0.2	0.7	0.7	37.3%	–	0.5	0.7	0.8	4.9%	–
Software and other intangible assets	–	–	–	2.6	–	–	–	–	–	-100.0%	–
Payments for financial assets	3 000.0	3 174.0	–	10 000.0	49.4%	97.6%	–	–	–	-100.0%	95.8%
Total	3 089.4	3 264.3	110.1	10 100.3	48.4%	100.0%	110.4	111.5	119.4	-77.2%	100.0%
Proportion of total programme expenditure to vote expenditure	11.8%	11.4%	0.4%	24.9%	–	–	0.4%	0.4%	0.4%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Financial Accounting and Supply Chain Management Systems

Programme purpose

Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, assets, liabilities and supply chain processes in the public sector.

Objectives

- Ensure compliance with the implementation of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) across the three spheres of government by facilitating and undertaking special investigations to reduce fraud and corruption on an ongoing basis.
- Ensure sound financial management systems to meet the requirements of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) by:
 - providing capacity and support to all spheres of government on policies relating to accounting and reporting, internal auditing and risk management on an ongoing basis
 - developing and implementing government transversal accounting and reporting systems over the medium term
 - maintaining government's current financial systems at a level of 98 per cent availability, including providing reliable, efficient and effective support and user training, over the medium term
 - completing the development of the remaining integrated financial management system's modules on payroll, core financial management and inventory management, and beginning its rollout, over the medium term.
- Support government's efforts to build capacity in financial management across the three spheres of government by introducing minimum competency profiles and offering graduate internships in financial management annually.
- Improve financial management in provincial and local government by:
 - developing and implementing financial recovery plans and providing technical assistance on an ongoing basis
 - supporting municipalities to implement financial management reforms and ensuring their compliance with the Municipal Finance Management Act (2003), as required, over the medium term.
- Modernise the supply chain management system for government over the medium term by:
 - developing a centralised supplier database to register all suppliers that render services to government
 - introducing policy reforms to ensure that all procuring government institutions implement a single supply chain management policy
 - providing training solutions to close the skills gaps for existing and future supply chain management practitioners.

Subprogrammes

- *Programme Management for Financial Accounting and Supply Chain Management Systems* supports the planning, monitoring and coordinating deliverables of the programme plan, such as the development and implementation of the integrated financial management system; and facilitates accountability and governance in the public sector, especially in terms of financial management.
- *Office of the Chief Procurement Officer* aims to modernise the state procurement system to be fair, equitable, transparent, competitive and cost effective; enable the efficient, economic, effective and transparent use of financial and other resources, including state assets, for improved service delivery; and promote, support and enforce the transparent and effective management of state procurement and the sound stewardship of government assets and resources.
- *Financial Systems* maintains and improves existing financial management systems, and develops and implements the new integrated financial management system, which aims to replace financial, supply chain and human resource management systems across national and provincial departments.
- *Financial Reporting for National Accounts* is responsible for accounting for the National Revenue Fund and the Reconstruction and Development Programme Fund, providing banking services to national government, providing support for all spheres of government in implementing financial reporting frameworks, and preparing consolidated financial statements.
- *Financial Management Policy and Compliance Improvement* improves financial management, develops financial management regulatory frameworks with local and international best practice; develops and implements accounting policies; and improves the financial management, risk management and internal audit capacity in government.
- *Audit Statutory Bodies* is a transfer payment that provides for compensation for certain shortfalls of statutory bodies and municipalities in terms of the Auditor-General Act (1995). This subprogramme's total budget is transferred in full to fund municipalities that are unable to pay for audit services.
- *Service Charges: Commercial Banks* is a transfer payment that provides for bank service charges for all government departments' deposit accounts.

Expenditure trends and estimates

Table 7.13 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management for Financial Accounting and Supply Chain Management Systems	15.2	24.7	60.2	99.9	87.5%	5.3%	196.5	143.2	150.9	14.7%	13.1%
Office of the Chief Procurement Officer	38.6	55.3	67.5	74.7	24.6%	6.2%	70.3	75.7	80.8	2.6%	6.7%
Financial Systems	412.1	441.0	797.4	634.5	15.5%	60.2%	642.1	556.4	587.8	-2.5%	53.8%
Financial Reporting for National Accounts	86.4	83.0	85.1	99.2	4.7%	9.3%	101.9	108.0	114.7	4.9%	9.4%
Financial Management Policy and Compliance Improvement	117.8	128.5	120.3	124.3	1.8%	12.9%	137.8	146.7	156.6	8.0%	12.6%
Audit Statutory Bodies	61.3	41.9	79.1	46.3	-8.9%	6.0%	47.7	50.4	53.2	4.7%	4.4%
Service Charges: Commercial Banks	0.1	0.1	0.3	0.3	38.8%	-	0.3	0.3	0.3	5.4%	-
Total	731.5	774.5	1 209.9	1 079.1	13.8%	100.0%	1 196.6	1 080.7	1 144.3	2.0%	100.0%
Change to 2017 Budget estimate				(8.7)			(10.6)	(10.5)	(11.4)		
Economic classification											
Current payments	619.8	682.9	668.8	969.6	16.1%	77.5%	1 085.9	964.5	1 021.8	1.8%	89.8%
Compensation of employees	158.3	179.5	200.5	208.1	9.5%	19.7%	208.2	223.8	240.4	4.9%	19.6%
Goods and services ¹ of which:	461.5	503.4	468.2	761.5	18.2%	57.8%	877.7	740.7	781.4	0.9%	70.2%
<i>Audit costs: External</i>	6.5	3.9	3.8	7.5	4.8%	0.6%	5.4	5.7	6.0	-6.9%	0.5%
<i>Computer services</i>	384.6	338.8	353.2	582.2	14.8%	43.7%	571.3	486.5	514.8	-4.0%	47.9%
<i>Consultants: Business and advisory services</i>	49.9	137.4	88.7	144.7	42.6%	11.1%	267.9	217.9	228.8	16.5%	19.1%
<i>Legal services</i>	0.4	-	-	-	-100.0%	-	5.0	1.5	1.0	-	0.2%
<i>Travel and subsistence</i>	7.2	4.2	7.6	10.1	11.9%	0.8%	11.0	11.0	11.4	4.1%	1.0%
<i>Venues and facilities</i>	4.7	0.3	4.3	5.1	2.9%	0.4%	5.5	6.2	6.7	9.2%	0.5%

Table 7.13 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Transfers and subsidies¹	106.5	83.5	121.6	99.5	-2.2%	10.8%	104.3	110.2	116.0	5.3%	9.6%
Departmental agencies and accounts	106.1	83.1	120.6	99.4	-2.2%	10.8%	102.7	108.4	114.4	4.8%	9.4%
Households	0.4	0.4	1.0	0.1	-29.2%	0.1%	1.7	1.8	1.7	125.2%	0.1%
Payments for capital assets	3.9	8.1	419.5	10.0	37.1%	11.6%	6.4	6.1	6.4	-13.8%	0.6%
Machinery and equipment	3.9	8.1	3.4	8.3	28.5%	0.6%	5.8	5.4	5.7	-11.5%	0.6%
Software and other intangible assets	–	–	416.1	1.8	–	11.0%	0.6	0.6	0.7	-27.1%	0.1%
Payments for financial assets	1.3	0.0	0.0	–	-100.0%	–	–	–	–	–	–
Total	731.5	774.5	1 209.9	1 079.1	13.8%	100.0%	1 196.6	1 080.7	1 144.3	2.0%	100.0%
Proportion of total programme expenditure to vote expenditure	2.8%	2.7%	4.3%	2.7%	–	–	4.1%	3.5%	3.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	106.1	83.1	120.6	99.4	-2.2%	10.8%	102.7	108.4	114.4	4.8%	9.4%
Accounting Standards Board	10.3	–	12.5	13.5	9.5%	1.0%	14.1	14.8	15.7	5.2%	1.3%
Independent Regulatory Board for Auditors	34.6	41.3	29.0	39.6	4.6%	3.8%	40.9	43.2	45.5	4.7%	3.8%
Auditor-General of South Africa	61.3	41.9	79.1	46.3	-8.9%	6.0%	47.7	50.4	53.2	4.7%	4.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: International Financial Relations

Programme purpose

Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa.

Objectives

- Advance South Africa and Africa's economic interests by undertaking regular strategic analyses, engagements and negotiations at regional and global financial and economic forums on an ongoing basis.
- Increase sub-Saharan Africa's voice and South Africa's influence in multilateral international institutions such as the International Monetary Fund, the World Bank Group, the G20, and other influential global financial and economic forums by advancing the reform of these institutions through the lobbying of regional groupings on an ongoing basis.
- Enhance South Africa's participation in strategic regional, continental and global governance institutions by seconding South Africans into strategic positions of these institutions, as informed by government's secondment policy, on an ongoing basis.
- Promote regional economic integration in the Southern African Development Community (SADC) and the Southern African Customs Union, and strengthen economic links within Africa by:
 - developing and implementing a policy of one-stop border posts over the medium term
 - providing ongoing support to the committees of the SADC dealing with economic and financial protocol
 - supporting the Southern African Customs Union to meet regional challenges on an ongoing basis.

Subprogrammes

- *Programme Management for International Financial Relations* supports the planning, monitoring and delivering of the programme's activities with the World Bank country office, the African Development Bank regional resource centre and the BRICS New Development Bank. The division oversees South Africa's representation in international and regional financial institutions; manages bilateral and multilateral relationships on behalf of National Treasury; and plans, implements and monitors programmes and activities that advance South Africa's national interests.

- *International Economic Cooperation* focuses on improving South Africa's participation in international and regional economic institutions. This entails working through key economic institutions and forums such as the Southern African Customs Union, the SADC, the United Nations Economic Commission for Africa, the African Union's New Partnership for Africa's Development, the International Monetary Fund, the G20, the G24, the BRICS group of countries, the Organisation for Economic Cooperation and Development, and the World Economic Forum.
- *African Integration and Support* enables National Treasury's participation in African interventions and arrangements that are mainly to bring about support and integration between African states and institutions. This subprogramme facilitates the transfer of funds to Lesotho, Namibia and Swaziland for the Common Monetary Area compensation. In this agreement, South Africa compensates the member countries for the use of the rand currency within their respective borders. It also includes the technical support provided to regional capacity building institutions such as the Collaborative Africa Budget Reform Initiative, the Infrastructure Consortium for Africa, the African Capacity Building Foundation, the African Institute for Economic Development and Planning, and the African Regional Technical Assistance Centre for Southern Africa.
- *International Development Funding Institutions* provides for subscriptions and contributions to international development institutions and banks. This subprogramme transfers funds to the African Development Bank and the International Bank for Reconstruction and Development of the World Bank Group for the purpose of paying for shares, the African Development Fund and the International Development Association of the World Bank Group to provide concessional loans and grants to low income countries. Capital transfers for the New Development Bank, in line with South Africa's agreed shareholding, are also facilitated through this subprogramme.
- *International Projects* transfers funds to international projects and interventions for various causes such as capacity building, and catastrophe and disaster relief for affected low income countries. To this end, National Treasury contributes to the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunisation. The facility transfers funds to the Global Alliance for Vaccines and Immunisation, a public-private global health partnership, to support health care, particularly the provision of vaccines to reduce the number of deaths preventable by vaccination among children in low income countries.

Expenditure trends and estimates

Table 7.14 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management for International Financial Relations	8.3	14.5	10.0	9.1	3.1%	0.3%	12.3	13.9	14.3	16.2%	0.2%
International Economic Cooperation	27.3	30.4	38.3	42.5	15.9%	0.9%	39.8	46.0	49.6	5.3%	0.8%
African Integration and Support	588.3	717.5	796.7	760.0	8.9%	18.4%	816.8	862.6	910.0	6.2%	14.5%
International Development Funding Institutions	557.6	2 762.7	4 091.8	4 999.2	107.7%	79.9%	4 513.4	4 801.6	5 065.3	0.4%	84.1%
International Projects	17.2	21.0	19.0	20.5	6.1%	0.5%	19.9	21.0	22.2	2.6%	0.4%
Total	1 198.7	3 546.1	4 955.8	5 831.4	69.4%	100.0%	5 402.1	5 745.1	6 061.4	1.3%	100.0%
Change to 2017 Budget estimate				(5.4)			(509.0)	(501.3)	(529.3)		

Table 7.14 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	35.4	44.7	47.2	50.9	12.9%	1.1%	51.5	59.1	62.8	7.2%	1.0%
Compensation of employees	26.1	28.2	32.0	30.7	5.5%	0.8%	36.2	40.4	43.2	12.1%	0.7%
Goods and services ¹	9.3	16.5	15.2	20.3	29.6%	0.4%	15.4	18.8	19.6	-1.1%	0.3%
<i>of which:</i>											
<i>Bursaries: Employees</i>	0.1	0.1	0.2	0.6	93.3%	–	0.7	0.8	0.8	9.5%	–
<i>Communication</i>	0.4	0.4	0.2	0.3	-6.9%	–	0.5	0.5	0.5	17.4%	–
<i>Travel and subsistence</i>	6.9	10.4	9.3	9.4	10.5%	0.2%	10.6	11.9	12.6	10.4%	0.2%
<i>Training and development</i>	0.2	0.0	0.1	0.2	10.2%	–	0.3	0.3	0.3	11.7%	–
<i>Operating payments</i>	0.2	0.3	0.4	1.1	78.4%	–	1.3	1.4	1.3	5.4%	–
<i>Venues and facilities</i>	0.3	4.4	0.8	6.1	183.9%	0.1%	1.0	2.9	3.0	-21.2%	0.1%
Transfers and subsidies¹	788.3	829.2	906.4	910.7	4.9%	22.1%	972.8	1 027.3	1 083.8	6.0%	17.3%
Foreign governments and international organisations	788.3	829.2	906.4	910.7	4.9%	22.1%	972.8	1 027.3	1 083.8	6.0%	17.3%
Households	0.0	0.0	0.0	0.0	-26.9%	–	–	–	–	-100.0%	–
Payments for capital assets	0.1	0.2	1.1	0.6	72.5%	–	0.5	0.7	1.1	19.5%	–
Machinery and equipment	0.1	0.2	1.1	0.6	72.5%	–	0.5	0.7	1.1	19.5%	–
Payments for financial assets	374.8	2 672.0	4 001.1	4 869.1	135.1%	76.7%	4 377.3	4 657.9	4 913.7	0.3%	81.7%
Total	1 198.7	3 546.1	4 955.8	5 831.4	69.4%	100.0%	5 402.1	5 745.1	6 061.4	1.3%	100.0%
Proportion of total programme expenditure to vote expenditure	4.6%	12.4%	17.6%	14.4%	–	–	18.4%	18.8%	18.4%	–	–
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	605.5	738.6	815.7	780.6	8.8%	18.9%	836.7	883.6	932.2	6.1%	14.9%
Common Monetary Area	581.6	712.5	792.3	754.9	9.1%	18.3%	804.9	849.9	896.7	5.9%	14.4%
Compensation											
Collaborative Africa Budget Reform Initiative	4.4	1.8	2.4	2.5	-17.1%	0.1%	1.7	1.8	1.9	-8.8%	–
Commonwealth Fund for Technical Cooperation	5.7	5.5	5.8	6.1	2.3%	0.1%	6.4	6.8	7.2	5.4%	0.1%
International Finance Facility for Immunisation	11.5	15.5	13.2	14.4	7.9%	0.4%	13.4	14.2	15.0	1.3%	0.2%
African Institute for Economic Development and Planning	0.9	1.2	1.0	1.2	7.9%	–	1.4	1.4	1.5	9.3%	–
Africa Regional Technical Assistance Centre for Southern Africa	0.4	1.0	1.0	1.4	60.3%	–	1.2	1.3	1.4	-2.1%	–
Infrastructure Consortium for Africa	1.0	1.0	–	–	-100.0%	–	–	–	–	–	–
African Risk Capacity	–	–	–	–	–	–	7.7	8.1	8.6	–	0.1%
Capital	182.8	90.7	90.7	130.1	-10.7%	3.2%	136.1	143.7	151.7	5.2%	2.4%
African Development Fund	92.1	–	–	73.5	-7.3%	1.1%	35.4	37.4	39.4	-18.7%	0.8%
World Bank Group	90.7	90.7	90.7	56.7	-14.5%	2.1%	100.7	106.4	112.2	25.6%	1.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits

Programme purpose

Provide for government's pension and post-retirement medical benefit obligations to former employees of state departments and bodies. Provide for similar benefits to retired members of the military.

Objectives

- Ensure the effective administration of pension, retirement and other policies on an ongoing basis by completing annual reviews and implementing recommendations in accordance with stakeholder agreements reached on pension reforms, post-retirement medical benefits, political office bearers and pension legislation.
- Ensure good service to eligible applicants and recipients on an ongoing basis by:
 - processing member applications and making payments punctually, as required by applicable legislation

- processing post-retirement medical benefit applications within 60 days of receipt, and paying all medical subsidies within 7 days of receiving a valid and correct claim
- processing and paying injury on duty benefits to civil servants within 45 days of receiving completed documentation
- ensuring the punctual and accurate payments of military pensions within 45 days of receipt and medical accounts within 30 days of receipt of the claim while maintaining a zero backlog.

Subprogrammes

- *Government Pensions Administration Agency* provides administrative services, in accordance with the Temporary Employee Pension Fund Act (1979) and the Associated Institutions Pension Fund Act (1963), for post-retirement medical subsidies, as provided for and regulated by resolutions of the Public Service Coordinating Bargaining Council, the Military Pensions Act (1976), and military pensions in terms of this act; for injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act (1993); and special pensions in terms of the Special Pensions Act (1996) on behalf of National Treasury.
- *Civil Pensions and Contributions to Funds* provides for the processing and payment of pensions and medical subsidies to retired civil servants; and pension payments to the injured, disabled and dependants of deceased civil servants and former struggle veterans, in terms of various statutes, collective bargaining agreements and other commitments. The *Government Pensions Administration Agency* subprogramme administers all payments related to this subprogramme.
- *Military Pensions and Other Benefits* provides for the processing and payment of military pension benefits and medical claims arising from injuries sustained during various wars, including South Africa's liberation wars. These include payments to former members of the legislative assembly of the former Venda, Transkei, Ciskei and Bophuthatswana governments; judges or their widows/widowers in terms of the Judges' Remuneration and Conditions of Employment Act (2001); and former state presidents, among other benefits.

Expenditure trends and estimates

Table 7.15 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Government Pensions Administration Agency	54.4	56.6	61.3	65.2	6.2%	1.4%	68.9	72.7	76.7	5.6%	1.3%
Civil Pensions and Contributions to Funds	2 613.9	3 156.5	3 249.2	3 825.6	13.5%	75.9%	4 145.0	4 496.8	4 743.5	7.4%	80.2%
Military Pensions and Other Benefits	1 062.6	754.6	1 089.7	944.2	-3.9%	22.7%	950.0	1 005.0	1 061.1	4.0%	18.5%
Total	3 730.9	3 967.7	4 400.2	4 835.0	9.0%	100.0%	5 163.8	5 574.5	5 881.2	6.7%	100.0%
Change to 2017 Budget estimate				-			2.9	3.2	3.5		
Economic classification											
Current payments	54.4	56.6	61.3	65.2	6.2%	1.4%	68.9	72.7	76.7	5.6%	1.3%
Goods and services ¹	54.4	56.6	61.3	65.2	6.2%	1.4%	68.9	72.7	76.7	5.6%	1.3%
of which:											
Consultants: Business and advisory services	54.4	56.6	61.3	65.2	6.2%	1.4%	68.9	72.7	76.7	5.6%	1.3%
Transfers and subsidies¹	3 676.5	3 911.1	4 338.9	4 769.8	9.1%	98.6%	5 094.9	5 501.8	5 804.5	6.8%	98.7%
Foreign governments and international organisations	2.3	2.1	1.2	2.6	3.9%	-	2.7	2.8	3.0	5.4%	0.1%
Households	3 674.2	3 909.0	4 337.6	4 767.2	9.1%	98.5%	5 092.2	5 498.9	5 801.5	6.8%	98.6%
Total	3 730.9	3 967.7	4 400.2	4 835.0	9.0%	100.0%	5 163.8	5 574.5	5 881.2	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	14.2%	13.8%	15.6%	11.9%	-	-	17.6%	18.2%	17.9%	-	-

Table 7.15 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
							2017/18	2014/15 - 2017/18				2018/19 - 2020/21
R million												
Households												
Social benefits												
Current	3 674.2	3 909.0	4 337.6	4 767.2	9.1%	98.5%	5 092.2	5 498.9	5 801.5	6.8%	98.6%	
Contribution to provident funds for associated institutions	0.3	0.3	0.3	0.3	-2.2%	–	0.3	0.4	0.4	8.2%	–	
Other benefits	70.4	82.5	92.8	84.3	6.2%	1.9%	98.6	104.1	109.8	9.2%	1.8%	
Injury on duty	526.4	514.9	563.5	577.2	3.1%	12.9%	652.3	688.8	726.7	8.0%	12.3%	
Post-Retirement medical scheme	1 509.4	2 107.4	2 133.5	2 401.9	16.7%	48.1%	2 613.1	2 893.3	3 064.7	8.5%	51.1%	
Special pensions	423.5	439.8	447.8	457.7	2.6%	10.4%	457.2	468.0	480.0	1.6%	8.7%	
Political Office Bearers Pension Fund	72.0	–	–	291.2	59.3%	2.1%	306.1	323.2	341.0	5.4%	5.9%	
Pension benefits: President of South Africa	7.9	7.3	7.7	7.8	-0.3%	0.2%	11.7	12.9	14.3	22.3%	0.2%	
Military pensions: Ex-servicemen	11.7	2.9	2.3	3.4	-33.6%	0.1%	3.0	2.8	2.6	-8.7%	0.1%	
South African citizen force	155.9	166.2	175.5	180.1	4.9%	4.0%	193.6	205.3	217.1	6.4%	3.7%	
Other benefits: Ex-servicemen	20.2	10.5	12.3	23.3	5.0%	0.4%	16.0	18.3	19.9	-5.1%	0.4%	
Non-statutory forces	874.8	575.0	899.6	737.3	-5.5%	18.2%	737.3	778.6	821.4	3.7%	14.3%	
Post-retirement medical scheme - Parliamentary staff	1.7	2.2	2.4	2.6	15.8%	0.1%	2.9	3.2	3.5	10.0%	0.1%	
Foreign governments and international organisations												
Current	2.3	2.1	1.2	2.6	3.9%	–	2.7	2.8	3.0	5.4%	0.1%	
United Kingdom tax	2.3	2.1	1.2	2.6	3.9%	–	2.7	2.8	3.0	5.4%	0.1%	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 8: Technical Support and Development Finance

Programme purpose

Provide advisory services, programme management and development finance support to improve public finance management, support high-impact government initiatives, facilitate employment creation, and strengthen infrastructure planning and delivery.

Objectives

- Build public sector capacity through diagnostic and advisory services and support for organisational development, specialised procurement, improved public finance management, and programme and project implementation on an ongoing basis.
- Enhance budget and financial management practices by strengthening public finance management capacity in municipalities, and support provincial treasury oversight of local government financial management on an ongoing basis.
- Ensure liveable, sustainable, resilient, efficient and integrated towns and cities by promoting public and private investment in city development, integrated urban networks and neighbourhood development initiatives on an ongoing basis.
- Stimulate employment and inclusive growth by supporting innovative and partnership-based approaches to employment creation, job seeker support and enterprise development on an ongoing basis.
- Ensure technical capacity in local government built environment by supporting infrastructure planning and implementation in all provinces, and infrastructure skills development in all municipalities on an ongoing basis.

Subprogrammes

- *Local Government Financial Management Support* provides for transfers to municipalities to support the implementation of the Municipal Finance Management Act (2003), and technical assistance to provincial treasuries and municipalities through the municipal finance improvement programme. The municipal finance improvement programme provides technical assistance and support to National Treasury,

provincial treasuries and municipalities by placing financial advisers with experience and expertise in municipal financial management to facilitate key reforms and skills transfer.

- *Urban Development and Support* comprises the *neighbourhood development partnership grant* and the *integrated city development grant*. It is aimed at strengthening public and private investment in improved living and working conditions in townships, and creating more spatially resilient, efficient and integrated towns and cities. The *integrated city development grant* is a component of National Treasury's city support programme implemented in partnership with the Development Bank of Southern Africa, and aims to promote accelerated and more inclusive development in major urban areas through better governance and built environment planning, improved human settlements and public transport management, local economic development, environmental sustainability and climate resilience.
- *Employment Creation Facilitation* supports innovative and partnership-based approaches to sustainable employment creation, work seeker support and enterprise development through the Jobs Fund; and supports research on employment, income distribution and inclusive growth.
- *Government Technical Advisory Centre* provides management support for the *Technical Support and Development Finance* programme, and technical consulting services, specialised procurement and project management support, infrastructure advice and knowledge management in support of efficient, effective and transparent public finance management. This subprogramme's advisory and transaction support activities originate from requests from other departments or organs of state.
- *Infrastructure Development Support* provides technical support on infrastructure development planning and implementation to municipalities and provinces by providing technical expertise, advisory services and skills training, including the placement of graduate interns in local government.

Expenditure trends and estimates

Table 7.16 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average: Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
R million											
Local Government Financial Management Support	547.9	573.9	587.9	627.8	4.6%	22.5%	645.5	681.4	1 232.9	25.2%	26.4%
Urban Development and Support	875.4	848.3	873.9	983.3	3.9%	34.4%	924.8	962.2	1 015.0	1.1%	32.2%
Employment Creation Facilitation	1 213.2	749.5	698.2	610.0	-20.5%	31.4%	875.3	970.5	1 084.1	21.1%	29.3%
Government Technical Advisory Centre	79.8	83.6	88.0	80.8	0.4%	3.2%	71.9	76.5	81.2	0.2%	2.6%
Infrastructure Development Support	177.1	216.9	230.4	256.7	13.2%	8.5%	281.4	297.1	313.8	6.9%	9.5%
Total	2 893.3	2 472.2	2 478.4	2 558.5	-4.0%	100.0%	2 798.8	2 987.8	3 726.9	13.4%	100.0%
Change to 2017				(314.8)			(431.5)	(422.2)	(385.0)		
Budget estimate											
Economic classification											
Current payments	91.7	283.8	310.4	354.4	57.0%	10.0%	407.8	430.6	454.3	8.6%	13.6%
Compensation of employees	5.4	–	–	–	-100.0%	0.1%	–	–	–	–	–
Goods and services ¹	86.2	283.8	310.4	354.4	60.2%	9.9%	407.8	430.6	454.3	8.6%	13.6%
of which:											
Administrative fees	0.5	–	–	–	-100.0%	–	–	–	–	–	–
Advertising	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Minor assets	0.6	–	–	–	-100.0%	–	–	–	–	–	–
Consultants: Business and advisory services	83.0	283.8	310.4	354.4	62.2%	9.9%	407.8	430.6	454.3	8.6%	13.6%
Transfers and subsidies¹	2 800.7	2 188.4	2 168.0	2 204.1	-7.7%	90.0%	2 391.1	2 557.1	3 272.6	14.1%	86.4%
Provinces and municipalities	1 399.0	1 411.8	1 454.4	1 598.3	4.5%	56.4%	1 541.5	1 613.5	2 216.3	11.5%	57.7%
Departmental agencies and accounts	138.1	776.6	713.6	605.8	63.7%	21.5%	849.5	943.6	1 056.3	20.4%	28.6%
Public corporations and private enterprises	1 263.7	–	–	–	-100.0%	12.1%	–	–	–	–	–
Payments for capital assets	1.0	–	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	1.0	–	–	–	-100.0%	–	–	–	–	–	–
Total	2 893.3	2 472.2	2 478.4	2 558.5	-4.0%	100.0%	2 798.8	2 987.8	3 726.9	13.4%	100.0%
Proportion of total programme expenditure to vote expenditure	11.1%	8.6%	8.8%	6.3%	–	–	9.5%	9.8%	11.3%	–	–

Table 7.16 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	137.7	776.1	713.6	605.0	63.8%	21.5%	848.8	942.8	1 055.4	20.4%	28.6%
Government Technical Advisory Centre	107.7	776.1	713.6	605.0	77.8%	21.2%	848.8	942.8	1 055.4	20.4%	28.6%
Neighbourhood development partnership grant (Indirect)	30.0	–	–	–	-100.0%	0.3%	–	–	–	–	–
Capital	0.4	0.5	–	0.7	25.5%	–	0.8	0.8	0.9	5.6%	–
Government Technical Advisory Centre	0.4	0.5	–	0.7	25.5%	–	0.8	0.8	0.9	5.6%	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	1 263.7	–	–	–	-100.0%	12.1%	–	–	–	–	–
Development Bank of Southern Africa	1 164.9	–	–	–	-100.0%	11.2%	–	–	–	–	–
Municipal Finance Improvement Programme	98.8	–	–	–	-100.0%	0.9%	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	553.6	577.0	595.7	642.8	5.1%	22.8%	646.1	682.2	1 234.1	24.3%	26.6%
Local government financial management grant	449.1	452.5	465.3	502.0	3.8%	18.0%	504.6	532.8	561.7	3.8%	17.4%
Infrastructure skills development grant	104.4	124.5	130.5	140.8	10.5%	4.8%	141.5	149.4	157.9	3.9%	4.9%
Municipal restructuring grant	–	–	–	–	–	–	–	–	514.4	–	4.3%
Capital	845.4	834.9	858.7	955.5	4.2%	33.6%	895.5	931.2	982.3	0.9%	31.2%
Integrated city development grant	255.0	251.3	266.8	292.1	4.6%	10.2%	293.6	310.1	327.3	3.9%	10.1%
Neighbourhood development partnership grant	590.4	583.6	591.9	663.4	4.0%	23.4%	601.9	621.2	654.9	-0.4%	21.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 9: Revenue Administration

Programme purpose

Administer an efficient tax system, provide tax education to the public, ensure maximum compliance with tax and customs legislation, and provide a customs service to maximise revenue collection and facilitate trade.

Objectives

- Centralise registration, accreditation and licensing capabilities over the medium term by:
 - improving the South African Revenue Service's registration database
 - moving the customs service into the unified trader and traveller master database using online registration and entity-level risk assessment.
- Contribute to revenue generation and improved compliance over the medium term by:
 - ensuring that 90 per cent of all annual import declarations are submitted by 10 per cent of traders, as per the South African Revenue Service's targets
 - increasing annual trader declarations by 50 per cent.
- Manage migration, customs and land borderline control services, and efficiently coordinate other departments in ports of entry by:
 - establishing a border management agency over the medium term
 - achieving a 100 per cent success rate in investigative audits relating to the seizure of counterfeit cigarettes, CDs and DVDs, and clothing; and drug cases and medicament on an ongoing basis.
- Manage the South African Revenue Service's R96.4 billion debtors book efficiently through a quality assurance system intended to provide users with integrated debt management solutions on an ongoing basis.

Subprogramme

- *South African Revenue Service* transfers funds to the South African Revenue Service to provide core tax administration services and maintain the ICT services that support its operations.

Expenditure trends and estimates

Table 7.17 Revenue Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
South African Revenue Service	9 440.3	9 334.4	9 363.7	10 168.2	2.5%	100.0%	9 007.2	9 130.3	9 630.9	-1.8%	100.0%
Total	9 440.3	9 334.4	9 363.7	10 168.2	2.5%	100.0%	9 007.2	9 130.3	9 630.9	-1.8%	100.0%
Change to 2017 Budget estimate				(50.0)			(1 553.0)	(1 841.8)	(1 944.7)		
Economic classification											
Transfers and subsidies¹	9 440.3	9 334.4	9 363.7	10 168.2	2.5%	100.0%	9 007.2	9 130.3	9 630.9	-1.8%	100.0%
Departmental agencies and accounts	9 440.3	9 334.4	9 363.7	10 168.2	2.5%	100.0%	9 007.2	9 130.3	9 630.9	-1.8%	100.0%
Total	9 440.3	9 334.4	9 363.7	10 168.2	2.5%	100.0%	9 007.2	9 130.3	9 630.9	-1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	36.1%	32.5%	33.2%	25.1%	-	-	30.7%	29.8%	29.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8 596.2	8 391.0	8 320.3	9 026.6	1.6%	89.6%	7 799.4	7 854.9	8 285.3	-2.8%	86.9%
South African Revenue Service: Operations	8 596.2	8 391.0	8 320.3	8 991.6	1.5%	89.5%	7 757.9	7 814.6	8 242.8	-2.9%	86.5%
South African Revenue Service: Office of the Tax Ombud	-	-	-	35.0	-	0.1%	41.5	40.3	42.5	6.7%	0.4%
Capital	844.1	943.4	1 043.4	1 141.6	10.6%	10.4%	1 207.8	1 275.4	1 345.6	5.6%	13.1%
South African Revenue Service: Machinery and equipment	844.1	943.4	1 043.4	1 141.6	10.6%	10.4%	1 207.8	1 275.4	1 345.6	5.6%	13.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 10: Financial Intelligence and State Security

Programme purpose

Combat financial crime, including money laundering and terror financing activities. Gather intelligence for the purpose of national security, defence and combating crime.

Objectives

- Combat money laundering and the financing of terrorism by continually monitoring and ensuring compliance with the Financial Intelligence Centre Act (2001), and imposing certain duties on institutions and other persons who might be used for money laundering and financing terrorism.
- Combat crime and financial terrorism by:
 - providing services and products to law enforcement authorities, such as the South African Revenue Service and the State Security Agency, on an ongoing basis
 - collaborating closely with counterparts in African countries and international organisations as part of a web of nodal points for information exchange on an ongoing basis
 - collaborating with the financial action task force, which reports to the G20 summit processes and several standard setting bodies, on an ongoing basis
 - processing requests from national and international law enforcement authorities over the medium term.

Subprogrammes

- *Financial Intelligence Centre* facilitates the transfer payment to the Financial Intelligence Centre, which enhances the integrity of the South African financial system while creating new ways for investigating authorities to combat criminal activity.
- *Secret Services* facilitates the transfer payment to the South African Secret Services account, which provides government with accurate, topical, policy relevant and timeous foreign intelligence to promote, enhance and protect national security and the interests of South Africa and its citizens.

Expenditure trends and estimates

Table 7.18 Financial Intelligence and State Security expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Financial Intelligence Centre	198.1	239.5	256.4	270.2	10.9%	5.1%	278.7	294.3	310.5	4.7%	5.8%
Secret Services	4 168.2	4 322.6	4 556.1	4 735.4	4.3%	94.9%	4 484.8	4 656.7	4 912.7	1.2%	94.2%
Total	4 366.3	4 562.1	4 812.5	5 005.6	4.7%	100.0%	4 763.5	4 951.1	5 223.2	1.4%	100.0%
Change to 2017 Budget estimate				–			(532.4)	(641.5)	(676.9)		
Economic classification											
Transfers and subsidies ¹	4 366.3	4 562.1	4 812.5	5 005.6	4.7%	100.0%	4 763.5	4 951.1	5 223.2	1.4%	100.0%
Departmental agencies and accounts	4 366.3	4 562.1	4 812.5	5 005.6	4.7%	100.0%	4 763.5	4 951.1	5 223.2	1.4%	100.0%
Total	4 366.3	4 562.1	4 812.5	5 005.6	4.7%	100.0%	4 763.5	4 951.1	5 223.2	1.4%	100.0%
Proportion of total programme expenditure to vote expenditure	16.7%	15.9%	17.1%	12.4%	–	–	16.2%	16.2%	15.9%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4 068.1	4 242.0	4 392.3	4 686.8	4.8%	92.8%	4 330.3	4 493.6	4 740.6	0.4%	91.5%
Financial Intelligence Centre: Operations	186.7	226.7	239.6	254.9	11.0%	4.8%	262.6	277.3	292.5	4.7%	5.5%
Secret Services: Operations	3 881.4	4 015.4	4 152.6	4 431.9	4.5%	87.9%	4 067.8	4 216.3	4 448.0	0.1%	86.1%
Capital	298.2	320.0	420.2	318.8	2.3%	7.2%	433.2	457.5	482.6	14.8%	8.5%
Financial Intelligence Centre: Machinery and equipment	11.4	12.8	16.7	15.3	10.1%	0.3%	16.1	17.0	18.0	5.6%	0.3%
Secret Services: Machinery and equipment	286.7	307.2	403.5	303.6	1.9%	6.9%	417.1	440.4	464.6	15.2%	8.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

Development Bank of Southern Africa

Mandate

The Development Bank of Southern Africa was reconstituted in terms of the Development Bank of Southern Africa Act (1997) as a development finance institution with the primary purpose of promoting economic development and growth. The bank also promotes developing human resources and building institutional capacity by mobilising financial and other resources from the national and international private and public sectors for sustainable development projects and programmes in South Africa and regions in the rest of Southern Africa.

¹ This section has been compiled with the latest available information from the entities concerned.

Selected performance indicators

Table 7.19 Development Bank of Southern Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Cost to income ratio (bank-wide)	Administration	Outcome 12: An efficient, effective and development oriented public service	34%	29%	15%	35.4%	35.4%	35.1%	35.1%
Total value of disbursements to infrastructure related projects per year	Development finance		R13bn	R17.1bn	R12.4bn	R20bn	R23.5bn	R31bn	R32.7bn
Value of bank-wide net profit/(loss) per year	Development finance		R1.2bn	R2.6bn	R2.8bn	R1.4bn	R1.6bn	R1.8bn	R1.9bn
Number of schools completed per year for which the bank has provided financial support as part of the accelerated schools infrastructure delivery initiative	Non-financing development activities	Outcome 1: Quality basic education	15	35	12	-1	-1	-1	-1
Number of houses completed per year for which the bank has provided financial support (Elliotdale housing scheme)	Non-financing development activities	Outcome 8: Sustainable human settlements and improved quality of household life	1 128	1 382	342	-1	-1	-1	-1

1. Indicator discontinued.

Expenditure analysis

Over the medium term, the Development Bank of Southern Africa intends to continue focusing on social and economic infrastructure development with an emphasis on driving financial and non-financial investments in the energy, transport, water and communications sectors. It will also focus on supporting social sectors such as health, education and housing. The bank aims to accelerate infrastructure financing in South Africa that targets municipalities, state-owned companies, independent power producers and public-private partnerships; and infrastructure support in the rest of Africa that targets state-owned companies and public-private partnerships. Its mandate and activities are in line with the NDP's vision of strengthened financial services, and outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (responsive, accountable, effective and efficient developmental local government) of government's 2014-2019 medium term strategic framework.

Over the medium-term, the bank intends to continue supporting municipalities through infrastructure development aimed at addressing backlogs in essential services necessary to support sustainable living conditions and improve the quality of life within communities, such as the building of schools, water and sanitation and transport projects.

To complement these activities, the bank plans to set aside between R130 million and R150 million per year over the MTEF period to provide for interest subsidy and support planning and implementation of infrastructure projects in selected municipalities that have capacity constraints. As a result of the bank's intensified focus on the development of social and economic infrastructure, it aims to increase the total value of disbursements to infrastructure projects, from R20 billion in 2017/18 to R32.7 billion in 2020/21. Interest expense is expected to increase from R4.5 billion in 2017/18 to R6.5 billion in 2020/21, in line with the expected increase in planned disbursements.

To alleviate capacity constraints and expand lending to these targeted municipalities, an estimated R100 million per year over the medium term has been set aside for the bank to continue providing development planning and implementation support for infrastructure projects in these municipalities.

The bank plays a leading role in providing developmental infrastructure in South Africa and the rest of the continent. To continue delivering on this mandate, the bank's staff complement is expected to remain constant at 708 over the MTEF period. Spending on compensation of employees is expected to increase at an average annual rate of 7.7 per cent, from R874.3 million in 2017/18 to R1.1 billion in 2020/21.

The bank's revenue is expected to increase at an average annual rate of 11.1 per cent, from R8.5 billion in 2017/18 to R11.7 billion in 2020/21, mainly driven by an increase in the repayment of developmental loans and more effective management of the non-performing loan book, which is expected to keep impairments at acceptable levels.

Programmes/Objectives/Activities

Table 7.20 Development Bank of Southern Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome				Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
Administration	1 109.7	710.8	901.7	1 238.1		3.7%	17.8%	1 364.6	1 501.8	1 584.4	8.6%	16.6%
Development finance	3 747.9	4 503.4	3 910.2	5 637.2		14.6%	79.2%	6 527.0	7 463.7	7 874.2	11.8%	80.1%
Non-financing development activities	118.1	162.6	174.0	231.4		25.1%	3.0%	278.9	296.7	313.0	10.6%	3.3%
Total	4 975.7	5 376.8	4 986.0	7 106.7		12.6%	100.0%	8 170.5	9 262.2	9 771.6	11.2%	100.0%

Statements of historical financial performance and position

Table 7.21 Development Bank of Southern Africa statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average Outcome/ Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	2017/18	2017/18	2014/15 - 2017/18
Revenue									
Non-tax revenue	5 261.3	6 189.9	6 518.5	7 953.5	7 445.4	7 806.8	8 601.6	8 527.6	109.5%
Sale of goods and services other than capital assets	163.5	232.9	358.7	275.9	298.9	318.3	610.0	333.9	81.1%
<i>of which:</i>									
<i>Sales by market establishment</i>	163.5	232.9	358.7	275.9	298.9	318.3	610.0	333.9	81.1%
Other non-tax revenue	5 097.9	5 957.0	6 159.9	7 677.6	7 146.4	7 488.5	7 991.6	8 193.7	111.1%
Total revenue	5 261.3	6 189.9	6 518.5	7 953.5	7 445.4	7 806.8	8 601.6	8 527.6	109.5%
Expenses									
Current expenses	4 700.6	4 931.7	5 321.5	5 314.1	6 273.1	4 923.6	7 360.4	6 871.7	93.2%
Compensation of employees	628.2	607.3	772.7	730.9	879.5	603.6	953.4	874.3	87.1%
Goods and services	1 132.9	1 296.4	1 052.5	1 197.2	1 243.1	585.0	1 347.2	1 504.8	96.0%
Depreciation	23.8	25.1	29.0	30.6	36.0	31.2	36.0	38.2	100.3%
Interest, dividends and rent on land	2 915.5	3 002.9	3 467.4	3 355.4	4 114.6	3 703.8	5 023.8	4 454.4	93.5%
Transfers and subsidies	117.3	44.1	286.0	62.6	180.0	62.4	190.0	235.0	52.3%
Total expenses	4 817.9	4 975.7	5 607.5	5 376.8	6 453.1	4 986.0	7 550.4	7 106.7	91.9%
Surplus/(Deficit)	443.0	1 214.0	911.0	2 577.0	992.0	2 821.0	1 051.0	1 421.0	
Statement of financial position									
Carrying value of assets	578.4	580.4	616.1	580.3	563.7	503.4	562.7	546.7	95.3%
<i>of which:</i>									
<i>Acquisition of assets</i>	(23.8)	(7.0)	(35.0)	(30.6)	(35.0)	(25.5)	(35.0)	(66.2)	100.4%
Investments	8 190.3	8 203.6	5 246.3	8 757.3	8 853.9	7 933.0	9 392.4	8 223.8	104.5%
Loans	56 862.6	58 030.6	72 504.9	70 785.3	84 583.2	72 795.5	93 200.0	91 811.1	95.5%
Receivables and prepayments	305.7	227.9	146.7	138.5	146.7	122.0	151.9	146.7	84.6%
Cash and cash equivalents	796.9	3 901.7	3 108.8	2 084.6	155.0	2 299.2	79.1	881.0	221.4%
Total assets	66 733.9	70 944.1	81 622.7	82 346.0	94 302.6	83 653.1	103 386.1	101 609.2	97.8%
Accumulated surplus/(deficit)	11 681.1	12 460.6	13 322.5	14 544.9	15 510.5	17 514.6	16 561.6	18 459.6	110.3%
Capital and reserves	5 360.3	6 322.1	6 134.4	2 827.9	2 793.3	2 624.5	2 793.3	2 815.7	85.4%
Capital reserve fund	5 100.0	4 900.0	7 900.0	11 892.3	11 892.3	11 892.3	11 892.3	11 892.3	110.3%
Borrowings	43 597.4	46 163.5	52 722.4	51 791.2	62 525.6	50 612.5	70 393.4	66 851.9	94.0%
Trade and other payables	837.8	811.8	1 142.0	894.8	294.2	838.6	324.9	1 343.0	149.6%
Provisions	152.0	283.1	398.3	391.8	1 283.6	167.3	1 417.6	243.5	33.4%
Derivatives financial instruments	5.2	3.1	3.1	3.1	3.1	3.2	3.1	3.2	87.5%
Total equity and liabilities	66 733.9	70 944.1	81 622.7	82 346.0	94 302.6	83 653.1	103 386.1	101 609.2	97.8%

Statements of estimates of financial performance and position

Table 7.22 Development Bank of Southern Africa statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
Revenue									
Non-tax revenue	8 527.6	11.3%	100.0%	9 805.6	11 092.9	11 703.0	11.1%	100.0%	
Sale of goods and services other than capital assets	333.9	12.8%	3.8%	316.7	356.0	375.6	4.0%	3.4%	
<i>of which:</i>									
<i>Sales by market establishment</i>	333.9	12.8%	3.8%	316.7	356.0	375.6	4.0%	3.4%	
Other non-tax revenue	8 193.7	11.2%	96.2%	9 488.9	10 736.9	11 327.4	11.4%	96.6%	
Total revenue	8 527.6	11.3%	100.0%	9 805.6	11 092.9	11 703.0	11.1%	100.0%	

Table 7.22 Development Bank of Southern Africa statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
R million								
Expenses	6 871.7	11.7%	98.3%	7 916.5	8 976.2	9 469.9	11.3%	96.9%
Current expenses								
Compensation of employees	874.3	12.9%	12.6%	972.7	1 035.2	1 092.1	7.7%	11.6%
Goods and services	1 504.8	5.1%	20.3%	1 588.4	1 696.4	1 789.7	6.0%	19.3%
Depreciation	38.2	15.0%	0.6%	38.2	38.2	40.3	1.8%	0.5%
Interest, dividends and rent on land	4 454.4	14.0%	64.9%	5 317.1	6 206.3	6 547.7	13.7%	65.4%
Transfers and subsidies	235.0	74.7%	1.7%	254.0	286.0	301.7	8.7%	3.1%
Total expenses	7 106.7	12.6%	100.0%	8 170.5	9 262.2	9 771.6	11.2%	100.0%
Surplus/(Deficit)	1 421.0			1 635.0	1 831.0	1 931.0		
Statement of financial position								
Carrying value of assets	546.7	-2.0%	0.7%	543.4	540.2	533.7	-0.8%	0.5%
<i>of which:</i>								
<i>Acquisition of assets</i>	<i>(66.2)</i>	<i>111.0%</i>	<i>-0.0%</i>	<i>(49.1)</i>	<i>(52.1)</i>	<i>(35.0)</i>	<i>-19.1%</i>	<i>-0.0%</i>
Investments	8 223.8	0.1%	9.9%	8 226.4	8 123.5	7 393.0	-3.5%	6.7%
Loans	91 811.1	16.5%	86.3%	106 731.6	126 311.7	117 584.2	8.6%	91.7%
Receivables and prepayments	146.7	-13.7%	0.2%	151.9	157.4	157.4	2.4%	0.1%
Cash and cash equivalents	881.0	-39.1%	2.9%	1 153.0	1 280.8	1 631.5	22.8%	1.0%
Total assets	101 609.2	12.7%	100.0%	116 806.4	136 413.7	127 299.9	7.8%	100.0%
Accumulated surplus/(deficit)	18 459.6	14.0%	18.6%	20 094.7	21 925.4	24 635.8	10.1%	17.7%
Capital and reserves	2 815.7	-23.6%	4.6%	2 815.7	2 815.7	2 815.7	-	2.4%
Capital reserve fund	11 892.3	34.4%	11.8%	11 892.3	11 892.3	11 892.3	-	10.0%
Borrowings	66 851.9	13.1%	63.6%	80 210.8	97 790.9	85 852.2	8.7%	68.4%
Trade and other payables	1 343.0	18.3%	1.1%	1 519.5	1 690.1	1 789.6	10.0%	1.3%
Provisions	243.5	-4.9%	0.3%	270.2	295.9	310.9	8.5%	0.2%
Derivatives financial instruments	3.2	1.3%	0.0%	3.2	3.2	3.2	-	0.0%
Total equity and liabilities	101 609.2	12.7%	100.0%	116 806.4	136 413.7	127 299.9	7.8%	100.0%

Personnel information**Table 7.23 Development Bank of Southern Africa personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost	
Development Bank of Southern Africa		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	708	708	588	603.6	1.0	708	874.3	1.2	708	972.7	1.4	708	1 035.2	1.5	708	1 092.1	1.5	7.7%	100.0%
1-6	69	69	54	9.9	0.2	69	15.2	0.2	69	17.0	0.2	69	18.1	0.3	69	19.1	0.3	7.7%	9.7%
7-10	233	233	176	89.9	0.5	233	138.0	0.6	233	153.8	0.7	233	163.7	0.7	233	172.6	0.7	7.7%	32.9%
11-12	128	128	102	100.8	1.0	128	145.5	1.1	128	162.1	1.3	128	172.5	1.3	128	182.0	1.4	7.7%	18.1%
13-16	264	264	243	345.6	1.4	264	507.8	1.9	264	565.7	2.1	264	602.1	2.3	264	635.1	2.4	7.7%	37.3%
17-22	14	14	13	57.5	4.4	14	67.7	4.8	14	74.1	5.3	14	78.8	5.6	14	83.3	5.9	7.1%	2.0%

1. Rand million.

Land and Agricultural Development Bank of South Africa**Mandate**

The mandate of the Land and Agricultural Development Bank of South Africa, as a development finance institution, is to address agricultural and rural development in South Africa. The bank operates in the agricultural and agribusiness sectors and is regulated by the Land and Agricultural Development Bank Act (2002) and the Public Finance Management Act (1999). Its broader mandate, as expressed in the Land and Agricultural Development Bank Act (2002), is to promote: the equitable ownership of agricultural land, particularly by historically disadvantaged people; agrarian reform, land redistribution or development programmes for historically disadvantaged people; land access for agricultural purposes; productivity, profitability, investment and innovation in agriculture; the growth of the agricultural sectors and better use of land; rural development and job creation; and commercial agriculture and food security.

Selected performance indicators

Table 7.24 Land and Agricultural Development Bank of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Cost to income ratio	Administration	Outcome 7: Comprehensive rural development and land reform	55%	56%	54.4%	50%	52.6%	52.7%	53.2%
Capital adequacy ratio	Administration		37%	34%	17.7%	15.4%	15.7%	15.7%	15.6%
Value of development loan book disbursements	Administration		R769.1m	R700m	R2.2bn	R1.2bn	R1bn	R1.4bn	R1.8bn
Value of business and corporate banking loans	Corporate banking		R31.5m	R34.4m	R36.1m	R35m	R36.1m	R37.8m	R40m
Value of development loan book disbursements	Corporate banking		R456.9m	R370m	R388.4m	R408m	R428.6m	R428.6m	R452.1m
Value of commercial development banking	Commercial development banking		-1	-1	-1	-1	R8.2bn	R8.4bn	R8.7bn
Value of retail commercial banking loans	Commercial development banking		R5.7m	R5.8m	R6.1m	R6.4m	-2	-2	-2
Value of development loan book disbursements	Commercial development banking		R107.7m	R130m	R136.5m	R143.4m	-2	-2	-2

1. No historical data available.

2. Indicator discontinued.

Expenditure analysis

The Land and Agricultural Development Bank aims to play a pivotal role in advancing agriculture and rural development, and has intensified the development component of its mandate by growing its development loan book. This is in line with the NDP's vision of creating more jobs through agricultural development, and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework. To support government's rural development and land reform programme, the bank intends disbursing an estimated R5.6 billion in development loans over the medium term.

Over the MTEF period, the bank intends to continue implementing recommendations that emanated from its organisational review to ensure that it develops into a sustainable institution.

As the bank borrows from money markets and lends to clients, interest expenses relating to funding liabilities, a key driver of costs, is expected to increase at an average annual rate of 4.2 per cent, from R3.7 billion in 2017/18 to R4.2 billion in 2020/21, in line with the growth in the business and associated economic factors such as interest rates, the rand exchange rate and the effects of inflation. As at 31 October 2017, the bank had an establishment of 433 funded posts, including 50 vacancies. Spending on compensation of employees is expected to increase at an average annual rate of 7.8 per cent, from R394 million in 2017/18 to R493.7 million in 2020/21, mainly driven by cost of living adjustments.

Interest income, which provides an estimated 99 per cent of the bank's revenue, is expected to increase from R4.8 billion in 2016/17 to R5.4 billion in 2020/21, in line with the projected growth in the bank's development loan book. Gross loans are expected to increase from R43.3 billion in 2016/17 to R48.2 billion in 2020/21.

Programmes/Objectives/Activities

Table 7.25 Land and Agricultural Development Bank of South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	352.9	566.0	576.4	558.9	16.6%	13.4%	607.9	652.3	621.4	3.6%	12.3%
Corporate Banking	2 291.2	2 507.0	2 867.8	3 236.6	12.2%	71.1%	3 309.6	3 487.3	3 761.0	5.1%	69.7%
Commercial Development Banking	464.2	489.9	570.6	846.5	22.2%	15.2%	925.0	901.9	867.1	0.8%	17.9%
Retail emerging markets	29.2	-	-	-	-100.0%	0.2%	-	-	-	-	-
Total	3 137.5	3 562.8	4 014.8	4 641.9	13.9%	100.0%	4 842.5	5 041.5	5 249.6	4.2%	100.0%

Statements of historical financial performance and position

Table 7.26 Land and Agricultural Development Bank of South Africa statements of historical financial performance and position

Statement of financial performance								Average: Outcome/ Budget (%)	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
R million	2014/15		2015/16		2016/17		2017/18		
Revenue									
Non-tax revenue	2 686.2	3 429.8	3 636.9	3 634.6	4 150.5	4 320.6	5 346.5	4 886.3	102.9%
Sale of goods and services other than capital assets	38.2	47.4	15.8	59.4	123.9	69.9	116.1	104.3	95.6%
<i>of which:</i>									
Administrative fees	26.9	—	—	42.1	111.6	39.6	103.0	81.5	67.6%
Sales by market establishment	11.4	47.4	15.8	17.3	12.3	30.3	13.1	22.9	224.4%
Other non-tax revenue	2 648.0	3 382.5	3 621.1	3 575.2	4 026.6	4 250.6	5 230.5	4 782.0	103.0%
Total revenue	2 686.2	3 429.8	3 636.9	3 634.6	4 150.5	4 320.6	5 346.5	4 886.3	102.9%
Expenses									
Current expenses	2 454.8	3 099.2	3 116.0	3 508.5	3 876.5	3 945.9	4 995.4	4 571.8	104.7%
Compensation of employees	399.0	343.6	351.8	318.0	404.3	331.9	432.6	394.0	87.4%
Goods and services	201.9	507.4	264.8	692.8	663.8	575.3	566.4	463.3	131.9%
Depreciation	26.8	18.2	12.1	15.0	9.8	9.8	22.8	22.8	91.9%
Interest, dividends and rent on land	1 827.0	2 230.0	2 487.3	2 482.7	2 798.6	3 028.9	3 973.5	3 691.8	103.1%
Total expenses	2 482.9	3 137.5	3 162.2	3 562.8	3 922.3	4 014.8	5 049.3	4 641.9	105.1%
Surplus/(Deficit)	203.0	292.0	475.0	72.0	228.0	306.0	297.0	244.0	
Statement of financial position									
Carrying value of assets	227.4	224.3	213.9	224.7	253.4	240.1	237.6	258.8	101.7%
<i>of which:</i>									
Acquisition of assets	(6.5)	(5.9)	(5.8)	(5.8)	(51.1)	(24.5)	(2.5)	(2.5)	58.8%
Investments	1 428.1	1 637.7	440.5	572.5	612.2	1 328.9	2 142.6	1 365.8	106.1%
Inventory	183.5	0.2	—	—	—	—	—	—	0.1%
Receivables and prepayments	33 147.8	37 027.6	40 068.4	36 834.0	41 800.0	40 975.6	46 403.8	39 645.8	95.7%
Cash and cash equivalents	2 898.8	1 605.7	1 400.0	2 120.6	1 842.9	1 211.3	1 511.2	3 031.9	104.1%
Non-current assets held for sale	—	53.1	53.6	47.6	50.0	48.0	47.6	49.6	131.1%
Derivatives financial instruments	—	—	—	—	—	15.1	—	—	—
Total assets	37 885.6	40 548.5	42 176.3	39 799.5	44 558.5	43 819.0	50 342.9	44 352.0	96.3%
Accumulated surplus/(deficit)	6 879.1	3 085.3	1 923.0	3 157.1	3 427.3	3 427.3	4 402.9	4 402.9	84.6%
Capital and reserves	135.4	134.8	134.8	135.1	134.8	134.8	134.8	134.8	99.9%
Capital reserve fund	—	4 397.7	4 397.7	1 766.6	1 766.6	1 766.6	1 766.6	1 766.6	122.3%
Borrowings	29 824.5	6 373.5	6 940.2	4 661.3	7 750.0	5 162.3	11 227.3	6 800.0	41.3%
Trade and other payables	207.1	647.7	365.4	188.2	201.4	164.0	389.6	343.0	115.4%
Provisions	791.7	495.7	742.0	528.4	535.2	445.3	537.8	537.8	77.0%
Derivatives financial instruments	47.7	25 413.9	27 673.4	29 362.8	30 743.3	32 718.7	31 883.9	30 366.8	130.5%
Total equity and liabilities	37 885.6	40 548.5	42 176.3	39 799.5	44 558.5	43 819.0	50 342.9	44 352.0	96.3%

Statements of estimates of financial performance and position

Table 7.27 Land and Agricultural Development Bank of South Africa statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
R million	Revised estimate	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	4 886.3	12.5%	100.0%	5 101.8	5 319.5	5 536.2	4.3%	100.0%
Sale of goods and services other than capital assets	104.3	30.1%	1.7%	116.4	128.6	134.4	8.8%	2.3%
<i>of which:</i>								
Administrative fees	81.5	—	0.9%	93.6	105.8	111.5	11.0%	1.9%
Sales by market establishment	22.9	-21.6%	0.8%	22.9	22.9	22.9	—	0.4%
Other non-tax revenue	4 782.0	12.2%	98.3%	4 985.4	5 190.9	5 401.9	4.1%	97.7%
Total revenue	4 886.3	12.5%	100.0%	5 101.8	5 319.5	5 536.2	4.3%	100.0%
Expenses								
Current expenses	4 571.8	13.8%	98.5%	4 769.5	4 965.3	5 170.1	4.2%	98.5%
Compensation of employees	394.0	4.7%	9.2%	424.7	457.9	493.7	7.8%	8.9%
Goods and services	463.3	-3.0%	15.0%	502.9	539.1	496.7	2.3%	10.1%
Depreciation	22.8	7.8%	0.4%	16.7	12.4	—	-100.0%	0.3%
Interest, dividends and rent on land	3 691.8	18.3%	73.9%	3 825.2	3 955.9	4 179.8	4.2%	79.2%
Total expenses	4 641.9	13.9%	100.0%	4 842.5	5 041.5	5 249.6	4.2%	100.0%
Surplus/(Deficit)	244.0			259.0	278.0	287.0		

Table 7.27 Land and Agricultural Development Bank of South Africa statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2019/20	2020/21		
R million								
Carrying value of assets	258.8	4.9%	0.6%	245.6	231.4	218.9	-5.4%	0.5%
of which:								
Acquisition of assets	(2.5)	-24.9%	-0.0%	(1.2)	(0.9)	-	-100.0%	-0.0%
Investments	1 365.8	-5.9%	2.9%	1 906.8	1 952.7	1 994.7	13.5%	3.8%
Receivables and prepayments	39 645.8	2.3%	91.7%	40 840.9	42 389.9	44 184.1	3.7%	88.8%
Cash and cash equivalents	3 031.9	23.6%	4.7%	2 897.2	3 241.2	3 573.3	5.6%	6.8%
Non-current assets held for sale	49.6	-2.2%	0.1%	49.6	49.6	49.6	-	0.1%
Total assets	44 352.0	3.0%	100.0%	45 940.2	47 864.8	50 020.7	4.1%	100.0%
Accumulated surplus/(deficit)	4 402.9	12.6%	8.3%	4 804.0	5 289.3	6 201.6	12.1%	10.8%
Capital and reserves	134.8	-	0.3%	134.8	134.8	134.8	-	0.3%
Capital reserve fund	1 766.6	-26.2%	5.8%	1 766.6	1 766.6	-	-100.0%	2.8%
Borrowings	6 800.0	2.2%	13.6%	7 845.3	8 161.6	8 521.7	7.8%	16.4%
Trade and other payables	343.0	-19.1%	0.8%	354.5	368.8	385.0	3.9%	0.8%
Provisions	537.8	2.8%	1.2%	587.4	637.9	693.3	8.8%	1.3%
Derivatives financial instruments	30 366.8	6.1%	69.9%	31 381.0	32 646.5	34 084.3	3.9%	67.5%
Total equity and liabilities	44 352.0	3.0%	100.0%	46 873.6	49 005.5	50 020.7	4.1%	100.0%

Personnel information**Table 7.28 Land and Agricultural Development Bank of South Africa personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17		2017/18		2018/19		2019/20		2020/21								
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Land and Agricultural Development Bank of South Africa			433	331.9	0.8	433	394.0	0.9	433	424.7	1.0	433	457.9	1.1	433	493.7	1.1		
Salary level																			
1-6	36	36	36	7.0	0.2	36	8.4	0.2	36	9.0	0.3	36	9.7	0.3	36	10.5	0.3	7.8%	8.3%
7-10	209	209	209	121.2	0.6	209	143.9	0.7	209	155.1	0.7	209	167.2	0.8	209	180.3	0.9	7.8%	48.3%
11-12	154	154	154	127.7	0.8	154	151.5	1.0	154	163.4	1.1	154	176.1	1.1	154	189.9	1.2	7.8%	35.6%
13-16	24	24	24	42.0	1.7	24	49.8	2.1	24	53.7	2.2	24	57.9	2.4	24	62.4	2.6	7.8%	5.5%
17-22	10	10	10	34.0	3.4	10	40.4	4.0	10	43.5	4.4	10	46.9	4.7	10	50.6	5.1	7.8%	2.3%

1. Rand million.

South African Revenue Service**Mandate**

In terms of the South African Revenue Service Act (1997), the South African Revenue Service is mandated to collect all revenues due to the state and administer trade to support government in meeting its key growth developmental objectives. This involves facilitating legitimate trade, protecting South African ports of entry, and eliminating illegal trade and tax evasion. The organisation's purpose is to contribute to the economic and social development of the country by collecting the resources needed by government to meet its policy and delivery priorities.

Selected performance indicators**Table 7.29 South African Revenue Service performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Customs revenue collected per year	Business and individual tax		R202.2bn	R302.3bn	R335.8bn	-1	-1	-1	-1
Revenue collected (excluding customs and excise revenue) per year	Business and individual tax		R791.5bn	R767.7bn	R835.7bn	R892.5bn	-1	-1	-1
Percentage of compliance of personnel income tax filing per year	Business and individual tax	Outcome 12: An efficient, effective and development oriented public service	91.6% (R4.89m/ R5.34m)	92% (R4.2m/ R4.57m)	91.5% (R4.3m/ R4.7m)	91.5% (R4.3m/ R4.7m)	92.3% (R4.34m/ R4.7m)	92.3% (R4.34m/ R4.7m)	93% (R4.37m/ R4.7m)
Percentage of trade audited to obtain preferred trader status per year	Customs and excise		21% (R20.7m/ R98.57m)	29% (R7.8m/ R26.9m)	28% (R7.9m/ R28.2m)	20% (R5.6m/ R28.2m)	20% (R5.6m/ R28.2m)	15% (R4.2m/ R28.2m)	15% (R4.2m/ R28.2m)

Table 7.29 South African Revenue Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage uptake of personal income tax eFiling channel per year	Digital information services and technology	Outcome 12: An efficient, effective and development oriented public service	→	→	53% (R2.5m/ R4.7m)	52% (R2.4m/ R4.7m)	52% (R4.2m/ R4.7m)	53% (R2.5m/ R4.7m)	53% (R2.5m/ R4.7m)

1. Indicator discontinued.
2. No historical data available.

Expenditure analysis

The South African Revenue Service's focus over the medium term will continue to be on providing government with more than 90 per cent of the revenue it requires to meet its objectives. It aims to do this by improving systems to encourage eFiling and improve the experience of taxpayers, monitoring taxpayer compliance, and making tax collections more efficient through upgrades to the IT system. This is in line with the NDP's vision of ensuring high quality public services as a result of tax contributions, as well as outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework.

The modernisation of the organisation's IT infrastructure is expected to result in savings on future maintenance costs and help it keep pace with the evolving tax and customs legislative environment. It is expected to lead to changes in compliance behaviour, and will be designed to be responsive to the needs and expectations of taxpayers. R600 million will be made available to execute these strategic projects over the MTEF period.

The organisation requires a diverse skills set to expand its footprint and improve compliance and revenue collection. As at 31 October 2017, the organisation had a total of 14 413 filled positions and 791 vacant positions, with its staff complement expected to decrease to 12 212 in 2020/21 due to natural attrition and cuts to the organisation's budget. Management intends putting in place a strategy to ensure that the decrease in staff does not affect the organisation's performance. Through stringent cost containment measures and reprioritisation within the operational budget, the organisation plans to fill critical vacancies and recruit scarce skills in key areas. Spending on compensation of employees is expected to decrease at an average annual rate of 3.7 per cent, from R7.7 billion in 2017/18 to R6.9 billion in 2020/21.

The organisation's total expenditure is expected to decrease at an average annual rate of 4.5 per cent, from R11.7 billion in 2017/18 to R10.2 billion in 2020/21. The organisation's total revenue is also expected to decrease at an average annual rate of 2.4 per cent, from R10.7 billion in 2017/18 to R9.9 billion in 2020/21, with measures expected to be put in place to address the shortfall.

Programmes/Objectives/Activities

Table 7.30 South African Revenue Service expenditure trends and estimates by programme/objective/activity

R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
						2014/15 - 2017/18				2017/18 - 2020/21		
Administration	3 565.6	4 426.2	4 663.0	5 242.4		13.7%	42.2%	4 485.9	4 257.1	4 376.7	-5.8%	43.2%
Business & Individual Tax	1 978.5	1 596.4	1 613.4	1 691.1		-5.1%	16.5%	1 775.7	1 629.6	1 709.8	0.4%	16.1%
Enforcement	1 596.6	1 691.6	1 647.5	1 752.4		3.2%	15.9%	1 720.2	1 529.7	1 597.3	-3.0%	15.6%
Customs & Excise	1 077.4	1 070.8	1 190.1	1 275.4		5.8%	10.9%	1 243.8	1 120.5	1 173.6	-2.7%	11.3%
Digital, Information, Services & Technology	1 166.7	1 166.5	1 278.6	1 478.0		8.2%	12.1%	1 480.3	1 189.2	1 283.1	-4.6%	12.8%
Projects	110.0	252.9	258.7	213.3		24.7%	2.0%	–	–	–	-100.0%	0.5%
Office of the Tax Ombud	11.0	25.2	29.4	40.8		54.6%	0.2%	38.5	42.9	46.0	4.1%	0.4%
African Tax Administration Forum	12.6	13.1	13.6	14.3		4.2%	0.1%	15.1	15.9	16.8	5.6%	0.1%
Davis Tax Committee	4.2	2.9	1.7	4.3		0.7%	0.0%	4.6	4.8	5.1	5.6%	0.0%
SARS Advisory Board	–	1.0	0.0	–		–	0.0%	–	–	–	–	–
Total	9 522.7	10 246.6	10 696.0	11 711.9		7.1%	100.0%	10 764.1	9 789.7	10 208.5	-4.5%	100.0%

Statements of historical financial performance and position

Table 7.31 South African Revenue Service statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R million	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Revenue									
Non-tax revenue	310.0	525.5	473.9	565.0	535.6	1 185.4	469.2	469.2	153.5%
Sale of goods and services other than capital assets	250.0	305.7	297.4	320.5	305.6	925.1	308.6	308.6	160.1%
<i>of which:</i>									
Administrative fees	250.0	305.7	297.4	320.5	305.6	925.1	308.6	308.6	160.1%
Other non-tax revenue	60.0	219.8	176.4	244.5	230.0	260.2	160.6	160.6	141.2%
Transfers received	9 440.3	9 440.3	9 334.4	9 334.4	9 363.7	10 009.2	10 212.2	10 218.2	101.7%
Total revenue	9 750.3	9 965.9	9 808.3	9 899.4	9 899.3	11 194.5	10 681.4	10 687.4	104.0%
Expenses									
Current expenses	9 693.1	9 522.7	10 740.0	10 246.6	11 317.6	10 696.0	11 870.9	11 711.9	96.7%
Compensation of employees	6 442.5	6 467.5	6 718.8	6 742.9	7 285.7	7 012.1	7 869.0	7 731.2	98.7%
Goods and services	2 685.3	2 418.2	3 383.1	2 883.2	3 299.7	3 156.2	3 214.0	3 340.2	93.8%
Depreciation	558.3	630.3	633.3	615.8	729.5	524.4	785.7	637.3	89.0%
Interest, dividends and rent on land	7.0	6.7	4.8	4.7	2.7	3.2	2.1	3.2	107.3%
Total expenses	9 693.1	9 522.7	10 740.0	10 246.6	11 317.6	10 696.0	11 870.9	11 711.9	96.7%
Surplus/(Deficit)	57.0	443.0	(932.0)	(347.0)	(1 418.0)	499.0	(1 189.0)	(1 025.0)	
Statement of financial position									
Carrying value of assets	3 751.8	2 712.9	3 830.0	2 586.4	3 561.5	3 229.6	3 238.3	3 421.5	83.1%
<i>of which:</i>									
Acquisition of assets	(756.8)	(540.5)	(1 750.4)	(487.1)	(1 704.7)	(1 238.6)	(462.5)	(829.2)	66.2%
Loans	56.6	81.0	71.0	80.5	70.5	80.5	60.5	70.5	120.9%
Accrued investment interest	–	31.0	41.3	5.5	15.7	–	16.9	–	49.3%
Receivables and prepayments	155.5	138.7	131.5	143.0	135.7	129.7	138.0	132.7	97.1%
Cash and cash equivalents	1 684.0	3 415.1	1 228.6	3 370.2	955.7	2 454.2	124.6	1 116.5	259.4%
Total assets	5 647.9	6 378.8	5 302.4	6 185.5	4 739.1	5 894.1	3 578.2	4 741.3	120.4%
Accumulated surplus/(deficit)	3 790.2	4 615.3	3 683.6	4 272.5	2 854.2	3 148.3	1 664.7	2 123.8	118.1%
Capital and reserves	93.5	190.2	397.6	224.2	224.5	262.2	224.5	433.0	118.0%
Finance lease	7.3	21.6	12.3	13.1	11.8	13.8	5.7	7.3	150.2%
Deferred income	0.6	0.4	–	0.3	–	977.5	–	977.2	322 673.8%
Trade and other payables	953.5	840.9	591.0	922.3	847.6	732.6	830.4	334.3	87.8%
Provisions	802.9	710.5	617.9	753.0	800.9	759.8	852.9	865.7	100.5%
Total equity and liabilities	5 647.9	6 378.8	5 302.4	6 185.5	4 739.1	5 894.1	3 578.2	4 741.3	120.4%

Statements of estimates of financial performance and position

Table 7.32 South African Revenue Service statements of estimates of financial performance and position

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	469.2	-3.7%	6.5%	307.8	310.9	314.0	-12.5%	3.5%
Sale of goods and services other than capital assets	308.6	0.3%	4.4%	307.8	310.9	314.0	0.6%	3.2%
<i>of which:</i>								
Administrative fees	308.6	0.3%	4.4%	307.8	310.9	314.0	0.6%	3.2%
Other non-tax revenue	160.6	-9.9%	2.1%	–	–	–	-100.0%	0.4%
Transfers received	10 218.2	2.7%	93.5%	9 007.2	9 130.3	9 630.9	-2.0%	96.5%
Total revenue	10 687.4	2.4%	100.0%	9 315.0	9 441.2	9 944.8	-2.4%	100.0%
Expenses								
Current expenses	11 711.9	7.1%	100.0%	10 764.1	9 789.7	10 208.5	-4.5%	100.0%
Compensation of employees	7 731.2	6.1%	66.3%	7 380.6	6 579.1	6 910.2	-3.7%	67.4%
Goods and services	3 340.2	11.4%	27.9%	2 811.3	2 781.1	2 980.5	-3.7%	28.1%
Depreciation	637.3	0.4%	5.7%	569.8	428.6	317.8	-20.7%	4.6%
Interest, dividends and rent on land	3.2	-21.5%	0.0%	2.5	1.0	0.0	-86.5%	0.0%
Total expenses	11 711.9	7.1%	100.0%	10 764.1	9 789.7	10 208.5	-4.5%	100.0%
Surplus/(Deficit)	(1 025.0)			(1 449.0)	(349.0)	(264.0)		
Statement of financial position								
Carrying value of assets	3 421.5	8.0%	52.8%	2 949.7	2 601.1	2 337.4	-11.9%	82.7%
<i>of which:</i>								
Acquisition of assets	(829.2)	15.3%	-13.7%	(97.9)	(80.0)	(54.1)	-59.7%	-6.3%
Loans	70.5	-4.5%	1.4%	60.5	50.5	40.5	-16.9%	1.6%
Receivables and prepayments	132.7	-1.5%	2.4%	136.2	137.2	139.5	1.7%	4.1%
Cash and cash equivalents	1 116.5	-31.1%	43.3%	159.2	159.2	367.8	-30.9%	11.6%
Total assets	4 741.3	-9.4%	100.0%	3 305.7	2 948.0	2 885.3	-15.3%	100.0%

Table 7.32 South African Revenue Service statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2019/20	2020/21		
R million	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
Accumulated surplus/(deficit)	2 123.8	-22.8%	59.9%	1 651.9	1 303.4	1 039.7	-21.2%	43.8%
Capital and reserves	433.0	31.6%	5.0%	433.0	433.0	433.0	-	13.0%
Finance lease	7.3	-30.3%	0.2%	2.2	0.0	0.0	-100.0%	0.1%
Deferred income	977.2	1 254.8%	9.3%	-	-	-	-100.0%	5.2%
Trade and other payables	334.3	-26.5%	11.9%	703.4	695.5	894.1	38.8%	20.7%
Provisions	865.7	6.8%	13.6%	515.2	516.1	518.5	-15.7%	17.3%
Total equity and liabilities	4 741.3	-9.4%	100.0%	3 305.7	2 948.0	2 885.3	-15.3%	100.0%

Personnel information

Table 7.33 South African Revenue Service personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
		Unit			Unit			Unit			Unit								
South African Revenue Service		Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost			
Salary level	14 413	14 413	13 617	7 012.1	0.5	14 413	7 731.2	0.5	13 160	7 380.6	0.6	11 645	6 579.1	0.6	12 212	6 910.2	0.6	-3.7%	100.0%
1 – 6	1 356	1 356	1 120	212.7	0.2	1 356	230.9	0.2	940	194.8	0.2	771	161.5	0.2	739	154.2	0.2	-12.6%	7.3%
7 – 10	8 689	8 689	8 474	3 019.1	0.4	8 689	3 224.7	0.4	8 085	3 060.4	0.4	7 222	2 747.5	0.4	7 617	2 898.2	0.4	-3.5%	61.5%
11 – 12	2 489	2 489	2 316	1 719.4	0.7	2 489	1 920.3	0.8	2 355	1 849.9	0.8	2 061	1 627.4	0.8	2 208	1 739.1	0.8	-3.2%	17.7%
13 – 16	1 831	1 831	1 663	1 948.3	1.2	1 831	2 232.7	1.2	1 733	2 150.9	1.2	1 548	1 931.0	1.2	1 604	1 999.4	1.2	-3.6%	13.1%
17 – 22	48	48	44	112.7	2.6	48	122.6	2.6	46	124.6	2.7	42	111.7	2.7	44	119.3	2.7	-0.9%	0.4%

1. Rand million.

Other entities

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Accounting Standards Board** develops uniform standards of generally recognised accounting practice for all spheres of government in terms of section 216(1)(a) of the Constitution and the Public Finance Management Act (1999). A further function of the board is to promote transparency in and the effective management of revenue, expenditure, assets and liabilities of the entities to which the standards apply. The board's total budget for 2018/19 is R14.3 million.
- The **Cooperative Banks Development Agency** was established in terms of the Cooperative Banks Act (2007), as amended, with the South African Reserve Bank as the sole supervisor of cooperative banks. The agency is mandated to provide for the registration and supervision of deposit taking financial services cooperatives, and savings and credit cooperatives, collectively referred to as cooperative financial institutions. The agency also facilitates, promotes and funds the education and training of these institutions. Its total budget for 2018/19 is R39.8 million.
- The **Financial and Fiscal Commission** derives its mandate from the Financial and Fiscal Commission Act (1997). The commission's legislative mandate is to advise the relevant legislative authorities on the financial and fiscal requirements for the national, provincial and local spheres of government in terms of section 220 of the Constitution. The commission's total budget for 2018/19 is R51.9 million.
- The **Financial Intelligence Centre** was established by the Financial Intelligence Centre Act (2001) and began operations in 2003. The act mandates the centre to identify the proceeds of unlawful activities, combat money laundering activities, combat the financing of terrorist and related activities, exchange information with law enforcement and other local and international agencies, supervise and enforce compliance with the act, and facilitate effective supervision and enforcement by supervisory bodies. The organisation's total budget for 2018/19 is R296.8 million.
- The **Financial Services Board** is an independent institution established by statute to oversee the South African non-banking financial services industry in the public interest. The board's legislative mandate is

primarily derived from the Financial Services Board Act (1990). Its total budget for 2018/19 is R862.9 million.

- The **Government Pensions Administration Agency** provides pensions administration services to the Government Employees Pension Fund in terms of the Government Employees Pension Fund Act (1979) and the Associated Institutions Pension Fund Act (1963). The agency's total budget for 2018/19 is R1.1 billion.
- The **Government Technical Advisory Centre** is mandated to assist organs of state in building their capacity for efficient, effective and transparent financial management. Its overarching objectives are to: render consulting services to government departments and other organs of state; provide specialised procurement support for high impact government initiatives; render advice on the feasibility of infrastructure projects; and provide knowledge management for projects undertaken and any ancillary support. The centre's total budget for 2018/19 is R454.8 million.
- The **Independent Regulatory Board for Auditors** develops and maintains auditing and ethical standards that are internationally comparable, provides an appropriate framework for the education and training of properly qualified auditors, inspects and reviews the work of registered auditors, and investigates and takes appropriate action against registered auditors who do not comply with standards and are guilty of improper conduct. The board's total budget for 2018/19 is R126.6 million.
- The **Office of the Ombud for Financial Services Providers** is mandated to consider and dispose of complaints against financial services providers, primarily intermediaries selling investment products. The organisation's total budget for 2018/19 is R54.2 million.
- The **Office of the Pension Funds Adjudicator** investigates and determines complaints lodged in terms of the Pension Funds Act (1956). The office ensures a procedurally fair, economical and expeditious resolution of complaints in terms of the act. The office has jurisdiction only over funds that are registered under the Pension Funds Act (1956). The organisation's total budget for 2018/19 is R66.2 million.
- The **Public Investment Corporation** is one of the largest investment managers in Africa, managing assets worth more than R1.7 trillion. The corporation is mandated to invest funds on behalf of its clients, based on the investment mandates as agreed on with each client and approved by the Financial Services Board. The corporation's clients are public sector entities, most of which are pension, provident, social security, development and guardian funds. The corporation's total budget for 2018/19 is R1.2 billion.
- **South African Airways** is South Africa's national air carrier, which operates a full service network in the international, regional and domestic markets. On 12 December 2014, the president transferred the administration, powers and functions entrusted by the South African Airways Act (2007) and all amendments thereto, from the Minister of Public Enterprises to the Minister of Finance in terms of section 97 of the Constitution. The airline's total budget for 2018/19 is R35.1 billion.
- The **South African Special Risks Insurance Association** was established in 1979 and was registered in terms of section 21 of the Companies Act (1973). The association is mandated to support the insurance industry by providing cover for special risks such as riots, strikes, political unrest, terrorist attacks, civil commotion, public disorder and labour disturbances. Its total budget for 2018/19 is R2.3 billion.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16		2016/17	2018/19	2019/20
R million									
Infrastructure transfers to other spheres, agencies and departments									
Mega projects (total project cost of at least R1 billion over the project life cycle)									
Neighbourhood development partnership grant	Long term township regeneration planning, catalytic and third party nodal development	Various	9 000.0	590.4	607.0	591.9	601.9	621.2	654.9
Total			9 000.0	590.4	607.0	591.9	601.9	621.2	654.9

Vote 8

Planning, Monitoring and Evaluation

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	186.6	178.0	–	8.7	197.0	208.2
National Planning Coordination	77.4	77.0	–	0.4	83.6	89.4
Sector Planning and Monitoring	55.9	55.7	–	0.2	59.9	64.2
Public Sector Monitoring and Capacity Development	35.1	34.8	–	0.4	37.6	40.3
Frontline and Citizen-Based Service Delivery and Monitoring	59.3	59.1	–	0.1	63.4	68.0
Evidence and Knowledge Systems	57.2	57.0	–	0.2	56.9	62.2
National Youth Development	455.9	9.4	446.5	0.0	473.8	500.0
Total expenditure estimates	927.4	471.0	446.5	9.9	972.2	1 032.3

Executive authority Minister in the Presidency: Planning, Monitoring and Evaluation as well as Administration

Accounting officer Director General of Planning, Monitoring and Evaluation

Website address www.dpme.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Improve government service delivery through integrated planning, monitoring and evaluation.

Mandate

The Department of Planning, Monitoring and Evaluation is mandated to:

- facilitate the implementation of the National Development Plan (NDP) through the development of sector-specific and outcome-specific medium-term plans and delivery agreements, and monitor and evaluate the implementation of these plans
- ensure the alignment of departmental strategic and annual plans and budget allocations with government's medium-term strategic framework
- facilitate socioeconomic impact assessments of legislation and regulations
- monitor the performance of individual national and provincial government departments and municipalities, and related improvement plans, and facilitate targeted intervention programmes
- monitor frontline service delivery and manage the presidential hotline
- develop and implement the annual national evaluations plan and support the national evaluations system
- promote good planning, monitoring and evaluation practices in government
- facilitate the integration of youth development priorities into key government programmes.

Selected performance indicators

Table 8.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Annual budget mandate paper developed by 30 April each year ¹	National Planning Coordination	Outcome 12: An efficient, effective and development oriented public service	– ²	– ²	– ²	1	1	1	1
Number of assessment reports on annual performance plans provided to national departments annually ³	National Planning Coordination		– ²	43	39	40	40	40	40

Table 8.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of progress reports submitted to Cabinet per outcome per year	Sector Planning and Monitoring	Outcome 12: An efficient, effective and development oriented public service	1	3	3	3	3	3	3
Number of local government management improvement model scorecards completed per year	Performance Monitoring and Capacity Development		29	30	41	25	25	25	25
Number of consolidated management performance assessment tool reports submitted to Cabinet per year	Public Sector Monitoring and Capacity Development		1	1	1	1	1	1	1
Number of frontline monitoring visits conducted per year	Frontline and Citizen-based Service Delivery and Monitoring		246	217	250	400	400	400	400
Number of national evaluation plan reports approved by evaluation steering committees per year	Evidence and Knowledge Systems		9	4	7	8	8	8	8

1. Old indicator selected for publication in the Estimates of National Expenditure.

2. No historical data available.

3. New indicator.

Expenditure analysis

Chapter 13 of the NDP sets out a vision towards building a capable and developmental state. This vision is supported by outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework, with which the work of the Department of Planning, Monitoring and Evaluation is directly aligned. Over the medium term, the department intends to prioritise coordinating and supporting planning functions across government to enhance greater policy and planning coherence in short-, medium- and long-term goals; monitoring the implementation of the NDP and government's medium-term strategic framework; improving the capacity of state institutions; conducting evaluations and developing intervention programmes to support service delivery; and evaluating policy implementation and impact. In addition to overseeing the National Youth Development Agency, the department is also responsible for ensuring that youth development is entrenched in the work of government through instruments such as annual performance plans and budget prioritisations.

The department's revised organisational structure, which was developed in collaboration with the Department of Public Service and Administration, is expected to be fully implemented in 2018/19. Recruitment in this regard commenced in 2017/18. The number of permanent posts in the department is expected to remain broadly unchanged over the MTEF period, with the budget for compensation of employees increasing at an average annual rate of 13.5 per cent, from R243.7 million in 2017/18 to R356.4 million in 2020/21. The department's overall expenditure is expected to increase at an average annual rate of 4.7 per cent, from R898.5 million in 2017/18 to R1 billion in 2020/21.

Coordinating and supporting planning functions across government

Over the MTEF period, the department plans to institutionalise integrated and coordinated planning in government through the introduction of appropriate legislation, and will continue conducting assessments on the strategic and annual performance plans of national departments to ensure their alignment with the NDP. In consultation with National Treasury, the department develops an annual budget mandate paper to align the allocation of financial resources with government service delivery priorities. These activities are budgeted for in the *Planning Coordination* subprogramme in the *National Planning Coordination* programme, in which expenditure is expected to increase at an average annual rate of 33.8 per cent, from R20.8 million in 2017/18 to R49.7 million in 2020/21. This projected increase is due to additional capacity created to support the development of the annual budget mandate paper and the analysis of departments' annual performance plans.

Over the MTEF period, the department will continue to review, monitor and support departments' and other government institutions' implementation of government's 2014-2019 medium-term strategic framework, and compile quarterly progress reports. To support and unblock the implementation of the framework, the department plans to design and implement strategic interventions. Funds are allocated to the *Sector Planning, Monitoring and Intervention Support* subprogramme in the *Sector Planning and Monitoring* programme to

carry out these activities. Expenditure in the subprogramme is expected to increase at an average annual rate of 10.5 per cent, from R45.2 million in 2017/18 to R61 million in 2020/21.

Improving the capacity of state institutions

Over the MTEF period, the department aims to provide support to state institutions where weak institutional capacity results in service delivery failures. This is expected to be done through the development of appropriate monitoring and support systems related to management and governance in all three spheres of government. Allocations are made to the *Public Service and Local Government Monitoring and Support* subprogramme in the *Public Sector Monitoring and Capacity Development* programme for this purpose. Expenditure in the subprogramme is expected to increase at an average annual rate of 7.8 per cent, from R27.1 million in 2017/18 to R33.9 million in 2020/21.

Conducting evaluations and developing intervention programmes to support service delivery

Over the medium term, the department plans to monitor the impact of policy priorities on service delivery through various frontline monitoring programmes such as presidential priority projects, unannounced visits, citizen-based monitoring programmes and the presidential hotline. Frontline monitoring programmes include the design and implementation of appropriate intervention strategies in the event that plans, budgets and programmes fail to achieve policy intent. Monitoring activities are budgeted for in the *Frontline and Citizen-Based Service Delivery Monitoring and Complaints Resolution* subprogramme, in which expenditure is expected to increase at an average annual rate of 7.9 per cent, from R50.6 million in 2017/18 to R63.5 million in 2020/21.

Evaluating policy implementation and impact

The department intends to continue focusing on maximising the use of evaluations and research to generate rapid and relevant evidence to inform planning and monitoring, as well as interventions required to bring change and improvements. The department also plans to work towards improving centralised research and knowledge management support to develop and maintain an evidence base for informed government planning and policy development, implementation, monitoring and review. These activities are budgeted for in the *Evaluation, Research, Knowledge and Data Systems* subprogramme in the *Evidence and Knowledge Systems* programme. Expenditure in the subprogramme is expected to decrease at an average annual rate of 17.8 per cent, from R106.1 million in 2017/18 to R59 million in 2020/21.

Expenditure trends

Table 8.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. National Planning Coordination														
3. Sector Planning and Monitoring														
4. Public Sector Monitoring and Capacity Development														
5. Frontline and Citizen-Based Service Delivery and Monitoring														
6. Evidence and Knowledge Systems														
7. National Youth Development														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	95.2	104.3	112.3	69.8	104.2	112.9	134.3	136.5	134.3	168.3	173.4	173.4	114.0%	102.8%
Programme 2	78.2	89.7	82.7	85.6	92.3	83.6	112.4	90.1	46.2	54.5	44.7	44.7	77.8%	81.2%
Programme 3	66.2	66.1	33.9	59.6	60.4	32.9	42.1	43.1	38.6	52.2	47.4	47.4	69.5%	70.4%
Programme 4	113.4	92.9	29.6	88.2	82.2	26.1	31.7	29.6	28.2	40.1	32.4	32.4	42.5%	49.0%
Programme 5	412.3	412.3	39.8	414.5	415.1	47.1	50.2	54.3	47.4	57.0	53.4	53.4	20.1%	20.1%
Programme 6	-	-	28.9	-	-	30.7	43.5	33.8	75.4	109.4	107.0	107.0	158.3%	171.9%
Programme 7	-	-	413.3	-	-	415.4	413.4	410.3	411.1	442.0	440.2	440.2	196.4%	197.5%
Total	765.3	765.3	740.6	717.7	754.2	748.8	827.7	797.7	781.2	923.5	898.5	898.5	98.0%	98.6%
Change to 2017 Budget estimate											(25.0)			

Table 8.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18				
R million	346.2	346.1	300.6	305.0	340.9	325.0	406.6	382.9	367.6	471.7	452.1	452.1	94.5%	95.0%						
Current payments	346.2	346.1	300.6	305.0	340.9	325.0	406.6	382.9	367.6	471.7	452.1	452.1	94.5%	95.0%						
Compensation of employees	178.0	174.1	161.1	173.6	192.3	176.9	246.6	216.5	202.2	268.9	243.7	243.7	90.4%	94.8%						
Goods and services	168.2	172.0	139.4	131.4	148.6	148.1	160.0	166.4	165.4	202.8	208.4	208.4	99.8%	95.1%						
Transfers and subsidies	410.0	410.2	420.6	409.8	409.9	410.1	405.8	405.9	406.1	432.8	433.0	433.0	100.7%	100.6%						
Provinces and municipalities	–	–	0.0	–	0.0	0.0	–	0.0	0.0	–	0.0	0.0	–	109.1%						
Departmental agencies and accounts	408.2	408.2	408.4	409.8	409.8	409.8	405.8	405.8	405.8	432.8	432.8	432.8	–	–						
Non-profit institutions	–	–	10.0	–	–	–	–	0.1	0.1	–	–	–	–	10 100.0%						
Households	1.8	2.0	2.1	–	0.1	0.3	–	0.1	0.2	–	0.2	0.2	156.6%	118.9%						
Payments for capital assets	9.0	9.0	19.3	2.9	3.4	13.8	15.3	8.8	7.6	18.9	13.4	13.4	116.8%	155.9%						
Buildings and other fixed structures	–	–	8.7	–	–	0.4	8.1	0.1	0.1	4.0	0.6	0.6	81.2%	1 372.4%						
Machinery and equipment	7.5	7.5	9.5	2.4	2.9	11.9	6.4	7.3	5.5	13.3	10.3	10.3	125.8%	132.8%						
Software and other intangible assets	1.6	1.6	1.1	0.5	0.5	1.4	0.9	1.4	1.9	1.7	2.5	2.5	153.2%	117.7%						
Payments for financial assets	–	–	0.1	–	–	–	–	–	0.0	–	–	–	–	–						
Total	765.3	765.3	740.6	717.7	754.2	748.8	827.7	797.7	781.2	923.5	898.5	898.5	98.0%	98.6%						

Expenditure estimates

Table 8.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration 2. National Planning Coordination 3. Sector Planning and Monitoring 4. Public Sector Monitoring and Capacity Development 5. Frontline and Citizen-Based Service Delivery and Monitoring 6. Evidence and Knowledge Systems 7. National Youth Development									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
R million	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21			
Programme 1	173.4	18.5%	16.8%	186.6	197.0	208.2	6.3%	20.0%	
Programme 2	44.7	-20.7%	8.1%	77.4	83.6	89.4	26.0%	7.7%	
Programme 3	47.4	-10.5%	4.8%	55.9	59.9	64.2	10.6%	5.9%	
Programme 4	32.4	-29.6%	3.7%	35.1	37.6	40.3	7.6%	3.8%	
Programme 5	53.4	-49.4%	5.9%	59.3	63.4	68.0	8.4%	6.4%	
Programme 6	107.0	–	7.6%	57.2	56.9	62.2	-16.5%	7.4%	
Programme 7	440.2	–	53.0%	455.9	473.8	500.0	4.3%	48.8%	
Total	898.5	5.5%	100.0%	927.4	972.2	1 032.3	4.7%	100.0%	
Change to 2017 Budget estimate	(25.0)			(15.1)	(23.7)	(25.0)			
Economic classification									
Current payments	452.1	9.3%	45.6%	471.0	499.7	534.2	5.7%	51.1%	
Compensation of employees	243.7	11.9%	24.7%	312.8	331.6	356.4	13.5%	32.5%	
Goods and services	208.4	6.6%	20.9%	158.2	168.2	177.8	-5.1%	18.6%	
Transfers and subsidies	433.0	1.8%	52.7%	446.5	463.8	489.3	4.2%	47.8%	
Provinces and municipalities	0.0	–	0.0%	–	–	–	-100.0%	0.0%	
Departmental agencies and accounts	432.8	2.0%	52.3%	446.5	463.8	489.3	4.2%	47.8%	
Households	0.2	-53.3%	0.1%	–	–	–	-100.0%	0.0%	
Payments for capital assets	13.4	14.0%	1.7%	9.9	8.6	8.7	-13.3%	1.1%	
Buildings and other fixed structures	0.6	–	0.3%	0.5	0.2	0.2	-37.0%	0.0%	
Machinery and equipment	10.3	11.2%	1.2%	8.9	8.0	8.1	-7.8%	0.9%	
Software and other intangible assets	2.5	16.9%	0.2%	0.5	0.5	0.5	-41.3%	0.1%	
Total	898.5	5.5%	100.0%	927.4	972.2	1 032.3	4.7%	100.0%	

Expenditure trends and estimates for significant spending items

Table 8.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
National Youth Development Agency	408 237	409 789	405 766	432 806	2.0%	52.3%	446 461	463 838	489 348	4.2%	47.8%
Computer services	21 101	23 485	24 506	24 400	5.0%	3.0%	26 487	28 065	29 737	6.8%	2.8%
Consultants: Business and advisory services	52 545	51 168	61 591	91 735	20.4%	8.1%	36 379	35 195	38 717	-25.0%	5.3%
Operating leases	2 852	6 655	6 903	10 436	54.1%	0.8%	15 987	20 849	22 089	28.4%	1.8%
Travel and subsistence	28 408	33 163	35 588	36 067	8.3%	4.2%	37 094	38 686	40 466	3.9%	4.0%
Compensation of employees	161 141	176 910	202 190	243 737	14.8%	24.7%	312 788	331 556	356 423	13.5%	32.5%
Total	674 284	701 170	736 544	839 181	104.6%	93.1%	875 196	918 189	976 780	31.8%	94.2%

Goods and services expenditure trends and estimates

Table 8.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Administrative fees	1 603	1 271	1 668	2 251	12.0%	1.0%	1 854	1 964	2 077	-2.6%	1.1%
Advertising	1 625	1 598	5 204	4 912	44.6%	2.0%	4 673	4 712	4 755	-1.1%	2.7%
Minor assets	2 457	752	486	7 200	43.1%	1.6%	1 950	3 000	2 270	-31.9%	2.0%
Audit costs: External	2 969	2 168	2 293	2 400	-6.8%	1.5%	2 544	2 697	2 859	6.0%	1.5%
Bursaries: Employees	337	464	600	600	21.2%	0.3%	636	674	714	6.0%	0.4%
Catering: Departmental activities	2 815	2 607	3 198	3 692	9.5%	1.9%	3 400	3 594	3 798	0.9%	2.0%
Communication	4 303	5 585	4 945	4 039	-2.1%	2.9%	4 597	4 840	5 090	8.0%	2.6%
Computer services	21 101	23 485	24 506	24 400	5.0%	14.1%	26 487	28 065	29 737	6.8%	15.3%
Consultants: Business and advisory services	52 545	51 168	61 591	91 735	20.4%	38.9%	36 379	35 195	38 717	-25.0%	28.4%
Contractors	2 066	1 561	1 822	1 090	-19.2%	1.0%	1 336	1 410	1 489	11.0%	0.7%
Agency and support/outsourced services	1 120	879	997	501	-23.5%	0.5%	352	373	395	-7.6%	0.2%
Entertainment	71	39	29	105	13.9%	-	36	37	38	-28.7%	-
Fleet services (including government motor transport)	489	879	789	1 562	47.3%	0.6%	1 164	1 212	1 262	-6.9%	0.7%
Consumable supplies	188	360	394	207	3.3%	0.2%	486	510	536	37.3%	0.2%
Consumables: Stationery, printing and office supplies	1 335	1 535	1 474	2 292	19.7%	1.0%	1 628	1 793	1 890	-6.2%	1.1%
Operating leases	2 852	6 655	6 903	10 436	54.1%	4.1%	15 987	20 849	22 089	28.4%	9.7%
Rental and hiring	440	160	480	675	15.3%	0.3%	821	869	920	10.9%	0.5%
Property payments	360	2 225	2 563	4 000	123.1%	1.4%	5 500	5 830	6 180	15.6%	3.0%
Travel and subsistence	28 408	33 163	35 588	36 067	8.3%	20.1%	37 094	38 686	40 466	3.9%	21.4%
Training and development	1 544	894	1 672	2 200	12.5%	1.0%	2 332	2 472	2 620	6.0%	1.4%
Operating payments	5 553	6 264	4 731	5 981	2.5%	3.4%	5 756	6 043	6 337	1.9%	3.4%
Venues and facilities	5 259	4 342	3 495	2 025	-27.2%	2.3%	3 177	3 368	3 577	20.9%	1.7%
Total	139 440	148 054	165 428	208 370	14.3%	100.0%	158 189	168 193	177 816	-5.1%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 8.6 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Provinces and municipalities											
Municipal bank accounts											
Current	1	2	5	4	58.7%	-	-	-	-	-100.0%	-
Vehicle licences	1	2	5	4	58.7%	-	-	-	-	-100.0%	-
Households											
Social benefits											
Current	2 139	241	181	200	-54.6%	0.2%	-	-	-	-100.0%	-
Employee social benefits	2 139	241	181	200	-54.6%	0.2%	-	-	-	-100.0%	-

Table 8.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	408 437	409 789	405 766	432 806	2.0%	99.2%	446 461	463 838	489 348	4.2%	100.0%
Public Service Sector Education and Training Authority	200	-	-	-	-100.0%	-	-	-	-	-	-
National Youth Development Agency	408 237	409 789	405 766	432 806	2.0%	99.2%	446 461	463 838	489 348	4.2%	100.0%
Non-profit institutions											
Current	10 000	-	100	-	-100.0%	0.6%	-	-	-	-	-
Trade and Industrial Policy Strategies	10 000	-	-	-	-100.0%	0.6%	-	-	-	-	-
South African Planning Institute	-	-	100	-	-	-	-	-	-	-	-
Households											
Other transfers to households											
Current	-	30	-	-	-	-	-	-	-	-	-
Arbitration award	-	30	-	-	-	-	-	-	-	-	-
Total	420 577	410 062	406 052	433 010	1.0%	100.0%	446 461	463 838	489 348	4.2%	100.0%

Personnel information

Table 8.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. National Planning Coordination																			
3. Sector Planning and Monitoring																			
4. Public Sector Monitoring and Capacity Development																			
5. Frontline and Citizen-Based Service Delivery and Monitoring																			
6. Evidence and Knowledge Systems																			
7. National Youth Development																			
	Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17			2017/18			2018/19		2019/20		2020/21		2017/18 - 2020/21				
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost			
Planning, Monitoring and Evaluation	488	51	415	202.2	0.5	435	243.7	0.6	478	312.8	0.7	466	331.6	0.7	466	356.4	0.8	2.3%	100.0%
Salary level																			
1 – 6	61	-	57	9.5	0.2	64	12.7	0.2	62	13.2	0.2	61	14.2	0.2	61	15.4	0.3	-1.6%	13.4%
7 – 10	157	-	152	56.5	0.4	157	63.7	0.4	157	68.5	0.4	157	73.9	0.5	157	79.9	0.5	-	34.0%
11 – 12	99	-	72	52.7	0.7	83	65.8	0.8	99	84.4	0.9	99	91.2	0.9	99	98.5	1.0	6.1%	20.6%
13 – 16	118	-	72	74.4	1.0	83	91.2	1.1	117	138.2	1.2	117	147.8	1.3	117	158.2	1.4	12.1%	23.5%
Other	53	51	62	9.1	0.1	48	10.4	0.2	43	8.5	0.2	32	4.4	0.1	32	4.6	0.1	-12.6%	8.4%
Programme	488	51	415	202.2	0.5	435	243.7	0.6	478	312.8	0.7	466	331.6	0.7	466	356.4	0.8	2.3%	100.0%
Programme 1	196	13	162	65.9	0.4	187	84.6	0.5	195	99.5	0.5	183	102.5	0.6	183	110.2	0.6	-0.7%	40.5%
Programme 2	65	5	52	31.2	0.6	43	28.7	0.7	64	54.9	0.9	64	58.9	0.9	64	63.3	1.0	14.2%	12.7%
Programme 3	64	9	57	33.0	0.6	56	37.7	0.7	63	49.7	0.8	63	53.3	0.8	63	57.3	0.9	4.0%	13.3%
Programme 4	41	5	39	23.0	0.6	38	28.2	0.7	40	31.7	0.8	40	34.0	0.9	40	36.6	0.9	1.7%	8.6%
Programme 5	61	7	57	28.9	0.5	59	34.8	0.6	60	39.1	0.7	60	42.1	0.7	60	45.3	0.8	0.6%	13.0%
Programme 6	50	9	41	17.7	0.4	45	25.6	0.6	47	31.5	0.7	47	33.8	0.7	47	36.3	0.8	1.5%	10.1%
Programme 7	11	3	7	2.6	0.4	7	4.1	0.6	9	6.4	0.7	9	6.9	0.8	9	7.4	0.8	8.7%	1.8%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 8.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	88	417	1 215	1 530	1 314	146.2%	100.0%	443	434	452	-29.9%	100.0%
Sales of goods and services produced by department	54	88	82	79	84	15.9%	10.2%	100	82	90	2.3%	13.5%
Sales by market establishments	12	26	27	28	28	32.6%	3.1%	34	36	40	12.6%	5.2%
of which:												
Parking	12	26	27	28	28	32.6%	3.1%	34	36	40	12.6%	5.2%
Other sales	42	62	55	51	56	10.1%	7.1%	66	46	50	-3.7%	8.2%
of which:												
Commission	25	31	37	35	40	17.0%	4.4%	44	46	50	7.7%	6.8%
Transport	17	31	18	16	16	-2.0%	2.7%	22	-	-	-100.0%	1.4%
Interest, dividends and rent on land	8	42	23	21	30	55.4%	3.4%	41	42	45	14.5%	6.0%
Interest	8	42	23	21	30	55.4%	3.4%	41	42	45	14.5%	6.0%
Sales of capital assets	-	16	160	300	50	-	7.4%	50	50	50	-	7.6%
Transactions in financial assets and liabilities	26	271	950	1 130	1 150	253.7%	79.0%	252	260	267	-38.5%	73.0%
Total	88	417	1 215	1 530	1 314	146.2%	100.0%	443	434	452	-29.9%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 8.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Total	112.3	112.9	134.3	173.4	15.6%	100.0%	186.6	197.0	208.2	6.3%	100.0%
Change to 2017 Budget estimate				5.1			2.1	(0.9)	-		
Economic classification											
Current payments	94.0	104.6	128.9	162.9	20.1%	92.0%	178.0	189.6	200.8	7.2%	95.6%
Compensation of employees	53.8	53.8	65.9	84.6	16.3%	48.4%	99.5	102.5	110.2	9.2%	51.9%
Goods and services ¹	40.2	50.8	63.0	78.3	24.8%	43.6%	78.5	87.1	90.5	5.0%	43.7%
of which:											
Advertising	1.4	1.1	5.0	4.9	52.6%	2.3%	4.3	4.4	4.4	-3.7%	2.4%
Audit costs: External	3.0	2.2	2.3	2.4	-6.8%	1.8%	2.5	2.7	2.9	6.0%	1.4%
Computer services	8.0	10.6	11.7	12.3	15.2%	8.0%	12.4	13.1	13.9	4.2%	6.8%
Operating leases	2.8	6.6	6.8	10.4	54.6%	5.0%	15.9	20.8	22.0	28.3%	9.0%
Property payments	0.4	2.2	2.6	4.0	123.1%	1.7%	5.5	5.8	6.2	15.6%	2.8%
Travel and subsistence	10.5	15.3	18.9	21.1	26.1%	12.4%	20.0	20.6	21.3	0.3%	10.8%
Transfers and subsidies¹	0.4	0.1	0.1	0.1	-31.1%	0.1%	-	-	-	-100.0%	-
Departmental agencies and accounts	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Households	0.2	0.1	0.1	0.1	-10.5%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	17.8	8.2	5.4	10.4	-16.4%	7.8%	8.7	7.4	7.5	-10.5%	4.4%
Buildings and other fixed structures	8.7	0.4	0.1	0.6	-59.0%	1.8%	0.5	0.2	0.2	-37.0%	0.2%
Machinery and equipment	8.8	7.8	5.2	9.7	3.1%	5.9%	8.2	7.2	7.3	-9.0%	4.2%
Software and other intangible assets	0.3	-	0.1	0.1	-26.6%	0.1%	-	-	-	-100.0%	-
Payments for financial assets	0.1	-	0.0	-	-100.0%	-	-	-	-	-	-
Total	112.3	112.9	134.3	173.4	15.6%	100.0%	186.6	197.0	208.2	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	15.2%	15.1%	17.2%	19.3%	-	-	20.1%	20.3%	20.2%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: National Planning Coordination

Programme purpose

Facilitate and coordinate macro and transversal planning functions across government, and coordinate planning functions in the department.

Objectives

- Facilitate long-term planning, the alignment of budget allocations and short-term plans, and develop planning frameworks by:
 - developing a framework outlining approaches to the institutionalisation of long-term planning in government by March 2019
 - developing sector plans on strategic sectors, such as water and energy, annually.
- Ensure that the national budget process is informed by priorities identified for government plans by developing an annual budget mandate paper to inform the budget.

Subprogrammes

- Management: National Planning Coordination* provides management and support services to the programme and the National Planning Commission.
- Planning Coordination* develops and implements planning frameworks, and facilitates the alignment of planning and budgeting functions across government and in the department.
- Socioeconomic Impact Assessment System* conducts socioeconomic impact assessments.

Expenditure trends and estimates

Table 8.10 National Planning Coordination expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management: National Planning Coordination	6.5	5.1	18.8	18.6	42.1%	19.0%	27.9	30.1	32.3	20.2%	36.9%
Planning Coordination	62.2	66.6	24.7	20.8	-30.6%	67.7%	43.1	46.7	49.7	33.8%	54.3%
Socioeconomic Impact Assessment System	14.1	11.9	2.8	5.3	-27.7%	13.2%	6.4	6.8	7.3	11.3%	8.8%
Total	82.7	83.6	46.2	44.7	-18.5%	100.0%	77.4	83.6	89.4	26.0%	100.0%
Change to 2017 Budget estimate				(9.8)			15.0	17.4	-		
Economic classification											
Current payments	70.6	79.2	45.4	43.2	-15.1%	92.7%	77.0	83.2	89.0	27.2%	99.1%
Compensation of employees	17.8	30.1	31.2	28.7	17.2%	41.9%	54.9	58.9	63.3	30.2%	69.7%
Goods and services ¹	52.8	49.1	14.2	14.5	-35.0%	50.8%	22.0	24.3	25.7	21.0%	29.3%
of which:											
Catering: Departmental activities	1.1	0.5	0.4	0.6	-16.7%	1.0%	0.4	0.5	0.5	-7.6%	0.7%
Communication	0.3	0.4	0.4	0.3	2.7%	0.5%	0.4	0.5	0.5	21.4%	0.6%
Consultants: Business and advisory services	40.2	38.3	6.8	8.3	-41.0%	36.4%	14.3	16.0	17.0	27.2%	18.8%
Travel and subsistence	6.7	4.6	4.5	4.0	-15.9%	7.7%	4.6	4.9	5.2	8.8%	6.3%
Operating payments	0.1	1.7	0.4	0.7	73.7%	1.1%	0.5	0.5	0.6	-4.3%	0.8%
Venues and facilities	2.7	1.5	0.8	0.2	-57.8%	2.0%	0.9	0.9	1.0	68.5%	1.0%
Transfers and subsidies¹	11.8	0.0	0.1	0.0	-91.6%	4.6%	-	-	-	-100.0%	-
Non-profit institutions	10.0	-	0.1	-	-100.0%	3.9%	-	-	-	-	-
Households	1.8	0.0	-	0.0	-84.3%	0.7%	-	-	-	-100.0%	-
Payments for capital assets	0.3	4.4	0.7	1.5	69.5%	2.7%	0.4	0.4	0.4	-35.2%	0.9%
Machinery and equipment	0.3	3.8	0.1	0.3	-1.2%	1.8%	0.2	0.2	0.2	-18.9%	0.3%
Software and other intangible assets	-	0.5	0.6	1.2	-	0.9%	0.3	0.3	0.3	-40.7%	0.7%
Total	82.7	83.6	46.2	44.7	-18.5%	100.0%	77.4	83.6	89.4	26.0%	100.0%
Proportion of total programme expenditure to vote expenditure	11.2%	11.2%	5.9%	5.0%	-	-	8.3%	8.6%	8.7%	-	-

Table 8.10 National Planning Coordination expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)		Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
R million													
Non-profit institutions													
Current	10.0	–	–	–	–	-100.0%	3.9%	–	–	–	–	–	–
Trade and Industrial Policy Strategies	10.0	–	–	–	–	-100.0%	3.9%	–	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Sector Planning and Monitoring

Programme purpose

Ensure government policy coherence. Develop, facilitate, support and monitor the implementation of sector plans and intervention strategies.

Objectives

- Pursue the development and advancement of the agenda of government through monitoring and reporting on the medium-term strategic framework outcomes by producing 3 monitoring reports per outcome per year.
- Support initiatives undertaken by Cabinet to unblock problems and accelerate implementation in key sectors of the economy through initiatives such as Operation Phakisa on an ongoing basis.

Subprogrammes

- *Management: Sector Planning and Monitoring* provides programme management and support services to the programme.
- *Sector Planning, Monitoring and Intervention Support* supports sector planning functions; ensures alignment with government policy; and facilitates, supports and monitors the implementation of sector plans and intervention strategies in priority areas.

Expenditure trends and estimates

Table 8.11 Sector Planning and Monitoring expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)		Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
R million													
Management: Sector Planning and Monitoring	3.2	2.4	0.8	2.2	-11.6%	5.6%		2.8	2.9	3.2	12.8%	4.9%	
Sector Planning, Monitoring and Intervention Support	30.8	30.5	37.8	45.2	13.7%	94.4%		53.1	56.9	61.0	10.5%	95.1%	
Total	33.9	32.9	38.6	47.4	11.8%	100.0%		55.9	59.9	64.2	10.6%	100.0%	
Change to 2017 Budget estimate				(4.7)				(2.0)	(1.1)	–			
Economic classification													
Current payments	33.8	32.9	38.5	47.4	11.9%	99.8%		55.7	59.7	64.0	10.6%	99.8%	
Compensation of employees	28.9	27.6	33.0	37.7	9.2%	83.2%		49.7	53.3	57.3	15.0%	87.1%	
Goods and services ¹	4.9	5.3	5.6	9.7	25.5%	16.6%		6.0	6.4	6.8	-11.3%	12.7%	
<i>of which:</i>													
Administrative fees	0.1	0.1	0.2	0.1	-0.5%	0.4%		0.2	0.2	0.2	13.8%	0.3%	
Catering: Departmental activities	0.1	0.2	0.2	0.1	15.4%	0.4%		0.2	0.2	0.2	21.3%	0.3%	
Communication	0.4	0.5	0.5	0.3	-9.7%	1.1%		0.5	0.6	0.6	22.8%	0.9%	
Consumables: Stationery, printing and office supplies	0.1	0.1	0.1	0.0	-35.7%	0.2%		0.1	0.1	0.1	67.9%	0.2%	
Travel and subsistence	3.6	4.1	4.5	3.6	0.2%	10.4%		4.9	5.2	5.5	14.9%	8.4%	
Operating payments	0.5	0.2	0.1	0.4	-3.7%	0.7%		0.1	0.1	0.1	-48.4%	0.3%	

Table 8.11 Sector Planning and Monitoring expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Transfers and subsidies ¹	0.1	–	–	–	-100.0%	0.1%	–	–	–	–	–
Households	0.1	–	–	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	0.0	0.0	0.0	0.1	6.0%	0.1%	0.2	0.2	0.2	50.1%	0.2%
Machinery and equipment	0.0	0.0	0.0	0.1	6.0%	0.1%	0.2	0.2	0.2	50.1%	0.2%
Total	33.9	32.9	38.6	47.4	11.8%	100.0%	55.9	59.9	64.2	10.6%	100.0%
Proportion of total programme expenditure to vote expenditure	4.6%	4.4%	4.9%	5.3%	–	–	6.0%	6.2%	6.2%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Public Sector Monitoring and Capacity Development

Programme purpose

Support the implementation of the medium-term strategic framework by monitoring and improving the capacity of state institutions to develop and implement plans, and provide services.

Objectives

- Facilitate the implementation of targets for government's 2014-2019 medium-term strategic framework for outcome 9 (responsive, accountable, effective and efficient developmental local government) and outcome 12 (an efficient, effective and development oriented public service) by producing 3 monitoring reports per outcome per year.
- Support initiatives undertaken by government to unblock problems and accelerate the implementation of good management practices through the development and implementation of appropriate tools to monitor compliance with management practices in the three spheres of government annually.

Subprogrammes

- *Management: Public Sector Monitoring and Capacity Development* provides management and support services to the programme.
- *Public Sector Capacity Development* coordinates capacity development programmes to ensure the effective development and application of planning, monitoring and evaluation policies, tools, systems and guidelines.
- *Public Service and Local Government Monitoring and Support* reviews, monitors and supports the implementation of outcome 9 (responsive, accountable, effective and efficient developmental local government) and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework; and develops and implements intervention strategies and programmes as required.

Expenditure trends and estimates

Table 8.12 Public Sector Monitoring and Capacity Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management: Public Sector Monitoring and Capacity Development	–	–	–	0.1	–	0.1%	–	–	–	-100.0%	0.1%
Public Sector Capacity Development	7.7	6.7	6.8	5.2	-12.1%	22.8%	5.6	6.0	6.4	7.1%	16.0%
Public Service and Local Government Monitoring and Support	21.9	19.4	21.4	27.1	7.4%	77.1%	29.5	31.6	33.9	7.8%	83.9%
Total	29.6	26.1	28.2	32.4	3.1%	100.0%	35.1	37.6	40.3	7.6%	100.0%
Change to 2017 Budget estimate				(7.7)			(10.8)	(11.3)	–		
Economic classification											
Current payments	28.7	25.1	26.8	31.1	2.8%	96.1%	34.8	37.3	40.0	8.7%	98.4%
Compensation of employees	22.5	20.2	23.0	28.2	7.9%	80.7%	31.7	34.0	36.6	9.0%	89.7%
Goods and services ¹	6.3	4.9	3.8	2.9	-22.4%	15.4%	3.1	3.2	3.4	5.2%	8.7%
of which:											
Administrative fees	0.2	0.2	0.1	0.2	6.5%	0.6%	0.2	0.2	0.2	-1.8%	0.5%
Advertising	0.1	0.1	0.1	–	-100.0%	0.3%	0.2	0.2	0.2	–	0.3%
Communication	0.3	0.4	0.3	0.4	13.6%	1.1%	0.3	0.3	0.3	-12.0%	0.8%
Travel and subsistence	2.8	2.7	1.5	1.1	-26.1%	6.9%	1.3	1.4	1.4	8.6%	3.6%
Operating payments	0.4	0.3	0.5	0.1	-29.3%	1.1%	0.4	0.5	0.5	48.8%	1.0%
Venues and facilities	0.7	0.6	1.1	0.7	-2.6%	2.7%	0.6	0.6	0.6	-1.8%	1.7%
Transfers and subsidies ¹	0.0	0.1	0.1	0.0	17.0%	0.1%	–	–	–	-100.0%	–
Households	0.0	0.1	0.1	0.0	17.0%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	0.8	1.0	1.3	1.2	14.7%	3.8%	0.4	0.4	0.4	-34.3%	1.6%
Machinery and equipment	0.0	0.1	0.1	0.1	38.2%	0.2%	0.1	0.1	0.1	2.7%	0.3%
Software and other intangible assets	0.8	0.9	1.3	1.2	13.3%	3.5%	0.3	0.3	0.3	-39.9%	1.3%
Total	29.6	26.1	28.2	32.4	3.1%	100.0%	35.1	37.6	40.3	7.6%	100.0%
Proportion of total programme expenditure to vote expenditure	4.0%	3.5%	3.6%	3.6%	–	–	3.8%	3.9%	3.9%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Frontline and Citizen-Based Service Delivery and Monitoring

Programme purpose

Facilitate service delivery improvements through frontline and citizen-based monitoring and effective complaints-resolution systems.

Objectives

- Monitor the quality of the services provided by government to citizens at the institution and facility levels through the development, review and implementation of frontline service monitoring tools on an ongoing basis by:
 - conducting 400 frontline monitoring visits annually
 - implementing the citizen-based monitoring framework at 3 new departments annually
 - managing the presidential hotline.

Subprogrammes

- *Management: Frontline and Citizen-Based Service Delivery Monitoring* provides management and support services to the programme.
- *Frontline and Citizen-Based Service Delivery Monitoring and Complaints Resolution* expands frontline monitoring, citizen and community monitoring, and complaints resolution systems capable of verifying government performance; and implements strategic interventions to improve performance.

Expenditure trends and estimates

Table 8.13 Frontline and Citizen-Based Service Delivery and Monitoring expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Management: Frontline and Citizen-based Service Delivery Monitoring	2.0	2.1	2.9	2.8	12.8%	5.2%	3.9	4.1	4.4	16.4%	6.2%
Frontline and Citizen-based Service Delivery Monitoring and Complaints Resolution	37.9	45.0	44.6	50.6	10.1%	94.8%	55.4	59.3	63.5	7.9%	93.8%
Total	39.8	47.1	47.4	53.4	10.3%	100.0%	59.3	63.4	68.0	8.4%	100.0%
Change to 2017 Budget estimate				(3.6)			(1.6)	(2.1)	-		
Economic classification											
Current payments	39.7	46.9	47.4	53.3	10.4%	99.7%	59.1	63.3	67.8	8.4%	99.8%
Compensation of employees	22.3	28.1	28.9	34.8	16.0%	60.8%	39.1	42.1	45.3	9.2%	66.1%
Goods and services ¹	17.3	18.9	18.5	18.5	2.1%	39.0%	20.0	21.2	22.5	6.8%	33.7%
of which:											
Administrative fees	0.1	0.2	0.2	0.3	30.5%	0.4%	0.2	0.2	0.3	0.1%	0.4%
Communication	1.7	1.5	1.3	1.1	-15.1%	3.0%	1.2	1.3	1.4	9.8%	2.1%
Computer services	12.2	11.5	12.2	12.1	-0.3%	25.6%	13.9	14.7	15.6	8.9%	23.1%
Travel and subsistence	2.9	4.5	4.2	4.5	15.4%	8.6%	4.3	4.6	4.9	2.6%	7.5%
Operating payments	0.1	0.3	0.1	0.1	-3.1%	0.4%	0.0	0.0	0.1	-24.3%	0.1%
Venues and facilities	0.1	0.1	0.1	0.1	-5.9%	0.2%	0.1	0.1	0.1	37.2%	0.2%
Transfers and subsidies¹	0.1	0.0	0.0	0.1	-10.9%	0.1%	-	-	-	-100.0%	-
Households	0.1	0.0	0.0	0.1	-10.9%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.1	0.1	0.1	0.0	-29.7%	0.2%	0.1	0.1	0.1	49.3%	0.2%
Machinery and equipment	0.1	0.1	0.1	0.0	-29.7%	0.2%	0.1	0.1	0.1	49.3%	0.2%
Payments for financial assets	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Total	39.8	47.1	47.4	53.4	10.3%	100.0%	59.3	63.4	68.0	8.4%	100.0%
Proportion of total programme expenditure to vote expenditure	5.4%	6.3%	6.1%	5.9%	-	-	6.4%	6.5%	6.6%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Evidence and Knowledge Systems

Programme purpose

Coordinate and support the generation, collation, accessibility and timely use of quality evidence to support planning, monitoring and evaluation across government.

Objectives

- Support evidence-based planning, monitoring and evaluation by developing and updating frameworks for evaluation, research, knowledge management, and data harvesting, storage, retrieval and analysis on an ongoing basis.
- Develop a concept document and project plan for a government knowledge hub by March 2019.
- Develop and support the implementation of the annual national evaluation plan and complete 8 evaluation reports annually.

Subprogrammes

- *Management: Evidence and Knowledge Systems* provides management and support services to the programme.
- *Evaluation, Research, Knowledge and Data Systems* provides evaluation, research, knowledge management, and data integration and analysis services.

Expenditure trends and estimates

Table 8.14 Evidence and Knowledge Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R million											
Management: Evidence and Knowledge Systems	–	–	–	0.9	–	0.4%	2.8	2.9	3.2	53.9%	3.4%
Evaluation, Research, Knowledge and Data Systems	28.9	30.7	75.4	106.1	54.3%	99.6%	54.4	53.9	59.0	-17.8%	96.6%
Total	28.9	30.7	75.4	107.0	54.7%	100.0%	57.2	56.9	62.2	-16.5%	100.0%
Change to 2017 Budget estimate				(2.5)			(4.0)	(3.7)	(4.2)		
Economic classification	28.7	30.7	75.4	106.8	54.9%	99.8%	57.0	56.7	62.0	-16.6%	99.8%
Current payments											
Compensation of employees	14.5	15.6	17.7	25.6	20.8%	30.3%	31.5	33.8	36.3	12.4%	44.9%
Goods and services ¹	14.2	15.1	57.7	81.3	78.8%	69.5%	25.6	22.9	25.7	-31.9%	54.9%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.2	0.6	0.4	0.2	-1.4%	0.6%	0.5	0.5	0.5	30.2%	0.6%
<i>Consultants: Business and advisory services</i>	10.6	10.9	54.1	77.8	94.0%	63.4%	21.4	18.5	21.0	-35.4%	49.0%
<i>Consumables: Stationery, printing and office supplies</i>	0.0	0.0	0.4	0.0	4.7%	0.2%	0.4	0.4	0.5	126.6%	0.5%
<i>Travel and subsistence</i>	1.1	1.4	1.1	1.3	7.6%	2.0%	1.5	1.6	1.7	9.3%	2.2%
<i>Operating payments</i>	0.3	0.8	0.5	0.8	40.7%	1.0%	0.5	0.5	0.5	-13.1%	0.8%
<i>Venues and facilities</i>	1.1	0.6	0.7	0.5	-22.6%	1.2%	0.8	0.8	0.9	19.5%	1.1%
Transfers and subsidies¹	0.0	0.0	0.0	0.0	-5.0%	–	–	–	–	-100.0%	–
Households	0.0	0.0	0.0	0.0	-5.0%	–	–	–	–	-100.0%	–
Payments for capital assets	0.1	0.1	0.0	0.1	-13.3%	0.1%	0.2	0.2	0.2	18.4%	0.2%
Machinery and equipment	0.1	0.1	0.0	0.1	-7.9%	0.1%	0.2	0.2	0.2	18.4%	0.2%
Software and other intangible assets	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Total	28.9	30.7	75.4	107.0	54.7%	100.0%	57.2	56.9	62.2	-16.5%	100.0%
Proportion of total programme expenditure to vote expenditure	3.9%	4.1%	9.7%	11.9%	–	–	6.2%	5.8%	6.0%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 7: National Youth Development

Programme purpose

Oversee youth development policy and its implementation. Transfer funds to the National Youth Development Agency.

Objectives

- Oversee the development and implementation of youth development policy and ensure integrated strategic planning and effective prioritisation of youth programmes in government on an ongoing basis by:
 - ensuring progress on the implementation of legislation and policy, and tracking the integrated youth development strategy
 - providing oversight to the National Youth Development Agency and institutions responsible for the implementation of youth development initiatives
 - facilitating the undertaking of cross-cutting research on youth development.

Subprogrammes

- *Youth Development Programmes* facilitates the development and implementation of national youth strategies and policies.
- *National Youth Development Agency* oversees and transfers funds to the National Youth Development Agency.

Expenditure trends and estimates

Table 8.15 National Youth Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Youth Development Programmes	5.1	5.6	5.3	7.4	13.2%	1.4%	9.4	10.0	10.6	13.0%	2.0%
National Youth Development Agency	408.2	409.8	405.8	432.8	2.0%	98.6%	446.5	463.8	489.3	4.2%	98.0%
Total	413.3	415.4	411.1	440.2	2.1%	100.0%	455.9	473.8	500.0	4.3%	100.0%
Change to 2017 Budget estimate				(1.8)			(13.8)	(22.0)	(20.8)		
Economic classification											
Current payments	5.0	5.6	5.3	7.3	13.2%	1.4%	9.4	10.0	10.6	13.1%	2.0%
Compensation of employees	1.4	1.5	2.6	4.1	44.9%	0.6%	6.4	6.9	7.4	21.6%	1.3%
Goods and services ¹	3.7	4.1	2.7	3.2	-4.5%	0.8%	3.0	3.1	3.2	-	0.7%
of which:											
Administrative fees	0.0	0.0	0.0	0.0	61.3%	-	0.0	0.1	0.1	36.2%	-
Catering: Departmental activities	0.3	0.2	0.1	0.1	-42.0%	-	0.1	0.1	0.1	11.0%	-
Communication	0.0	0.0	0.0	0.1	36.8%	-	0.0	0.0	0.1	-14.1%	-
Travel and subsistence	0.8	0.5	0.9	0.4	-20.5%	0.2%	0.5	0.5	0.5	9.1%	0.1%
Operating payments	2.0	2.2	1.6	2.4	5.7%	0.5%	2.2	2.3	2.4	-	0.5%
Venues and facilities	0.5	1.0	0.0	0.2	-22.3%	0.1%	0.1	0.1	0.1	-23.1%	-
Transfers and subsidies¹	408.2	409.8	405.8	432.8	2.0%	98.6%	446.5	463.8	489.3	4.2%	98.0%
Departmental agencies and accounts	408.2	409.8	405.8	432.8	2.0%	98.6%	446.5	463.8	489.3	4.2%	98.0%
Total	413.3	415.4	411.1	440.2	2.1%	100.0%	455.9	473.8	500.0	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	55.8%	55.5%	52.6%	49.0%	-	-	49.2%	48.7%	48.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	408.2	409.8	405.8	432.8	2.0%	98.6%	446.5	463.8	489.3	4.2%	98.0%
National Youth Development Agency	408.2	409.8	405.8	432.8	2.0%	98.6%	446.5	463.8	489.3	4.2%	98.0%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity

Comprehensive coverage of the following public entity is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **National Youth Development Agency** was established in 2009 through the merger of the National Youth Commission and the Umsobomvu Youth Fund. Its main role is to initiate, implement, facilitate and monitor youth development interventions aimed at reducing youth unemployment and promoting social cohesion. The agency's total budget for 2018/19 is R484.6 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16		2016/17	2018/19	2019/20
Departmental infrastructure									
Small projects (total project cost of less than R250 million over the project life cycle)									
Additions and upgrades to office buildings	Additions and upgrade of office accommodation - 330 Grosvenor Street Hatfield	Complete	9.1	8.7	0.4	-	-	-	0.2
Additions and upgrades to office buildings	Additions and upgrade of office accommodation - New Building	Site identification	4.8	-	-	0.1	0.5	0.2	-
Total			13.9	8.7	0.4	0.1	0.5	0.2	0.2

Vote 9

Public Enterprises

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	152.0	148.9	0.0	3.1	162.2	172.8
State-Owned Companies Governance	39.1	39.1	–	–	42.3	45.4
Assurance and Performance						
Business Enhancement, Transformation and Industrialisation	82.9	82.9	–	–	88.6	94.6
Total expenditure estimates	273.9	270.8	0.0	3.1	293.0	312.8
Executive authority	Minister of Public Enterprises					
Accounting officer	Director General of Public Enterprises					
Website address	www.dpe.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Drive investment, productivity and transformation in the department's portfolio of state-owned companies to unlock growth, drive industrialisation, create jobs and develop skills.

Mandate

The Department of Public Enterprises is government's shareholder representative for the state-owned companies in its portfolio. The department's mandate is to fulfil oversight responsibilities at these state-owned companies to ensure that they contribute to the realisation of government's strategic objectives, as articulated in the National Development Plan (NDP), government's 2014-2019 medium-term strategic framework, the new growth path and the industrial policy action plan. State-owned companies are crucial to driving the state's strategic objectives of creating jobs, and enhancing equity and transformation. The department does not directly execute programmes but seeks to use state ownership in the economy to support the achievement of these objectives.

Selected performance indicators

Table 9.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF Outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of shareholder compacts signed per year	Business Enhancement, Transformation and Industrialisation	Outcome 6: An efficient, competitive and responsive economic infrastructure network	7	6	5 ¹	6	6	6	6
Number of corporate plans reviewed per year	Business Enhancement, Transformation and Industrialisation		7	6	5 ²	6	6	6	6
Number of quarterly financial reviews per year	Business Enhancement, Transformation and Industrialisation		28	24	24	24	24	24	24

1. The department had an annual target of 6 and only 5 was achieved due to the delay in signing the South African Express Airways shareholder compact.
2. The department had an annual target of 6 and only 5 was achieved due to the delay in signing the South African Express shareholder compact, which affected the review of the corporate plan.

Expenditure analysis

Chapter 13 of the NDP details the potential of state-owned companies in building a capable and developmental state. This vision is expressed clearly in terms of outcome 4 (decent employment through inclusive growth) and outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework, with which the work of the Department of Public Enterprises is closely aligned. In this regard, over the MTEF period, the department intends to focus on strengthening its oversight capacity to ensure that the state-owned companies in its portfolio are sustainable and contribute to investment in key infrastructure; and reducing the cost structure of the economy by ensuring that state-owned companies in its portfolio pass down lower costs for doing business in South Africa. The department oversees the operations of 6 state-owned companies (Alexkor, Denel, the South African Forestry Company, Eskom, South African Express Airways and Transnet), which are key drivers of economic growth over the short and medium terms. The department also monitors the financial and non-financial performance of the state-owned companies in its portfolio to ensure that appropriate investments are made to create jobs and sustain economic growth.

Strengthening oversight of state-owned companies

The department plays an oversight role in monitoring the performance of the 6 state-owned companies in its portfolio to ensure that they contribute meaningfully to broad-based economic growth and development. One of the ways in which this role is performed is by ensuring that these state-owned companies sign shareholder compacts annually. As such, over the MTEF period, the department plans to continue assessing their corporate plans to ensure that the key performance indicators in their compacts are incorporated appropriately. Over the medium term, the department also plans to enhance its monitoring and reviewing function regarding the financial and operational performance of these companies. Where necessary, intervention measures will be developed with a view to align their performance with the NDP's vision. Such intervention is apparent in the department's close working relationship with National Treasury to recommend a suitable and optimal corporate structure for South African Express Airways.

The department's shareholder management policy was developed in 2016/17 to improve the financial and non-financial performance of state-owned companies through establishing good corporate governance and accountability, standardising shareholder functions in all state-owned companies, and improving the interface between the state and the private sector to maximise returns on state-owned companies' investments. The policy also seeks to strengthen and sharpen government's role as shareholder, regulator and policy maker in the governance of state-owned companies.

In 2017, Cabinet approved remuneration and incentive standards for non-executive directors, executive directors and prescribed officers of state-owned companies. To ensure that these standards are maintained and strengthened, the department is in the process of drafting the Shareholder Management Bill, which is expected to be finalised in 2018/19.

In 2017/18, the department initiated an organisational process aimed at realigning its functions to enable it to perform its oversight role with greater efficiency. The department expects to implement its realigned organisational structure in April 2018. Carrying out the oversight function involves extensive travel and the use of consultants. Spending on these items, along with spending on compensation of employees, which is set to increase at an average annual rate of 8.1 per cent, from R156.9 million in 2017/18 to R198.3 million in 2020/21, constitute the department's largest cost drivers. The department's overall spending on goods and services is expected to increase at an average annual rate of 1.3 per cent, from R106.6 million in 2017/18 to R111 million in 2020/21. Spending on goods and services comprises travel and subsistence, which increases from R13.4 million in 2017/18 to R19.6 million in 2020/21; and consultants, which decreases from R46.2 million in 2017/18 to R36.1 million in 2020/21. As per Cabinet's decision to lower the aggregate national expenditure ceiling, allocations to the *Administration* programme have been reduced by a total of R10.4 million over the MTEF period, mainly on consultancy services in line with cost containment measures. This is not expected to have a negative impact on the department's performance as its personnel will conduct certain activities that were previously outsourced to consultants.

The department's oversight activities are mainly funded in the *State-Owned Companies Governance Assurance and Performance*; and *Business Enhancement, Transformation and Industrialisation* programmes. The combined budget for these programmes is expected to increase at an average annual rate of 7 per cent, from R114.3 million in 2017/18 to R140 million in 2020/21.

Expenditure trends

Table 9.2 Vote expenditure trends by programme and economic classification

Programmes																		
1. Administration																		
2. State-Owned Companies Governance Assurance and Performance																		
3. Business Enhancement, Transformation and Industrialisation																		
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome		
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18					
Programme 1	152.1	156.9	144.7	158.6	161.9	145.9	151.0	155.8	151.6	150.2	152.4	152.4	97.2%	94.8%				
Programme 2	24.0	24.3	26.0	23.8	23.5	19.4	38.7	25.9	33.7	37.9	35.9	35.9	92.4%	104.8%				
Programme 3	80.3	138.4	125.4	85.1	23 117.2	23 094.4	84.3	86.3	68.5	78.6	78.4	78.4	7 117.7%	99.8%				
Total	256.4	319.5	296.1	267.5	23 302.6	23 259.7	274.0	268.0	253.8	266.7	266.7	266.7	2 261.6%	99.7%				
Change to 2017 Budget estimate														-				
Economic classification																		
Current payments	252.2	252.1	227.9	263.8	264.6	217.8	270.1	263.9	249.5	263.8	263.5	263.5	91.3%	91.8%				
Compensation of employees	146.4	147.1	141.2	152.3	153.1	140.0	168.4	162.2	148.3	166.9	156.9	156.9	92.5%	94.7%				
Goods and services	105.9	105.0	86.7	111.5	111.5	77.9	101.8	101.8	101.2	96.9	106.6	106.6	89.5%	87.6%				
Transfers and subsidies	0.1	63.4	63.8	0.1	34.4	35.5	0.1	0.3	0.4	0.0	0.3	0.3	30 701.8%	101.7%				
Provinces and municipalities	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0	190.0%	172.7%				
Public corporations and private enterprises	-	63.1	63.1	-	33.1	33.1	-	-	-	-	-	-	-	100.0%				
Households	0.1	0.3	0.7	0.1	1.3	2.4	0.1	0.3	0.4	-	0.3	0.3	1 209.5%	176.9%				
Payments for capital assets	4.1	4.1	4.3	3.6	3.6	6.3	3.7	3.7	3.9	2.9	2.9	2.9	122.0%	121.8%				
Machinery and equipment	4.1	4.1	4.2	3.5	3.5	5.7	3.6	3.6	3.8	2.8	2.8	2.8	118.3%	117.8%				
Software and other intangible assets	-	-	0.1	0.1	0.1	0.6	0.1	0.1	0.1	0.1	0.1	0.1	288.5%	330.9%				
Payments for financial assets	-	-	0.0	-	23 000.0	23 000.0	-	-	-	-	-	-	-	100.0%				
Total	256.4	319.5	296.1	267.5	23 302.6	23 259.7	274.0	268.0	253.8	266.7	266.7	266.7	2 261.6%	99.7%				

Expenditure estimates

Table 9.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. State-Owned Companies Governance Assurance and Performance									
3. Business Enhancement, Transformation and Industrialisation									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Programme 1	152.4	-1.0%	2.5%	152.0	162.2	172.8	4.3%	55.8%	
Programme 2	35.9	13.8%	0.5%	39.1	42.3	45.4	8.2%	14.2%	
Programme 3	78.4	-17.2%	97.1%	82.9	88.6	94.6	6.4%	30.0%	
Total	266.7	-5.8%	100.0%	273.9	293.0	312.8	5.5%	100.0%	
Change to 2017 Budget estimate				(3.2)	(3.5)	(3.7)			
Economic classification									
Current payments	263.5	1.5%	4.0%	270.8	289.7	309.3	5.5%	98.8%	
Compensation of employees	156.9	2.2%	2.4%	171.4	184.5	198.3	8.1%	62.0%	
Goods and services	106.6	0.5%	1.5%	99.4	105.2	111.0	1.3%	36.8%	
Transfers and subsidies	0.3	-82.7%	0.4%	0.0	0.0	0.0	-66.9%	0.0%	
Provinces and municipalities	0.0	-	0.0%	0.0	0.0	0.0	6.3%	0.0%	
Households	0.3	8.4%	0.0%	-	-	-	-100.0%	0.0%	
Payments for capital assets	2.9	-11.0%	0.1%	3.1	3.3	3.6	7.4%	1.1%	
Machinery and equipment	2.8	-12.2%	0.1%	3.0	3.2	3.4	7.5%	1.1%	
Software and other intangible assets	0.1	-	0.0%	0.1	0.1	0.1	5.4%	0.0%	
Total	266.7	-5.8%	100.0%	273.9	293.0	312.8	5.5%	100.0%	

Expenditure trends and estimates for significant spending items

Table 9.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
Compensation of employees	143 541	139 977	148 321	159 658	3.6%	2.5%	171 478	184 546	198 384	7.5%	62.3%
Consultants: Business and advisory services	25 080	14 800	19 823	42 221	19.0%	0.4%	31 970	34 259	36 128	-5.1%	12.6%
Travel and subsistence	17 485	19 233	17 571	13 417	-8.4%	0.3%	17 856	18 790	19 588	13.4%	6.1%
Total	186 106	174 010	185 715	215 296	14.2%	3.2%	221 304	237 595	254 100	15.8%	81.0%

Goods and services expenditure trends and estimates

Table 9.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
Administrative fees	921	2 334	1 488	1 598	20.2%	1.7%	1 209	1 262	1 332	-5.9%	1.3%
Advertising	2 686	2 326	1 824	978	-28.6%	2.1%	2 169	2 263	2 361	34.1%	1.8%
Minor assets	73	224	87	61	-5.8%	0.1%	157	165	174	41.8%	0.1%
Audit costs: External	2 822	3 559	3 328	3 100	3.2%	3.4%	3 404	3 554	3 749	6.5%	3.3%
Bursaries: Employees	264	724	407	832	46.6%	0.6%	850	898	1 669	26.1%	1.0%
Catering: Departmental activities	703	698	456	939	10.1%	0.8%	912	961	1 007	2.4%	0.9%
Communication	4 567	4 165	7 416	3 144	-11.7%	5.2%	4 771	5 271	4 796	15.1%	4.3%
Computer services	6 420	3 958	3 843	3 980	-14.7%	4.9%	5 129	5 360	5 688	12.6%	4.8%
Consultants: Business and advisory services	25 080	14 800	22 084	46 209	22.6%	29.1%	31 970	34 249	36 117	-7.9%	35.2%
Legal services	2 108	829	6 450	3 655	20.1%	3.5%	3 128	3 316	3 815	1.4%	3.3%
Contractors	2 628	2 039	5 725	7 154	39.6%	4.7%	4 155	4 364	5 079	-10.8%	4.9%
Agency and support/outsourced services	984	1 659	8 398	1 170	5.9%	3.3%	460	485	508	-24.3%	0.6%
Entertainment	4	-	-	55	139.6%	-	30	31	28	-20.2%	-
Fleet services (including government motor transport)	975	771	965	997	0.7%	1.0%	1 027	1 072	1 130	4.3%	1.0%
Inventory: Clothing material and accessories	-	1	1	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	46	5	18	-	-100.0%	-	-	-	-	-	-
Inventory: Medical supplies	-	3	-	-	-	-	-	-	-	-	-
Inventory: Medicine	1	2	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	725	356	1 866	585	-6.9%	0.9%	411	437	459	-7.8%	0.4%
Consumables: Stationery, printing and office supplies	1 524	1 566	1 265	1 420	-2.3%	1.6%	1 445	1 511	1 593	3.9%	1.4%
Operating leases	1 196	1 223	10 032	8 248	90.3%	5.6%	10 678	11 266	12 253	14.1%	10.1%
Rental and hiring	305	970	995	1 146	55.5%	0.9%	550	581	613	-18.8%	0.7%
Property payments	8 441	10 321	1 972	3 332	-26.6%	6.5%	3 860	4 085	3 746	4.0%	3.6%
Transport provided: Departmental activity	68	208	416	556	101.5%	0.3%	246	260	274	-21.0%	0.3%
Travel and subsistence	17 422	19 233	17 229	13 417	-8.3%	18.1%	18 064	18 790	19 588	13.4%	16.5%
Training and development	2 608	1 466	1 274	1 050	-26.2%	1.7%	1 100	1 162	924	-4.2%	1.0%
Operating payments	1 860	2 867	1 695	2 353	8.2%	2.4%	2 270	2 398	2 530	2.4%	2.3%
Venues and facilities	2 282	1 554	1 925	617	-35.3%	1.7%	1 372	1 450	1 527	35.3%	1.2%
Total	86 713	77 861	101 159	106 596	7.1%	100.0%	99 367	105 191	110 960	1.3%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 9.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Provinces and municipalities											
Municipal bank accounts											
Current	-	-	9	10	-	-	11	11	12	6.3%	12.1%
Vehicle licences	-	-	8	10	-	-	11	11	12	6.3%	12.1%
Municipality bank account: Fines and penalties	-	-	1	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	611	1 923	405	220	-28.9%	3.2%	-	-	-	-100.0%	60.4%
Employee social benefits	611	1 923	405	220	-28.9%	3.2%	-	-	-	-100.0%	60.4%
Households											
Other transfers to households											
Current	96	447	20	100	1.4%	0.7%	-	-	-	-100.0%	27.5%
Employee social benefits	-	61	20	100	-	0.2%	-	-	-	-100.0%	27.5%
Gifts and donations	96	386	-	-	-100.0%	0.5%	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	63 141	33 106	-	-	-100.0%	96.2%	-	-	-	-	-
Defence	63 141	33 106	-	-	-100.0%	96.2%	-	-	-	-	-
Total	63 848	35 476	434	330	-82.7%	100.0%	11	11	12	-66.9%	100.0%

Personnel information

Table 9.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																				
1. Administration																				
2. State-Owned Companies Governance Assurance and Performance																				
3. Business Enhancement, Transformation and Industrialisation																				
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Public Enterprises		211	21	191	148.3	0.8	239	156.9	0.7	231	171.4	0.7	232	184.5	0.8	233	198.3	0.9	-0.8%	100.0%
Salary level		211	21	191	148.3	0.8	239	156.9	0.7	231	171.4	0.7	232	184.5	0.8	233	198.3	0.9	-0.8%	100.0%
1 – 6	14	-	14	3.3	0.2	15	4.6	0.3	14	4.5	0.3	15	5.2	0.3	15	5.6	0.4	-	6.3%	
7 – 10	79	1	76	26.3	0.3	76	34.1	0.4	79	38.8	0.5	79	41.9	0.5	79	45.3	0.6	1.3%	33.5%	
11 – 12	43	-	40	28.6	0.7	42	31.8	0.8	41	33.3	0.8	41	35.9	0.9	41	38.8	0.9	-0.8%	17.6%	
13 – 16	73	-	61	72.9	1.2	82	84.5	1.0	75	92.8	1.2	75	99.4	1.3	75	106.3	1.4	-2.9%	32.8%	
Other	2	20	-	17.3	-	24	2.0	0.1	22	2.0	0.1	22	2.1	0.1	23	2.3	0.1	-1.4%	9.7%	
Programme		211	21	191	148.3	0.8	239	156.9	0.7	231	171.4	0.7	232	184.5	0.8	233	198.3	0.9	-0.8%	100.0%
Programme 1	121	21	111	77.9	0.7	144	80.2	0.6	134	82.3	0.6	135	88.8	0.7	136	95.5	0.7	-1.9%	58.7%	
Programme 2	30	-	18	17.7	1.0	32	24.8	0.8	33	30.1	0.9	33	32.3	1.0	33	34.7	1.1	1.0%	14.0%	
Programme 3	60	-	62	52.7	0.9	63	51.9	0.8	64	59.0	0.9	64	63.4	1.0	64	68.1	1.1	0.5%	27.3%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 9.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	203	3 377	5 213	1 161	187	-2.7%	100.0%	143	144	211	4.1%	100.0%
Sales of goods and services produced by department	68	72	75	366	95	11.8%	3.5%	136	136	138	13.3%	73.7%
Sales by market establishments	41	45	46	235	60	13.5%	2.1%	61	61	62	1.1%	35.6%
<i>of which:</i>												
<i>Sales by market establishments</i>	41	45	46	155	60	13.5%	2.1%	61	61	62	1.1%	35.6%
<i>Other sales</i>	—	—	—	80	—	—	—	—	—	—	—	—
Other sales	27	27	29	131	35	9.0%	1.3%	75	75	76	29.5%	38.1%
<i>of which:</i>												
<i>Garage rent</i>	—	—	—	116	—	—	—	39	39	39	—	17.1%
<i>Commission insurance</i>	25	25	29	15	35	11.9%	1.3%	36	36	37	1.9%	21.0%
<i>Replacement of security cards</i>	2	2	—	—	—	-100.0%	—	—	—	—	—	—
Transfers received	—	—	—	244	—	—	—	—	—	—	—	—
Interest, dividends and rent on land	3	7	1	11	2	-12.6%	0.1%	2	2	2	—	1.2%
Interest	3	7	1	11	2	-12.6%	0.1%	2	2	2	—	1.2%
Sales of capital assets	130	187	—	300	59	-23.2%	4.2%	—	—	65	3.3%	18.1%
Transactions in financial assets and liabilities	2	3 111	5 137	240	31	149.3%	92.2%	5	6	6	-42.2%	7.0%
Total	203	3 377	5 213	1 161	187	-2.7%	100.0%	143	144	211	4.1%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 9.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	28.4	28.6	31.2	26.6	-2.2%	19.3%	28.8	30.7	32.8	7.2%	18.6%
Management	16.5	12.8	9.9	30.1	22.1%	11.7%	22.7	24.1	25.6	-5.3%	16.0%
Communications	26.7	30.4	38.3	29.0	2.8%	20.9%	37.8	40.2	42.8	13.9%	23.4%
Chief Financial Officer	12.6	13.9	15.2	15.4	7.0%	9.6%	17.6	18.8	20.1	9.2%	11.2%
Human Resources	39.2	34.2	36.3	19.2	-21.3%	21.7%	25.7	27.8	29.9	16.0%	16.0%
Internal Audit	3.6	5.3	6.1	4.7	9.7%	3.3%	4.6	4.9	5.3	3.9%	3.1%
Corporate Services	9.5	10.7	3.9	18.0	23.5%	7.1%	3.8	4.1	4.4	-37.5%	4.7%
Office Accommodation	8.1	10.0	10.7	9.4	5.2%	6.4%	11.0	11.6	12.0	8.4%	6.9%
Total	144.7	145.9	151.6	152.4	1.7%	100.0%	152.0	162.2	172.8	4.3%	100.0%
Change to 2017				2.2			(10.0)	(12.0)	(12.9)		
Budget estimate											
Economic classification											
Current payments	140.1	137.8	147.4	149.2	2.1%	96.6%	148.9	158.9	169.3	4.3%	97.9%
Compensation of employees	74.5	76.2	77.9	80.2	2.5%	51.9%	82.3	88.8	95.5	6.0%	54.2%
Goods and services ¹	65.6	61.7	69.5	69.0	1.7%	44.7%	66.6	70.1	73.8	2.2%	43.7%
<i>of which:</i>											
<i>Communication</i>	4.0	3.7	6.7	2.3	-17.0%	2.8%	3.9	4.4	3.8	18.4%	2.3%
<i>Computer services</i>	4.9	3.7	3.8	4.0	-6.5%	2.8%	5.1	5.4	5.7	12.6%	3.2%
<i>Consultants: Business and advisory services</i>	16.1	7.4	6.9	23.2	13.0%	9.0%	12.4	13.1	13.8	-15.9%	9.8%
<i>Operating leases</i>	1.2	1.2	10.0	8.2	90.3%	3.5%	10.7	11.3	12.3	14.1%	6.6%
<i>Property payments</i>	8.4	10.3	2.0	3.3	-26.6%	4.0%	3.9	4.1	3.7	4.0%	2.3%
<i>Travel and subsistence</i>	10.9	12.6	11.3	8.1	-9.5%	7.2%	10.2	10.5	11.1	11.1%	6.2%
Transfers and subsidies ¹	0.3	1.7	0.3	0.3	0.8%	0.4%	0.0	0.0	0.0	-66.9%	0.1%
Provinces and municipalities	—	—	0.0	0.0	—	—	0.0	0.0	0.0	6.3%	—
Households	0.3	1.7	0.3	0.3	-0.2%	0.4%	—	—	—	-100.0%	0.1%

Table 9.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Payments for capital assets	4.3	6.3	3.9	2.9	-12.5%	2.9%	3.1	3.3	3.6	7.4%	2.0%
Machinery and equipment	4.2	5.7	3.8	2.8	-13.0%	2.8%	3.0	3.2	3.4	7.5%	1.9%
Software and other intangible assets	0.1	0.6	0.1	0.1	8.9%	0.2%	0.1	0.1	0.1	5.4%	0.1%
Payments for financial assets	0.0	0.0	–	–	-100.0%	–	–	–	–	–	–
Total	144.7	145.9	151.6	152.4	1.7%	100.0%	152.0	162.2	172.8	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	48.9%	0.6%	59.7%	57.1%	–	–	55.5%	55.4%	55.2%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: State-Owned Companies Governance Assurance and Performance

Programme purpose

Provide and enforce state-owned companies' governance, legal assurance, financial and non-financial performance monitoring, evaluation and reporting systems, in support of the shareholder to ensure alignment with government priorities.

Objectives

- Ensure effective shareholder oversight of state-owned companies on an ongoing basis by:
 - providing governance and legal systems
 - developing and maintaining shareholder risk profiles and mitigating strategies for government's state-owned companies
 - monitoring, evaluating and reporting on the financial and non-financial performance of state-owned companies, and proposing intervention measures when required.

Subprogrammes

- *Management* comprises the office of the deputy director general, which provides strategic leadership and management for the programme's personnel.
- *Legal* provides external legal services and support, including transaction and contract management support, to sector teams and the commercial activities of the state-owned companies within their portfolio.
- *Governance* develops, monitors and advises on legislative, corporate governance and shareholder management systems for the department and its portfolio of state-owned companies. The subprogramme develops and implements risk and compliance management guidelines and systems for shareholder risk.
- *Financial Assessment and Investment Support* analyses state-owned companies' capital planning, operational performance, execution of capital programmes and proposed restructuring proposals, and advises on appropriate action.

Expenditure trends and estimates

Table 9.10 State-Owned Companies Governance Assurance and Performance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Management	2.9	2.8	3.2	3.0	1.9%	10.3%	2.9	3.1	3.3	3.1%	7.6%
Legal	8.7	7.2	12.9	12.4	12.5%	35.8%	11.4	12.2	13.0	1.7%	30.2%
Governance	3.6	4.0	7.6	8.8	35.1%	20.9%	10.7	11.5	12.2	11.6%	26.6%
Financial Assessment and Investment Support	10.9	5.5	10.0	11.6	2.3%	33.0%	14.0	15.5	16.8	13.0%	35.6%
Total	26.0	19.4	33.7	35.9	11.3%	100.0%	39.1	42.3	45.4	8.2%	100.0%
Change to 2017 Budget estimate				(2.0)			4.2	6.1	6.7		

Table 9.10 State-Owned Companies Governance Assurance and Performance expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	26.0	19.4	33.6	35.9	11.3%	99.9%	39.1	42.3	45.4	8.2%	100.0%
Current payments	26.0	19.4	33.6	35.9	11.3%	99.9%	39.1	42.3	45.4	8.2%	100.0%
Compensation of employees	20.8	16.5	17.7	24.8	6.1%	69.4%	30.1	32.3	34.7	11.9%	75.0%
Goods and services ¹	5.2	2.8	15.9	11.1	28.4%	30.4%	9.0	9.9	10.7	-1.3%	25.0%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.0	0.0	0.0	0.0	20.5%	0.1%	0.0	0.0	0.0	10.7%	–
<i>Communication</i>	0.2	0.1	0.3	0.3	18.5%	0.8%	0.3	0.3	0.3	3.2%	0.7%
<i>Consultants: Business and advisory services</i>	1.3	0.6	4.8	7.0	74.6%	11.9%	3.9	4.6	5.0	-10.4%	12.5%
<i>Legal services</i>	1.4	0.7	5.2	2.2	16.0%	8.3%	2.8	3.0	3.1	11.8%	6.9%
<i>Travel and subsistence</i>	1.8	1.3	2.0	1.5	-6.7%	5.8%	1.9	2.0	2.1	12.6%	4.6%
<i>Venues and facilities</i>	0.1	0.0	0.2	0.1	-22.6%	0.4%	0.1	0.1	0.1	1.5%	0.2%
Transfers and subsidies¹	0.0	0.0	0.1	–	-100.0%	0.1%	–	–	–	–	–
Households	0.0	0.0	0.1	–	-100.0%	0.1%	–	–	–	–	–
Total	26.0	19.4	33.7	35.9	11.3%	100.0%	39.1	42.3	45.4	8.2%	100.0%
Proportion of total programme expenditure to vote expenditure	8.8%	0.1%	13.3%	13.4%	–	–	14.3%	14.4%	14.5%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Business Enhancement, Transformation and Industrialisation

Programme purpose

Provide sector oversight to ensure that state-owned companies contribute to the advancement of industrialisation, transformation, intergovernmental relations and international collaboration services. Support the shareholder in strategically positioning and enhancing the operations of state-owned companies.

Objectives

- Contribute to the enhancement of the performance of state-owned companies on an ongoing basis by:
 - conducting reviews, research and modelling of pipeline and new business enhancement opportunities within state-owned companies
 - assessing operations of state-owned companies and developing mitigation instruments in conjunction with policy departments, regulatory bodies and industry
 - conducting research, modelling job creation and transforming instruments for state-owned companies to inform compact alignment imperatives, promote state-owned companies' contribution to inclusive economic growth, unlock bottlenecks affecting state-owned companies and inform evidence-based policy formulation.

Subprogrammes

- *Energy Resources* exercises shareholder oversight over Eskom, Alexkor and the South African Forestry Company.
- *Research and Economic Modelling* conducts cost benefit analysis reviews on business enhancement and transformation initiatives, and develops economic sustainability models for proposed work packages and projects.
- *Transport and Defence* exercises shareholder oversight over Transnet, South African Express Airways and Denel.
- *Business Enhancement Services* develops and coordinates the implementation of state-owned companies' strategies to leverage localisation programmes; provides intergovernmental coordination and support to programmes and state-owned companies in relation to economic development programmes, as agreed with provincial and local governments; and maintains a register of commitments made by state-owned companies and lobbies for the implementation of special programmes focusing on skills development, transformation and the youth.

Expenditure trends and estimates

Table 9.11 Business Enhancement, Transformation and Industrialisation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Energy Resources	16.8	23 019.2	22.5	27.7	18.2%	98.8%	13.7	14.7	15.9	-16.9%	20.9%
Research and Economic Modelling	2.9	3.6	5.7	6.0	27.8%	0.1%	13.5	14.5	15.5	37.2%	14.3%
Transport and Defence	87.8	55.4	24.3	25.8	-33.5%	0.8%	20.0	21.5	23.1	-3.7%	26.3%
Business Enhancement Services	17.9	16.3	16.0	18.9	1.9%	0.3%	35.7	37.9	40.2	28.5%	38.5%
Total	125.4	23 094.4	68.5	78.4	-14.5%	100.0%	82.9	88.6	94.6	6.4%	100.0%
Change to 2017 Budget estimate				(0.2)			2.6	2.5	2.5		
Economic classification	61.9	60.6	68.5	78.4	8.2%	1.2%	82.9	88.6	94.6	6.4%	100.0%
Current payments											
Compensation of employees	46.0	47.3	52.7	51.9	4.2%	0.8%	59.0	63.4	68.1	9.4%	70.4%
Goods and services ¹	15.9	13.4	15.8	26.5	18.6%	0.3%	23.8	25.1	26.5	-	29.6%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.4	0.0	0.1	0.1	-43.6%	-	0.0	0.0	0.0	-16.3%	-
<i>Communication</i>	0.4	0.3	0.5	0.5	15.3%	-	0.6	0.6	0.6	5.6%	0.7%
<i>Consultants: Business and advisory services</i>	7.7	6.8	10.3	16.1	27.7%	0.2%	15.7	16.6	17.3	2.5%	19.0%
<i>Contractors</i>	0.4	0.3	0.1	5.7	146.8%	-	1.5	1.6	2.1	-27.6%	3.2%
<i>Entertainment</i>	-	-	-	0.0	-	-	0.0	0.0	0.0	4.6%	-
<i>Travel and subsistence</i>	4.7	5.3	3.9	3.8	-6.5%	0.1%	6.0	6.3	6.4	18.4%	6.5%
Transfers and subsidies¹	63.5	33.8	0.0	-	-100.0%	0.4%	-	-	-	-	-
Public corporations and private enterprises	63.1	33.1	-	-	-100.0%	0.4%	-	-	-	-	-
Households	0.4	0.7	0.0	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	-	23 000.0	-	-	-	98.4%	-	-	-	-	-
Total	125.4	23 094.4	68.5	78.4	-14.5%	100.0%	82.9	88.6	94.6	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	42.3%	99.3%	27.0%	29.4%	-	-	30.2%	30.2%	30.2%	-	-
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	63.1	33.1	-	-	-100.0%	0.4%	-	-	-	-	-
Defence	63.1	33.1	-	-	-100.0%	0.4%	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

Alexkor

Alexkor was established in terms of the Alexkor Limited Act (1992) to mine marine and land diamonds in Alexander Bay. Through its diamond mining activities, Alexkor contributes to outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium term strategic framework.

Over the medium term, the company intends to focus on implementing its diversification strategy by exploring opportunities in mining other minerals. Thus far, a coal washing facility in Mpumalanga has been identified as a potential business opportunity, with feasibility studies expected to be completed in 2018/19.

Due to optimisation of production in the land, beach and marine mining operations by the Alexkor pooling and sharing joint venture in the Richtersveld community, over the medium term, production from land and sea (beach and other marine areas excluding deep sea) mining is expected to increase from 50 000 carats in 2016/17 to 55 000 carats in 2018/19.

As a result of increased production due to the commissioning of deep sea mining operations in 2016/17, Alexkor's revenue increased from R197.1 million in 2015/16 to R386.3 million in 2016/17. The company's

¹ This section has been compiled with the latest available information from the entities concerned.

profits also increased to R6 million in 2016/17 from a loss of R35.5 million in 2015/16. However, in 2017/18, revenue is projected to decrease due to extensive damage to the joint venture's deep sea mining vessel, on which repairs are scheduled to be conducted by the end of 2017/2018. As a result, deep sea operations have been suspended since April 2017 and are expected to resume in the first quarter of 2018/19. Revenue in 2017/18 is therefore projected to be approximately R220 million.

In 2014, Alexkor commissioned a study to analyse and determine the socioeconomic needs of the Richtersveld community and identify viable projects that could contribute to its upliftment. The study, which was completed in 2015/16, identified 4 possible projects: agricultural production, marine harvesting, commercial fishing and tourism development. Over the medium term, the company plans to conduct a feasibility study focusing on these projects at an estimated cost of R2 million.

Denel

Denel was incorporated as a private company in 1992 in terms of the South African Companies Act (1973), with the South African government as its sole shareholder. It operates in the military aerospace and landward defence environment, and provides strategic defence equipment. Denel supplies the South African National Defence Force with strategic and sovereign capabilities. In doing so, it contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. The company's broad focus over the medium term will be on restructuring, which entails optimising its cost structure and reviewing its business model to improve its global competitiveness. Emphasis will be placed on items such as internal cost structures, shared services within the Denel group, efficiency/effectiveness, change management, people development, and the alignment of IT infrastructure with the new organisational structure. The goal is to establish a healthy strategic and operational foundation to set the stage for sustainable and accelerated growth and the ability to generate cash.

Denel recorded profits of R333 million in 2015/16 and R395 million in 2016/17, despite a decrease in total revenue, from R8.2 billion to R8.1 billion, over the same period. Revenue is expected to decrease further, to R8 billion, in 2017/18 and remain constant over the MTEF period. To enhance revenue generation, Denel will focus on contracts that provide increased margins, and expand the export base and strategic partnerships to further improve market access.

Eskom

Eskom is governed by the Eskom Conversion Act (2001), and is mandated to generate, transmit and distribute electricity to industrial, mining, commercial, agricultural and residential customers and redistributors. Eskom generates 95 per cent of the electricity used in South Africa and 45 per cent of the electricity used in Africa. In fulfilling its mandate, Eskom contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework.

Over the medium term, Eskom plans to complete the construction of 2 new power stations, Medupi and Kusile, and supply high voltage power lines to meet energy demand. Medupi Unit 5 and Kusile Unit 1 attained commercial operation in 2017/18, while the 8 remaining units (3 at Medupi and 5 at Kusile) are expected to be operational by 2022/23. The capacity expansion programme is expected to increase Eskom's generation capacity to 17 384 megawatts by 2022/23. Over the MTEF period, Eskom also plans to engage stakeholders to avoid costly labour unrest; enforce appropriate milestone management processes on construction projects; implement enhanced oversight and assurance capabilities; ensure the proactive management of quality, engineering and contract claims; and appoint independent contractors to advise on the build programme's progress.

Eskom has connected an estimated 3 110 megawatts of renewable energy power to the grid through the renewable energy independent power producer procurement programme. The programme aims to allow 30 per cent private sector participation when investing in new infrastructure to generate energy, and to introduce technologies that are not carbon intensive, as per the integrated resource plan.

Eskom's revenue increased by 8 per cent year on year, from R164.2 billion in 2015/16 to R177.1 billion in 2016/17. This was largely driven by the 9.4 per cent tariff increase implemented in 2015/16 and growth in the volume of export sales due to excess capacity. Export sales increased by 12.1 per cent, from 13 465 gigawatt hours in 2015/16 to 15 093 gigawatt hours in 2016/17. However, the company's net profit decreased from R5.2 billion in 2015/16 to R888 million in 2016/17, largely due to increases in Eskom's operating, finance and depreciation costs, which amounted to R9.3 billion, R6.5 billion and R3.6 billion, respectively, over the medium term. Revenue is expected to increase at an average annual rate of 11.9 per cent, from R177 billion in 2016/17 to R248.3 billion in 2019/20. The net loss after tax is expected to be R8.1 billion in 2017/18, R15 billion in 2018/19 and R3.4 billion in 2019/20. Depreciation and finance costs are expected to escalate as new units are commercialised and new loans are raised for the build programme, which aims to build new power stations, and increase high voltage transmission power lines and transformer capacity.

South African Express Airways

As a feeder airline to South African Airways, South African Express Airways serves as a regional air carrier mandated to provide transportation and other related aviation services on low density domestic and African regional routes. The airline was established in 1994, and operates from OR Tambo International Airport (Johannesburg), King Shaka International Airport (Durban) and Cape Town International Airport, serving secondary routes in South Africa and regional routes to Botswana, Namibia and the Democratic Republic of the Congo. The airline contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework.

Over the medium term, the airline plans to continue implementing its 20:20 Vision strategy, despite persistent challenges to its operational and financial performance. In this regard, the airline plans to continue working with the department to revise its long-term strategy. The revised strategy will focus on creating a financially sustainable airline with competent staff who promote the use of technology for the improvement of business operations and drive compliance in the organisation.

To ensure the airline's sustainability, initiatives have been implemented to reduce its high cost structure and improve its revenue generation. This will involve optimising the airline's route network and renegotiating contracts and agreements. Over the medium term, the airline, with the Department of Public Enterprises and National Treasury, will work towards finalising an optimal corporate structure. Other strategic interventions to stabilise the airline include appointing an acting chief executive officer and 2 officials from the Department of Public Enterprises for 12 months to strengthen its finance and strategic portfolios.

The finalisation of the airline's 2016/17 audit was delayed due to the airline being unable to satisfactorily demonstrate to the auditor general its ability to continue operating on a going concern basis for a period of at least 12 months after signing off on its annual financial statements, as required by section 4 of the Companies Act (2008). The airline reported revenue of R2.3 billion in the 2015/16 unaudited annual financial statements compared with the audited revenue of R2.4 billion in 2016/17. Operating expenses increased from R2.3 billion in 2015/16 to R2.5 billion in 2016/17, mainly due to an increase in operating leases of R282 million, which were aimed at minimising the impact of the technical disruptions to the revenue stream and the operational stability of the airline. The adverse financial performance is attributable to the marginal decrease in revenue, coupled with a higher cost structure.

South African Forestry Company

The South African Forestry Company was established in 1992 in terms of the Management of State Forestry Act (1992). The company is mandated to ensure the sustainable management of plantation forests, increase downstream timber processing, and play a catalytic role in rural economic development and transformation. In performing these functions, the South African Forestry Company contributes to outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework. Over the MTEF period, the company plans to continue fulfilling its commitments to communities near its operations, and diversify its product offering by increasing its production of timber for public facilities, pole treatment for the electricity distribution sector, and furniture.

The company's revenue reached R1 billion in 2016/17, representing a 13.7 per cent increase from R891 million in 2015/16. Similarly, net profit increased, from a loss of R43 million in 2015/16, to R114.4 million in 2016/17. This was achieved through increased sales, higher average selling price and through improved operating costs. Revenue is projected to reach R1.5 billion by 2019/20.

Transnet

Transnet plays a significant role in the development and continual improvement of South Africa's freight logistics chain. The company is mandated to contribute to lowering the cost of doing business in South Africa, enable economic growth, and ensure the security of supply through providing appropriate port, rail and pipeline infrastructure. The company's mandate is closely aligned with outcome 6 (an efficient, competitive and responsive infrastructure network) of government's 2014-2019 medium-term strategic framework.

Over the medium term, Transnet plans to increase its footprint to enable regional integration by driving regional business activities through the recently established Transnet International Holdings. As per the corporate plan submitted in February 2017, over the seven-year period ending 2023/24, Transnet plans to invest R229.2 billion in capital expenditure across its operating divisions to sustain and expand capacity, particularly in rail, port and pipeline infrastructure. R20 billion of this investment is earmarked for mergers and acquisitions to diversify revenue streams through geographic expansion in the Southern African Development Community. Since the inception of Transnet's market demand strategy in 2012, more than R145 billion has been spent on projects including the expansion of South Africa's rail, port and pipeline freight infrastructure network.

As a result of improved infrastructure, Transnet Freight Rail, a division of Transnet, moved a total of 219.1 million tons in 2016/17, an increase from 214.2 million tons recorded in 2015/16. This increase was made possible by business development initiatives such as road to rail migration, and contributed to Transnet's overall increase in revenue of 5.3 per cent year on year, to R65.5 billion in 2016/17. As such, the company's profit increased by 600 per cent year on year, from R393 million in 2015/16 to R2.8 billion in 2016/17. Rail freight volumes are expected to increase to 235 million tons in 2018/19, from 219.1 million tons in 2016/17.

The year on year performance of ports has improved slightly, from 4 366 376 twenty-foot equivalent units (TEUs) in 2015/16 to 4 395 962 TEUs in 2016/17. To date, 15 billion litres of diesel have been delivered through the new multi-product pipeline, which is a strategic investment to secure the supply of petroleum products from the coastal terminal in Durban to the inland market over the long term.

Vote 10

Public Service and Administration

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	248.9	245.9	0.5	2.6	265.3	283.1
Policy Development, Research and Analysis	34.1	33.9	0.0	0.2	36.9	39.3
Public Service Employment and Conditions of Service	82.4	81.8	–	0.6	78.7	85.8
Government Chief Information Officer	21.7	21.4	–	0.4	23.1	24.7
Service Delivery Support	257.6	50.9	206.4	0.3	273.9	291.2
Governance of Public Administration	311.9	45.8	264.7	1.4	329.1	352.2
Total expenditure estimates	956.7	479.7	471.6	5.4	1 007.0	1 076.2
Executive authority	Minister of Public Service and Administration					
Accounting officer	Director General of Public Service and Administration					
Website address	www.dpsa.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Lead the modernisation of the public service, through a generally applicable framework of norms and standards, to improve service delivery.

Mandate

The Department of Public Service and Administration draws its mandate from section 195(1) of the Constitution, which sets out basic values and principles the public service should adhere to, and the Public Service Act (1994).

In terms of the act, the Minister of Public Service and Administration is responsible for establishing norms and standards relating to:

- the functions of the public service
- organisational structures and establishments of departments, and other organisational and governance arrangements in the public service
- labour relations, conditions of service and other employment practices for employees
- the health and wellness of employees
- information management
- electronic government in the public service
- integrity, ethics, conduct and anti-corruption
- transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.

Selected performance indicators

Table 10.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of selected departments in which the implementation of the productivity management framework is monitored per year	Policy Development, Research and Analysis	Outcome 12: An efficient, effective and development oriented public service	-1	2	2	2	2	2	2
Number of reports on monitoring vacancy rate trends and turnaround times for filling vacant positions in the public service submitted to the Minister of Public Service and Administration per year	Labour Relations and Human Resource Management		-1	2	2	2	2	2	2
Number of human resources development forum meetings held per year by the department to provide support to national and provincial departments with the appointment of youth into learnership, internship and artisan programmes in the public service	Labour Relations and Human Resource Management		10	10	10	10	10	10	10
Number of departments supported with the implementation of the e-enablement security guidelines per year	Government Chief Information Officer		-1	-1	-1	166	166	166	166
Development of a common digital administration system that serves as a repository for all public service administrative and service delivery performance and compliance information that is relevant to the work of the Department of Public Service and Administration	Government Chief Information Officer		-1	-1	-1	-1	Conduct project assessment and scoping exercises to develop a clear business case for a digital administration system	Develop and deploy the digital administration system as a pilot in the Department of Public Service and Administration	Implement the digital administration system
Number of service delivery improvement plans received per year from provincial and national departments with quality assessments rated as meeting minimum standards	Service Delivery Support		-1	123 ²	78	78	78	78	78
Development of a framework for Thusong service centres to improve citizens' access to government services	Service Delivery Support		-1	-1	-1	-1	Develop concept document and roadmap for the Thusong service centre programme	Undertake broad stakeholder consultation and benchmarking	Develop draft framework for the Thusong service centre programme

1. No historical data available.

2. Increase due to high number of improvement plans received.

Expenditure analysis

The National Development Plan (NDP) identifies specific steps that need to be taken to promote the values and principles of public administration as contained in the Constitution, and emphasises the importance of the creation of a system that exposes corruption and promotes accountability and ethical behaviour among public service officials. This is given expression by outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework, which is directly aligned with the work of the Department of Public Service and Administration. Over the medium term, the department intends focusing on: promoting public service as a career of choice, improving the efficiency and effectiveness of management and operations systems, operationalising the Government Employees Housing Scheme, increasing government's responsiveness and accountability to citizens, and promoting ethical behaviour in the public service.

The services carried out by other departments within the vote (the National School of Government, the Public Service Commission, the Centre for Public Service Innovation and the Public Service Commission) provide public service employees access to knowledge and skills, promote the principles of public administration, and foster innovation in the public service. As the services provided by these departments are crucial to the

Department of Public Service and Administration's overall effectiveness, 49.2 per cent (R1.5 billion) of its total budget over the MTEF period is allocated to transfers for these departments' operations, 56 per cent (R840.3 million) of which is allocated to the Public Service Commission.

Compensation of employees, the department's second largest spending area, accounts for 30.6 per cent (R932.6 million) of the total budget and provides for a projected staff complement of 518 per year over the medium term.

Promoting public service as a career of choice

Chapter 13 of the NDP envisages that public service be regarded a career of choice, and that technical and specialist professional skills within the public service are developed. As a direct contribution towards achieving these goals, over the MTEF period, the department plans to continue assisting national and provincial departments in appointing 20 000 young people per year into public service learnerships, internships and artisan programmes. This will be achieved by rolling out a framework that guides the development and implementation of a recruitment scheme to attract graduates to the public service. Capacity building for the rollout will commence in 2018/19 while a pilot project will run in a national department that is yet to be selected. The framework is expected to be fully rolled out in 2019/20. In 2018/19, the department plans to issue a determination and directive that will make internships and learnerships compulsory across the public service. Funding for creating the recruitment scheme is in the *Human Resource Development* subprogramme in the *Public Service Employment and Conditions of Service* programme. Activities relating to the scheme are expected to be carried out by 2 senior officials at a projected operational cost of R325 000 over the medium term.

As part of the strategy to improve and ensure that public service officials in senior management positions have the required capacity, in 2015/16, the department issued a directive on compulsory capacity development, mandatory training days and minimum entry requirements for senior management services. The department conducted workshops with all national and provincial departments in 2016/17 to prepare and support them in implementing the directive. However, due to delays in the implementation process, which were caused by requests for deviations and further clarification, the department plans to host 4 additional workshops in 2018/19. For this, the department has allocated R500 000 in 2018/19 to the *Leadership Management* subprogramme in the *Governance of Public Administration* programme.

Improving the efficiency and effectiveness of management and operations systems

Productivity is critical to ensuring the effectiveness of the public service. To address service delivery challenges faced by the public service and enhance its effectiveness, the operations management framework and toolkits were developed and approved in 2015/16. Over the medium term, the department plans to institutionalise the framework and toolkits by focusing on 2 selected national departments per year. This will be done in the *Service Delivery Planning and Operations Management* subprogramme in the *Service Delivery Support* programme. 3 officials are expected to be responsible for this work, which is projected to cost R6.3 million over the MTEF period.

Over the medium term, the department also plans to develop a strategic framework on public administration norms and standards, which is intended to guide all national and provincial departments on matters relating to recruitment, appointment, promotion, transfer and dismissal. For this, R2.1 million over the MTEF period has been reprioritised within the *Policy Development, Research and Analysis* programme towards the *Public Administration Policy Analysis* subprogramme. These funds are expected to be used to complete and institutionalise the framework, source technical expertise for developing processes for compiling a compendium of all referenced public administration norms and standards, and set up an early warning system for the measurement of and reporting on non-compliance. As a result, spending in the *Public Administration Policy Analysis* subprogramme is expected to increase at an average annual rate of 12 per cent, from R2.5 million in 2017/18 to R3.5 million in 2020/21.

The establishment of a uniform job grading system linked to a jobs competency framework is also planned over the MTEF period. This system is expected to be centralised in the department to eliminate the discretion

of accounting officers of individual departments when conducting job grading, which often results in inconsistencies. For this purpose, the department has allocated R1.6 million over the medium term to the *Remuneration and Job Grading* subprogramme in the *Public Service Employment and Conditions of Service* programme.

To develop and deploy a management information system with dashboards and real-time reports to assist government in developing policy, the department plans to build a digital public administration system over the MTEF period. The department plans to consider business case and project scoping requirements in 2018/19, pilot the project in 2019/20, and begin rolling it out in 2020/21. To achieve this, a total of R6.4 million has been reprioritised over the medium term from the *Public Service Employment and Conditions of Service* programme (R1.9 million) and within the *Government Chief Information Officer* programme (R4.5 million) to the *Public Service ICT e-Enablement* subprogramme, particularly towards computer services and consultants. As such, expenditure in this subprogramme is expected to increase at an average annual rate of 22.3 per cent, from R4.7 million in 2017/18 to R8.5 million in 2020/21.

Operationalising the Government Employees Housing Scheme

The Government Employees Housing Scheme was established in 2015/16 as part of resolutions adopted by government and labour representatives at the Public Service Coordinating Bargaining Council. The scheme, which the department plans to operationalise over the MTEF period, is intended to assist public service officials on salary levels 1 to 10 with collateral for access to home loans and home ownership. Functions carried out by the scheme include supporting human resources practitioners in national and provincial departments in administering applications, managing daily enquiries related to the scheme, and providing training sessions to human resources practitioners in the public service. To facilitate the scheme's operationalisation, Cabinet has approved budget increases of R24.2 million in 2018/19, R16.3 million in 2019/20 and R18.9 million in 2020/21. As a result, spending in the *Employee Benefits* subprogramme in the *Public Service Employment and Conditions of Service* programme is expected to increase at an average annual rate of 29.7 per cent, from R15.5 million in 2017/18 to R34 million in 2020/21.

Increasing government's responsiveness and accountability to citizens

The department intends to monitor the quality of government services as part of its strategy to strengthen the accountability of the public service to citizens. To achieve this, over the MTEF period, the department plans to roll out the complaints and compliments framework, which allows citizens to provide feedback on the quality of services they receive. Spending on goods and services related to this work is expected to be R425 000 over the medium term in the *Batho Pele Support Initiatives* subprogramme in the *Service Delivery Support* programme. The department will continue to assess the service delivery improvement plans of 78 national and provincial departments each year over the medium term, and make recommendations on necessary improvements, at a projected total cost of R1.6 million in the *Service Delivery Improvement Initiatives* subprogramme.

In 2018/19, the department plans to commence with the development of the Thusong service centre framework, which seeks to guide the Thusong service centres programme in improving access to integrated, cost effective and responsive government services. R3.3 million over the medium term has been allocated for this in the *Service Delivery Improvement Initiatives* subprogramme in the *Service Delivery Support* programme. As a result, spending in the subprogramme is set to increase at an average annual rate of 7.6 per cent, from R12.7 million in 2017/18 to R15.8 million in 2020/21.

The African Peer Review Mechanism aims to enhance active civil society partnerships to influence processes that improve service delivery, accountability, transparency, openness and trust in the public service. Over the MTEF period, the department plans to compile South Africa's second country report, emanating from the high level dialogue that commenced in 2017/18, as part of its commitment to the mechanism. The department has allocated R7.1 million over the medium term to the *Public Participation and Social Dialogue* subprogramme in the *Service Delivery Support* programme for work relating to this.

Promoting ethical behaviour in the public service

Chapter 13 of the NDP also emphasises the need to strengthen the accountability of and promote ethical behaviour by public service employees. To achieve this, the department has put in place measures to ensure that public service officials disclose all their financial interests. Over the medium term, the department intends continuing to provide support to all national and provincial departments on the implementation of the 2013 public service integrity management framework, which aims to strengthen standards and measures for managing integrity and promoting ethical conduct in the public service. The framework helps departments to discourage and respond to unethical conduct that can arise as a result of financial interests, gifts, hospitality and other benefits related to public service work and remunerated work outside the public service while still in its employ. This work will be done in the *Ethics and Integrity Management* subprogramme in the *Governance of Public Administration* programme. The subprogramme has been allocated R50.6 million, which covers compensation of employees, and goods and services items such as computer services, and travel and subsistence.

Expenditure trends

Table 10.2 Vote expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Policy Development, Research and Analysis																																	
3. Public Service Employment and Conditions of Service																																	
4. Government Chief Information Officer																																	
5. Service Delivery Support																																	
6. Governance of Public Administration																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Annual Outcome/Annual budget (%)			Average: Adjusted appropriation (%)		
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18					
Programme 1	217.8	222.6	200.3	219.7	221.4	215.8	215.7	223.0	225.3	230.7	236.7	236.7	99.3%	97.2%																			
Programme 2	28.2	33.2	33.6	37.5	38.6	33.9	33.8	29.4	30.8	35.1	33.4	33.4	97.9%	97.9%																			
Programme 3	76.1	82.8	62.8	68.6	73.6	67.6	81.4	77.5	66.1	70.1	67.0	67.0	88.9%	87.6%																			
Programme 4	25.3	25.3	17.2	21.5	21.5	20.2	20.9	18.9	15.9	21.5	17.1	17.1	79.0%	85.1%																			
Programme 5	221.6	217.1	209.8	220.7	219.6	231.2	138.1	156.5	155.0	247.9	235.7	235.7	100.4%	100.3%																			
Programme 6	281.4	269.4	264.1	269.0	272.9	272.4	280.6	274.6	270.2	291.8	287.2	287.2	97.4%	99.1%																			
Total	850.4	850.4	787.8	837.0	847.6	840.9	770.4	779.8	763.3	897.1	877.1	877.1	97.4%	97.4%																			
Change to 2017 Budget estimate										(20.0)																							
Economic classification																																	
Current payments	478.6	475.3	390.6	443.2	444.1	429.9	443.8	434.1	413.2	451.6	438.4	438.4	92.0%	93.3%																			
Compensation of employees	265.8	259.2	229.1	277.8	276.0	242.5	272.8	270.5	254.5	275.7	265.2	265.3	90.8%	92.6%																			
Goods and services	212.7	216.1	161.5	165.4	168.1	187.4	171.0	163.6	158.6	175.9	173.1	173.1	93.9%	94.4%																			
Transfers and subsidies	365.5	367.2	389.6	391.5	400.2	404.3	323.6	335.5	336.5	442.5	432.9	432.9	102.6%	101.8%																			
Provinces and municipalities	–	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	135.3%	88.5%																			
Departmental agencies and accounts	364.6	364.6	386.6	390.7	395.9	399.2	321.6	332.4	332.4	440.4	430.7	430.7	–	–																			
Foreign governments and international organisations	0.8	0.8	0.6	0.8	2.1	1.9	2.1	2.2	2.7	2.1	2.1	2.1	126.4%	101.0%																			
Households	–	1.7	2.4	–	2.2	3.2	–	0.8	1.4	–	–	–	–	146.0%																			
Payments for capital assets	6.3	7.9	7.1	2.3	3.3	6.7	3.0	10.3	13.3	3.0	5.9	5.9	225.6%	120.9%																			
Machinery and equipment	5.9	7.4	7.1	2.1	3.1	6.7	3.0	10.3	13.3	3.0	5.7	5.7	235.0%	124.1%																			
Software and other intangible assets	0.5	0.5	0.0	0.2	0.2	–	–	–	–	–	0.2	0.2	32.1%	24.6%																			
Payments for financial assets	–	0.0	0.4	–	0.0	0.1	–	0.0	0.4	–	0.0	0.0	–	1 680.0%																			
Total	850.4	850.4	787.8	837.0	847.6	840.9	770.4	779.8	763.3	897.1	877.1	877.1	97.4%	97.4%																			

Expenditure estimates

Table 10.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Policy Development, Research and Analysis									
3. Public Service Employment and Conditions of Service									
4. Government Chief Information Officer									
5. Service Delivery Support									
6. Governance of Public Administration									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Programme 1	236.7	2.1%	26.9%	248.9	265.3	283.1	6.2%	26.4%	
Programme 2	33.4	0.2%	4.0%	34.1	36.9	39.3	5.5%	3.7%	
Programme 3	67.0	-6.8%	8.1%	82.4	78.7	85.8	8.6%	8.0%	
Programme 4	17.1	-12.1%	2.2%	21.7	23.1	24.7	12.9%	2.2%	
Programme 5	235.7	2.8%	25.4%	257.6	273.9	291.2	7.3%	27.0%	
Programme 6	287.2	2.2%	33.5%	311.9	329.1	352.2	7.0%	32.7%	
Total	877.1	1.0%	100.0%	956.7	1 007.0	1 076.2	7.1%	100.0%	
Change to 2017 Budget estimate				12.0	(1.6)	0.1			
Economic classification									
Current payments	438.4	-2.7%	51.1%	479.7	503.0	539.0	7.1%	50.0%	
Compensation of employees	265.3	0.8%	30.3%	288.4	310.4	333.7	7.9%	30.6%	
Goods and services	173.1	-7.1%	20.8%	191.3	192.6	205.3	5.9%	19.5%	
Transfers and subsidies	432.9	5.6%	47.8%	471.6	498.2	531.3	7.1%	49.4%	
Provinces and municipalities	0.0	31.0%	0.0%	0.0	0.0	0.0	3.6%	0.0%	
Departmental agencies and accounts	430.7	5.7%	47.4%	469.5	496.1	529.1	7.1%	49.2%	
Foreign governments and international organisations	2.1	37.3%	0.2%	2.1	2.1	2.2	0.9%	0.2%	
Payments for capital assets	5.9	-9.2%	1.0%	5.4	5.7	5.9	0.4%	0.6%	
Machinery and equipment	5.7	-8.5%	1.0%	4.0	4.3	4.5	-7.0%	0.5%	
Software and other intangible assets	0.2	-24.0%	0.0%	1.3	1.4	1.4	89.2%	0.1%	
Payments for financial assets	0.0	104.9%	0.0%	-	-	-	-100.0%	0.0%	
Total	877.1	1.0%	100.0%	956.7	1 007.0	1 076.2	7.1%	100.0%	

Expenditure trends and estimates for significant spending items

Table 10.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Compensation of employees	229 113	242 534	254 534	265 211	5.0%	30.3%	288 455	310 454	333 741	8.0%	30.6%
National School of Government	138 508	140 439	71 067	153 906	3.6%	15.4%	168 959	179 293	190 322	7.3%	17.7%
Centre for Public Service Innovation	22 553	29 003	32 094	34 055	14.7%	3.6%	36 030	38 437	40 969	6.4%	3.8%
Public Service Commission	225 526	229 752	229 233	242 764	2.5%	28.4%	264 399	278 229	297 627	7.0%	27.6%
Total	615 700	641 728	586 928	695 936	25.8%	77.7%	757 843	806 413	862 659	28.7%	79.7%

Goods and services expenditure trends and estimates

Table 10.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Administrative fees	2 268	1 620	1 357	1 803	-7.4%	1.0%	1 546	1 633	1 712	-1.7%	0.9%
Advertising	6 860	4 835	4 458	2 639	-27.3%	2.8%	2 496	2 722	3 675	11.7%	1.5%
Minor assets	773	357	333	5 872	96.6%	1.1%	5 491	3 186	3 242	-18.0%	2.3%
Audit costs: External	5 003	4 116	3 807	4 922	-0.5%	2.6%	7 519	6 861	6 218	8.1%	3.3%
Bursaries: Employees	584	446	442	380	-13.3%	0.3%	500	500	700	22.6%	0.3%
Catering: Departmental activities	5 349	4 212	3 023	3 310	-14.8%	2.3%	4 817	4 998	5 215	16.4%	2.4%

Table 10.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Communication	5 325	8 516	6 703	8 388	16.4%	4.3%	7 776	8 265	8 713	1.3%	4.3%
Computer services	17 910	18 817	20 819	25 714	12.8%	12.2%	24 839	26 243	27 876	2.7%	13.7%
Consultants: Business and advisory services	6 915	11 729	4 672	5 885	-5.2%	4.3%	5 493	3 513	4 221	-10.5%	2.5%
Legal services	2 203	2 069	-	1 376	-14.5%	0.8%	1 732	2 144	2 310	18.8%	1.0%
Science and technological services	-	-	2 747	-	-	0.4%	-	-	-	-	-
Contractors	3 916	6 513	3 037	3 832	-0.7%	2.5%	2 784	2 905	3 084	-7.0%	1.7%
Agency and support/outsourced services	1 351	1 019	1 129	78	-61.4%	0.5%	-	-	-	-100.0%	-
Entertainment	52	51	44	110	28.4%	-	104	111	118	2.4%	0.1%
Fleet services (including government motor transport)	2 195	1 786	2 029	2 644	6.4%	1.3%	1 327	1 400	1 471	-17.8%	0.9%
Consumable supplies	2 149	1 946	2 956	2 538	5.7%	1.4%	1 263	1 277	1 248	-21.1%	0.8%
Consumables: Stationery, printing and office supplies	3 128	3 849	4 332	3 745	6.2%	2.2%	7 688	5 807	5 189	11.5%	2.9%
Operating leases	27 567	38 235	38 792	40 857	14.0%	21.4%	47 640	49 355	51 692	8.2%	24.9%
Rental and hiring	1 906	5 642	3 341	2 225	5.3%	1.9%	2 706	2 895	3 100	11.7%	1.4%
Property payments	7 751	7 744	11 012	16 800	29.4%	6.4%	16 588	17 640	18 671	3.6%	9.1%
Transport provided: Departmental activity	1 599	136	137	540	-30.4%	0.4%	1 200	1 301	1 395	37.2%	0.6%
Travel and subsistence	40 220	45 654	29 915	28 403	-10.9%	21.2%	32 964	35 005	36 770	9.0%	17.5%
Training and development	2 964	3 468	2 447	2 925	-0.4%	1.7%	3 954	3 228	4 009	11.1%	1.9%
Operating payments	8 572	5 429	5 373	6 038	-11.0%	3.7%	8 060	8 820	11 717	24.7%	4.5%
Venues and facilities	4 962	9 176	5 716	2 122	-24.7%	3.2%	2 776	2 808	2 955	11.7%	1.4%
Total	161 522	187 365	158 621	173 146	2.3%	100.0%	191 263	192 617	205 301	5.8%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 10.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	386 587	399 194	332 394	430 725	3.7%	99.1%	469 525	496 103	529 069	7.1%	99.6%
Communication	-	-	-	-	-	-	137	144	151	-	-
National School of Government	138 508	140 439	71 067	153 906	3.6%	32.2%	168 959	179 293	190 322	7.3%	35.8%
Centre for Public Service Innovation	22 553	29 003	32 094	34 055	14.7%	7.5%	36 030	38 437	40 969	6.4%	7.7%
Public Service Commission	225 526	229 752	229 233	242 764	2.5%	59.3%	264 399	278 229	297 627	7.0%	56.0%
Households											
Other transfers to households											
Current	2 374	3 204	1 381	-	-100.0%	0.4%	-	-	-	-	-
Employee social benefits	721	3 042	1 123	-	-100.0%	0.3%	-	-	-	-	-
Claims against the state	1 220	-	-	-	-100.0%	0.1%	-	-	-	-	-
Employee social benefits	433	162	258	-	-100.0%	0.1%	-	-	-	-	-
Provinces and municipalities											
Municipal bank accounts											
Current	5	4	5	9	21.6%	-	10	10	10	3.6%	-
Vehicle licences	5	4	5	9	21.6%	-	10	10	10	3.6%	-
Foreign governments and international organisations											
Current	625	1 852	2 693	2 142	50.8%	0.5%	2 053	2 125	2 200	0.9%	0.4%
African Association for Public Administration and Management	-	245	299	302	-	0.1%	300	317	334	3.4%	0.1%
African Training and Research Centre in Administration for Development	342	-	725	-	-100.0%	0.1%	-	-	-	-	-
International Institute of Administration Services	34	33	42	60	20.8%	-	40	43	47	-7.8%	-
Commonwealth Association for Public Administration and Management	-	60	-	-	-	-	-	-	-	-	-
Open Government Partnership	-	1 270	1 394	1 504	-	0.3%	1 441	1 470	1 499	-0.1%	0.3%
Organisation for Economic Cooperation and Development	249	244	233	276	3.5%	0.1%	272	295	320	5.1%	0.1%
Total	389 591	404 254	336 473	432 876	3.6%	100.0%	471 588	498 238	531 279	7.1%	100.0%

Personnel information

Table 10.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts estimated for 31 March 2018	Medium-term expenditure estimate												Average growth rate (%)	Average: Salary level/Total (%)				
		Actual			Revised estimate			2018/19			2019/20					2020/21			
		2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21												
Public Service and Administration		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
	487	49	546	254.5	0.5	525	265.3	0.5	517	288.4	0.6	518	310.4	0.6	518	333.7	0.6	-0.4%	100.0%
Salary level																			
1 – 6	154	22	217	33.8	0.2	214	34.9	0.2	205	35.6	0.2	206	38.7	0.2	206	41.7	0.2	-1.3%	39.9%
7 – 10	121	12	126	45.6	0.4	112	44.8	0.4	112	48.6	0.4	112	52.5	0.5	112	56.7	0.5	–	21.5%
11 – 12	102	9	97	66.7	0.7	90	67.4	0.7	90	72.9	0.8	90	78.7	0.9	90	85.0	0.9	–	17.3%
13 – 16	108	6	105	104.2	1.0	108	113.6	1.1	107	121.6	1.1	107	130.1	1.2	107	139.2	1.3	-0.3%	20.6%
Other	2	–	2	4.3	2.1	2	4.6	2.3	4	9.7	2.4	4	10.4	2.6	4	11.1	2.8	26.0%	0.7%
Programme	487	49	546	254.5	0.5	525	265.3	0.5	517	288.4	0.6	518	310.4	0.6	518	333.7	0.6	-0.4%	100.0%
Programme 1	259	28	286	106.9	0.4	280	111.7	0.4	285	129.9	0.5	285	139.8	0.5	285	150.3	0.5	0.6%	54.6%
Programme 2	33	1	45	25.8	0.6	42	27.7	0.7	39	26.3	0.7	40	28.5	0.7	40	30.6	0.8	-1.6%	7.7%
Programme 3	81	9	99	49.2	0.5	88	49.7	0.6	79	49.0	0.6	79	52.7	0.7	79	56.7	0.7	-3.5%	15.6%
Programme 4	21	1	24	13.5	0.6	28	14.1	0.5	27	15.4	0.6	27	16.5	0.6	27	17.7	0.6	-1.2%	5.3%
Programme 5	50	10	47	27.8	0.6	43	28.8	0.7	44	32.6	0.7	44	35.1	0.8	44	37.6	0.9	0.8%	8.4%
Programme 6	43	–	45	31.4	0.7	44	33.3	0.8	43	35.2	0.8	43	37.8	0.9	43	40.7	0.9	-0.8%	8.3%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 10.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)	
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20			2020/21
	2017/18	2017/18	2017/18					2017/18 - 2020/21					
Departmental receipts	979	1 441	757	740	740	-8.9%	100.0%	721	731	761	0.9%	100.0%	
Sales of goods and services produced by department	489	490	193	432	432	-4.0%	40.9%	457	457	457	1.9%	61.1%	
Sales by market establishments of which:	206	199	114	150	150	-10.0%	17.1%	170	170	170	4.3%	22.4%	
Parking	206	199	114	150	150	-10.0%	17.1%	170	170	170	4.3%	22.4%	
Administrative fees of which:	78	78	79	82	82	1.7%	8.1%	87	87	87	2.0%	11.6%	
Commission	78	78	79	81	81	1.3%	8.1%	85	85	85	1.6%	11.4%	
Replacement of access cards	–	–	–	1	1	–	–	2	2	2	26.0%	0.2%	
Other sales of which:	205	213	–	200	200	-0.8%	15.8%	200	200	200	–	27.1%	
Sale of capital assets	205	213	–	200	200	-0.8%	15.8%	200	200	200	–	27.1%	
Interest, dividends and rent on land	11	4	3	8	8	-10.1%	0.7%	4	4	4	-20.6%	0.7%	
Interest	11	4	3	8	8	-10.1%	0.7%	4	4	4	-20.6%	0.7%	
Transactions in financial assets and liabilities	479	947	561	300	300	-14.4%	58.4%	260	270	300	–	38.3%	
Total	979	1 441	757	740	740	-8.9%	100.0%	721	731	761	0.9%	100.0%	

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department, and coordinate the department's international relations.

Objective

- Improve public administration through an exchange of best international practices in governance and public administration on an ongoing basis.

Subprogramme

- *International Relations* establishes and manages the department's bilateral, multilateral and institutional relations and cooperation programmes with international organisations.

Expenditure trends and estimates

Table 10.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	47.4	39.3	44.4	43.6	-2.7%	19.9%	50.6	52.9	56.2	8.8%	19.7%
Departmental Management	2.8	3.1	2.8	2.8	0.5%	1.3%	3.8	4.0	4.3	14.6%	1.4%
Corporate Services	77.1	82.2	83.1	88.2	4.6%	37.7%	87.3	95.2	103.6	5.5%	36.2%
Finance Administration	23.5	26.5	26.7	26.2	3.7%	11.7%	26.3	28.2	30.1	4.7%	10.7%
Internal Audit	4.0	5.9	4.8	6.2	15.5%	2.4%	7.0	7.5	7.3	5.2%	2.7%
Legal Services	5.2	5.6	6.4	6.2	6.2%	2.7%	6.5	7.1	7.6	6.7%	2.6%
International Relations	9.0	9.4	11.0	9.3	0.9%	4.4%	9.5	10.1	10.8	5.3%	3.8%
Office Accommodation	31.2	43.8	46.1	54.0	20.0%	20.0%	58.1	60.4	63.3	5.4%	22.8%
Total	200.3	215.8	225.3	236.7	5.7%	100.0%	248.9	265.3	283.1	6.2%	100.0%
Change to 2017 Budget estimate				6.0			5.9	5.0	5.8		
Economic classification											
Current payments	193.3	206.8	212.7	232.9	6.4%	96.3%	245.9	262.0	279.6	6.3%	98.7%
Compensation of employees	94.6	100.8	106.9	111.7	5.7%	47.1%	129.9	139.8	150.3	10.4%	51.4%
Goods and services ¹	98.7	106.0	105.9	121.2	7.1%	49.2%	116.0	122.3	129.2	2.2%	47.3%
of which:											
<i>Audit costs: External</i>	5.0	4.1	3.8	4.9	-0.5%	2.0%	5.7	6.1	5.7	5.1%	2.2%
<i>Communication</i>	3.1	3.8	3.8	4.8	15.9%	1.8%	3.8	4.1	4.3	-3.6%	1.7%
<i>Computer services</i>	12.6	12.7	14.0	17.6	11.9%	6.5%	14.9	15.7	16.6	-2.0%	6.3%
<i>Operating leases</i>	25.9	38.1	36.5	39.9	15.4%	16.0%	45.8	47.4	49.6	7.6%	17.7%
<i>Property payments</i>	7.0	6.2	9.9	16.4	32.6%	4.5%	15.2	16.1	17.0	1.2%	6.2%
<i>Travel and subsistence</i>	19.3	17.0	14.1	13.4	-11.5%	7.3%	13.8	14.9	15.4	5.0%	5.6%
Transfers and subsidies¹	2.0	3.3	1.4	0.4	-43.3%	0.8%	0.5	0.5	0.5	12.3%	0.2%
Departmental agencies and accounts	-	-	-	-	-	-	0.1	0.1	0.1	-	-
Foreign governments and international organisations	0.4	0.3	1.1	0.4	-1.3%	0.2%	0.3	0.4	0.4	1.7%	0.1%
Households	1.7	2.9	0.3	-	-100.0%	0.6%	-	-	-	-	-
Payments for capital assets	4.7	5.7	11.1	3.4	-10.7%	2.8%	2.6	2.8	3.0	-3.8%	1.1%
Machinery and equipment	4.7	5.7	11.1	3.2	-12.4%	2.8%	2.6	2.8	3.0	-1.9%	1.1%
Software and other intangible assets	-	-	-	0.2	-	-	-	-	-	-100.0%	-
Payments for financial assets	0.2	0.1	0.1	0.0	-49.3%	-	-	-	-	-100.0%	-
Total	200.3	215.8	225.3	236.7	5.7%	100.0%	248.9	265.3	283.1	6.2%	100.0%
Proportion of total programme expenditure to vote expenditure	25.4%	25.7%	29.5%	27.0%	-	-	26.0%	26.3%	26.3%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Policy Development, Research and Analysis

Programme purpose

Manage and oversee the setting and translation of public administration norms and standards into administrative policy instruments using research and policy analysis techniques. Manage the organisational functionality assessments of public service efficiency and effectiveness which informs public administration reforms.

Objectives

- Manage the impact of government reforms on an ongoing basis by:
 - implementing the Public Administration Management Act (2014) in collaboration with the local government sphere
 - advising on public service reforms that align with public access reforms.
- Promote aligned reforms and good governance practices in the public service on an ongoing basis by:
 - recommending appropriate legislative instruments and tools
 - reviewing policies that support reforms structurally and institutionally.
- Improve public administration reforms and ensure a seamlessly integrated state by collaborating with all spheres of government through appropriate reform initiatives on an ongoing basis.
- Ensure the improvement of efficient and effective productivity measures on an ongoing basis through the use of productivity measurement instruments by:
 - providing a framework to link productivity measures to performance measures
 - institutionalising the productivity measurement instrument and reporting on the progress of its implementation
 - maintaining a database for citizen segmentation per ward level.

Subprogrammes

- *Management: Policy Development, Research and Analysis* provides administrative support and management for the programme.
- *Policy Oversight, Development and Knowledge Management* oversees, develops, formulates, manages, coordinates and reviews policies within the public service; manages learning networks; and promotes knowledge management.
- *Public Administration Policy Analysis* analyses existing and emerging public administration norms and standards, which inform the design, governance, administration and management of appropriate policy instruments in terms of public administration legislative frameworks.
- *Integrated Public Sector Reform* manages public sector reforms through the development and monitoring of a public service reform strategy, which informs policy reviews and advice on the development of the integrated public service reforms across all spheres of government.
- *Public Service Performance, Monitoring and Evaluation* measures organisational performance, functionality and productivity through the monitoring and evaluation of public service norms and standards, which are derived from the performance information of public service regulatory instruments.
- *Research and Analysis* researches and reports on national and international trends and best practices related to public administration, and analyses performance in sector departments.
- *Public Service Access Norms and Mechanisms* manages and facilitates integrated access and geographic information systems and norms based on population segmentation.

Expenditure trends and estimates

Table 10.10 Policy Development, Research and Analysis expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18					2017/18 - 2020/21	
Management: Policy Development, Research and Analysis	4.5	3.0	2.6	3.3	-9.2%	10.2%	3.6	3.8	4.0	6.1%	10.3%
Policy Oversight, Development and Knowledge Management	4.5	6.8	6.1	5.6	7.7%	17.4%	4.7	5.1	5.4	-0.9%	14.5%
Public Administration Policy Analysis	–	1.1	1.0	2.5	–	3.5%	3.1	3.3	3.5	12.0%	8.6%
Integrated Public Sector Reform	4.9	2.7	1.8	1.9	-27.2%	8.6%	2.3	2.4	2.6	11.0%	6.3%
Public Service Performance, Monitoring and Evaluation	12.6	14.0	13.1	12.1	-1.4%	39.3%	12.5	13.9	14.9	7.4%	37.1%
Research and Analysis	1.8	1.8	2.2	3.6	26.0%	7.2%	3.9	4.1	4.4	6.5%	11.1%
Public Service Access Norms and Mechanisms	5.4	4.4	4.0	4.4	-6.6%	13.8%	4.1	4.3	4.4	0.2%	12.0%
Total	33.6	33.9	30.8	33.4	-0.2%	100.0%	34.1	36.9	39.3	5.5%	100.0%
Change to 2017 Budget estimate				(1.7)			(3.5)	(3.4)	(3.9)		
Economic classification	33.2	33.7	30.6	33.2	–	99.2%	33.9	36.7	39.0	5.6%	99.4%
Current payments											
Compensation of employees	23.6	23.6	25.8	27.7	5.4%	76.5%	26.3	28.5	30.6	3.4%	78.7%
Goods and services ¹	9.5	10.1	4.9	5.5	-17.0%	22.7%	7.6	8.2	8.4	15.5%	20.6%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.1	0.1	0.1	0.1	9.8%	0.2%	0.8	0.9	0.8	114.4%	1.8%
<i>Communication</i>	0.3	0.3	0.4	0.6	16.6%	1.2%	0.6	0.7	0.7	6.1%	1.7%
<i>Computer services</i>	1.9	1.1	0.4	0.7	-29.0%	3.1%	0.5	0.5	0.5	-10.2%	1.5%
<i>Consultants: Business and advisory services</i>	2.7	1.6	0.6	0.1	-69.8%	3.7%	0.2	0.6	0.7	107.5%	1.1%
<i>Travel and subsistence</i>	2.8	2.8	1.9	2.5	-3.0%	7.6%	3.6	3.5	4.0	16.3%	9.5%
<i>Venues and facilities</i>	0.2	0.5	0.2	–	-100.0%	0.7%	0.9	0.9	0.8	–	1.8%
Transfers and subsidies¹	0.2	0.1	0.0	–	-100.0%	0.2%	0.0	0.0	0.0	–	–
Households	0.2	0.1	0.0	–	-100.0%	0.2%	–	–	–	–	–
Payments for capital assets	0.3	0.1	0.2	0.3	-3.5%	0.6%	0.2	0.2	0.2	-4.1%	0.6%
Machinery and equipment	0.3	0.1	0.2	0.3	-3.5%	0.6%	0.2	0.2	0.2	-4.1%	0.6%
Total	33.6	33.9	30.8	33.4	-0.2%	100.0%	34.1	36.9	39.3	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	4.3%	4.0%	4.0%	3.8%	–	–	3.6%	3.7%	3.6%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Public Service Employment and Conditions of Service

Programme purpose

Develop, implement and monitor labour relations, human resource management and remuneration policies and guidelines. Ensure coordinated collective bargaining.

Objectives

- Contribute to the improvement in conditions of service for public service employees by monitoring and reporting on the implementation of the resolutions of the Public Service Coordinating Bargaining Council on an ongoing basis.
- Evaluate employee turnover in the public service by monitoring trends in vacancy rates and turnaround times for the filling of vacant positions, and reporting biannually to the Minister of Public Service and Administration.
- Contribute to the health, safety and positive morale of public service employees by providing support to national and provincial departments through the implementation of the employee health and wellness strategic framework for the public service and the Public Service Charter annually.
- Improve the competence levels of public service employees, and contribute to the professionalisation of the public service by:

- implementing a formal graduate recruitment scheme to support departments in attracting and developing talented young people over the medium term
 - supporting the appointment of 20 000 young people into learnerships, internships and artisan programmes per year over the medium term
 - strengthening the role of the state in the creation of technical skills and specialist professionals who are essential to the state's ability to deliver and manage infrastructure programmes and other catalyst projects on an ongoing basis.
- Promote uniformity and consistency in the awarding of payment and benefits for public service employees by drafting a remuneration policy for the public service for stakeholder consultation in 2018/19.
 - Contribute to improving conduct within the public service by monitoring and reporting on disciplinary cases in the public service quarterly.

Subprogrammes

- *Management: Public Service Employment and Conditions of Service* provides administrative support and management to the programme.
- *Labour Relations, Negotiations and Discipline Management* implements and maintains policies and systems on labour relations issues for the public service, coordinates and facilitates discipline management, and ensures coordinated collective bargaining in the Public Service Coordinating Bargaining Council and the General Public Sector Bargaining Council.
- *Workplace Environment Management* develops and supports the implementation of employee health and wellness frameworks and policies within the public service, and ensures the institutionalisation of the Public Service Charter among public service employees.
- *Human Resource Development* aims to improve the competency level of public servants through targeted activities aimed at capacity development. These include internships, learnerships, compulsory courses and skills programmes designed to ensure a constant pool of productive employees through appropriate policies, prescripts, advice and support.
- *Remuneration and Job Grading* develops, implements and maintains policies, practices and systems on remuneration and job grading.
- *Employee Benefits* focuses on the development, implementation and maintenance of policies and practices on general and macro benefits. These include pension benefits, medical assistance, housing allowances, working hours, leave, foreign service dispensation and remunerative allowances.
- *Human Resource Planning, Employment Practices and Performance Management* manages and supports the implementation of human resources planning and employment policies, frameworks, systems and practices.

Expenditure trends and estimates

Table 10.11 Public Service Employment and Conditions of Service expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management: Public Service Employment and Conditions of Service	3.1	3.9	1.5	3.3	2.5%	4.5%	3.7	3.9	4.1	7.7%	4.8%
Labour Relations, Negotiations and Discipline Management	8.0	8.2	6.6	6.4	-7.2%	11.1%	8.8	9.6	10.5	17.9%	11.2%
Workplace Environment Management	5.5	6.4	4.8	4.4	-7.0%	8.0%	4.4	4.7	5.1	4.5%	5.9%
Human Resource Development	6.0	4.4	4.4	4.9	-6.5%	7.5%	4.4	4.8	5.1	1.2%	6.1%
Remuneration and Job Grading	18.6	19.9	21.6	20.2	2.8%	30.5%	11.2	11.9	12.6	-14.6%	17.8%
Employee Benefits	11.3	13.9	16.3	15.5	11.4%	21.6%	37.4	30.4	34.0	29.7%	37.3%
Human Resource Planning, Employment Practices and Performance Management	10.2	10.9	11.0	12.1	5.8%	16.8%	12.6	13.5	14.5	6.0%	16.8%
Total	62.8	67.6	66.1	67.0	2.2%	100.0%	82.4	78.7	85.8	8.6%	100.0%
Change to 2017 Budget estimate				(3.1)			20.0	12.2	14.6		

Table 10.11 Public Service Employment and Conditions of Service expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
Current payments	61.4	67.0	64.9	65.7	2.3%	98.3%	81.8	78.1	85.2	9.0%	99.0%
Compensation of employees	45.3	46.4	49.2	49.8	3.1%	72.4%	49.0	52.7	56.7	4.5%	66.3%
Goods and services ¹	16.0	20.6	15.7	16.0	-0.1%	25.9%	32.8	25.4	28.5	21.3%	32.7%
<i>of which:</i>											
<i>Communication</i>	0.7	0.8	0.9	0.9	8.9%	1.2%	1.5	1.5	1.6	23.1%	1.7%
<i>Computer services</i>	1.7	1.7	2.0	1.9	4.8%	2.8%	2.0	2.2	2.3	6.4%	2.7%
<i>Consultants: Business and advisory services</i>	2.0	5.6	1.8	2.8	12.2%	4.6%	3.4	1.0	1.5	-18.4%	2.8%
<i>Consumables: Stationery, printing and office supplies</i>	0.5	0.7	0.8	0.6	2.2%	1.0%	5.0	3.0	2.3	58.6%	3.5%
<i>Travel and subsistence</i>	5.9	6.6	4.2	4.8	-6.6%	8.2%	7.4	7.8	8.2	19.3%	9.0%
<i>Operating payments</i>	0.5	0.3	0.8	0.9	22.6%	1.0%	4.1	4.5	7.3	98.6%	5.4%
Transfers and subsidies	0.5	0.1	0.8	-	-100.0%	0.5%	-	-	-	-	-
Households	0.5	0.1	0.7	-	-100.0%	0.5%	-	-	-	-	-
Payments for capital assets	0.9	0.5	0.5	1.2	10.4%	1.2%	0.6	0.6	0.6	-20.9%	1.0%
Machinery and equipment	0.9	0.5	0.5	1.2	10.4%	1.2%	0.6	0.6	0.6	-20.9%	1.0%
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	62.8	67.6	66.1	67.0	2.2%	100.0%	82.4	78.7	85.8	8.6%	100.0%
Proportion of total programme expenditure to vote expenditure	8.0%	8.0%	8.7%	7.6%	-	-	8.6%	7.8%	8.0%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Government Chief Information Officer

Programme purpose

Create an environment for the deployment of IT as a strategic tool of public administration. Minimise and control IT-related risks and costs in the public service.

Objectives

- Improve ICT security across the public service on an ongoing basis by:
 - supporting departments with the implementation of the e-enablement security guidelines
 - monitoring the implementation of the e-enablement security guidelines throughout the public service.
- Contribute to making ICT an enabler for improved service delivery in the public service on an ongoing basis by monitoring and developing mechanisms to improve e-enablement, and reporting on the management of obsolete technology.
- Reduce IT costs in the public service by devising mechanisms that enable government to leverage economies of scale and support the uptake of ICT in the public service by March 2019.

Subprogrammes

- *Management: Government Chief Information Officer* provides for administrative support and management to the programme.
- *Public Service ICT e-Enablement* develops a common public service vision and approach to ICT service delivery through the development and support of an ICT strategy.
- *Public Service ICT Stakeholder Management* coordinates and consolidates public service efforts in ICT to deploy ICT as a tool for service delivery, and manages the development of and supports the implementation of ICT governance and oversight policies and frameworks.
- *Public Service ICT Risk Management* reduces and controls public service ICT risks through the continual improvement of corporate governance of ICT in the public service based on identified risks in the rapidly evolving ICT environment.

- *Public Service ICT Service Management* minimises ICT costs in the public service by aligning ICT service provision with the ICT strategy, and developing and implementing related policies.

Expenditure trends and estimates

Table 10.12 Government Chief Information Officer expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)	
R million												
Management: Government Chief Information Officer	3.1	3.2	0.9	2.3	-9.9%	13.5%	3.3	3.5	3.7	17.0%	14.7%	
Public Service ICT E-enablement	4.0	6.1	4.6	4.7	5.5%	27.5%	7.5	8.0	8.5	22.3%	33.2%	
Public Service ICT Stakeholder Management	5.6	6.7	6.1	6.3	4.1%	35.0%	5.3	5.7	6.2	-0.7%	27.1%	
Public Service ICT Risk Management	3.4	3.2	3.1	2.8	-6.2%	17.9%	4.2	4.4	4.7	18.4%	18.6%	
Public Service ICT Service Management	1.1	0.9	1.3	1.0	-1.0%	6.1%	1.4	1.5	1.6	14.8%	6.3%	
Total	17.2	20.2	15.9	17.1	-0.1%	100.0%	21.7	23.1	24.7	12.9%	100.0%	
Change to 2017 Budget estimate				(4.4)			(1.4)	(1.1)	(1.2)			
Economic classification												
Current payments	16.5	19.9	15.7	16.8	0.6%	97.7%	21.4	22.7	24.3	13.2%	98.3%	
Compensation of employees	13.0	13.9	13.5	14.0	2.7%	77.2%	15.4	16.5	17.7	8.1%	73.5%	
Goods and services ¹	3.5	5.9	2.2	2.7	-8.1%	20.5%	6.0	6.1	6.6	34.1%	24.8%	
<i>of which:</i>												
Communication	0.2	2.1	0.2	0.3	11.4%	4.1%	0.3	0.4	0.4	8.7%	1.6%	
Computer services	0.8	0.2	0.2	0.4	-22.7%	2.2%	2.3	2.4	2.6	93.1%	8.9%	
Consultants: Business and advisory services	0.1	0.5	0.5	0.5	80.5%	2.2%	0.4	0.4	0.4	-6.8%	1.9%	
Consumables: Stationery, printing and office supplies	0.1	0.2	0.2	0.1	15.6%	0.8%	0.2	0.2	0.2	15.2%	0.8%	
Travel and subsistence	1.4	1.1	0.5	0.9	-13.8%	5.6%	2.0	2.0	2.1	32.3%	8.0%	
Operating payments	0.1	0.1	0.1	0.2	23.4%	0.5%	0.2	0.2	0.2	10.7%	0.9%	
Transfers and subsidies¹	0.0	0.1	0.1	-	-100.0%	0.4%	-	-	-	-	-	
Households	0.0	0.1	0.1	-	-100.0%	0.4%	-	-	-	-	-	
Payments for capital assets	0.5	0.2	0.1	0.4	-11.4%	1.7%	0.4	0.4	0.3	-3.7%	1.7%	
Machinery and equipment	0.5	0.2	0.1	0.4	-13.0%	1.7%	0.2	0.2	0.1	-27.2%	1.1%	
Software and other intangible assets	-	-	-	0.0	-	-	0.2	0.2	0.2	115.4%	0.6%	
Payments for financial assets	0.1	-	-	0.0	-69.4%	0.2%	-	-	-	-100.0%	-	
Total	17.2	20.2	15.9	17.1	-0.1%	100.0%	21.7	23.1	24.7	12.9%	100.0%	
Proportion of total programme expenditure to vote expenditure	2.2%	2.4%	2.1%	2.0%	-	-	2.3%	2.3%	2.3%	-	-	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Service Delivery Support

Programme purpose

Manage and facilitate the improvement of service delivery in government.

Objectives

- Contribute to the improvement of service delivery in the public service by:
 - providing technical support through workshops on mapping business processes and developing standard operating procedures to at least 3 priority departments per year over the medium term
 - supporting selected departments to institutionalise the public service productivity management framework, and monitoring and reporting on improvements in turnaround times on the services that the Department of Public Service and Administration renders to the public on an ongoing basis
 - assisting departments in improving the quality of their service delivery improvement plans by annually assessing and providing feedback on the quality of the plans submitted
 - managing and administering the Thusong service centre at Maponya Mall in Gauteng on an ongoing basis

- facilitating and coordinating the implementation of the community development programme on an ongoing basis
- managing citizen relations and engagement through service delivery improvement forums on an ongoing basis.
- Ensure South Africa’s compliance with the African Peer Review Mechanism by performing the second country review in 2018/19.
- Enhance the implementation of Batho Pele principles by:
 - monitoring and reporting on the implementation of the Batho Pele principles by prioritised departments annually
 - conducting an impact assessment of the implementation of service standards in 2018/19.

Subprogrammes

- *Management: Service Delivery Support* provides administrative support and management to the programme.
- *Service Delivery Planning and Operations Management* manages public service delivery planning and operations management through service standards, delivery models and standard operating procedures; and designs toolkits and instruments that support improved service delivery.
- *Service Delivery Improvement Initiatives* manages and supports continual service delivery improvement mechanisms, programmes and initiatives across the public service.
- *Community Development and Citizen Relations* facilitates and coordinates the implementation of community development programmes, and manages citizen relations through forums to improve service delivery.
- *Public Participation and Social Dialogue* manages, coordinates and promotes the implementation of the African Peer Review Mechanism and public participation programmes, including the open government partnership project.
- *Batho Pele Support Initiatives* manages service delivery complaints and assists departments in designing service delivery charters with citizens and communities. This subprogramme promotes the professionalisation of public service employees through change management programmes that institutionalise Batho Pele principles.
- *Centre for Public Service Innovation* facilitates transfer payments to the Centre for Public Service Innovation, which unlocks innovation in the public sector and creates an enabling environment for improved and innovative service delivery through capacity development activities.
- *National School of Government* facilitates transfer payments to the National School of Government to fund the school’s management and administrative support; and the augmentation of the training trading entity, which aims to enhance the quality, extent and impact of public sector management and leadership development. It does this through collaboration with other training service providers, compulsory training programmes, and the facilitation of training for all spheres of government.

Expenditure trends and estimates

Table 10.13 Service Delivery Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Management: Service Delivery Support	4.5	4.6	2.9	3.6	-7.1%	1.9%	4.2	4.6	5.0	11.8%	1.6%
Service Delivery Planning and Operations Management	3.0	3.7	3.6	2.9	-0.6%	1.6%	3.7	4.0	4.3	13.0%	1.4%
Service Delivery Improvement Initiatives	17.3	15.9	12.9	12.7	-9.8%	7.1%	14.0	14.9	15.8	7.6%	5.4%
Community Development and Citizen Relations	5.1	7.5	8.3	6.4	7.8%	3.3%	7.3	7.8	8.3	9.3%	2.8%
Public Participation and Social Dialogue	8.2	19.4	14.6	13.8	18.8%	6.7%	14.2	15.0	15.9	4.7%	5.6%
Batho Pele Support Initiatives	10.7	10.6	9.6	8.4	-7.7%	4.7%	9.3	10.0	10.6	8.3%	3.6%
Centre for Public Service Innovation	22.6	29.0	32.1	34.1	14.7%	14.2%	36.0	38.4	41.0	6.4%	14.1%
National School of Government	138.5	140.4	71.1	153.9	3.6%	60.6%	169.0	179.3	190.3	7.3%	65.4%
Total	209.8	231.2	155.0	235.7	4.0%	100.0%	257.6	273.9	291.2	7.3%	100.0%
Change to 2017 Budget estimate				(12.2)			(8.9)	(9.2)	(9.8)		
Economic classification											
Current payments	48.2	60.3	48.8	45.9	-1.6%	24.4%	50.9	54.4	58.1	8.1%	19.8%
Compensation of employees	22.8	26.0	27.8	28.6	7.8%	12.7%	32.6	35.1	37.6	9.6%	12.7%
Goods and services ¹	25.4	34.3	21.0	17.3	-11.9%	11.8%	18.2	19.3	20.5	5.6%	7.1%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	1.9	2.7	1.0	1.8	-1.2%	0.9%	2.0	2.0	2.1	5.8%	0.7%
<i>Contractors</i>	1.7	1.4	1.1	2.0	5.5%	0.7%	2.8	2.9	3.1	15.3%	1.0%
<i>Rental and hiring</i>	1.8	3.7	0.7	2.1	5.7%	1.0%	2.5	2.6	2.8	9.7%	0.9%
<i>Property payments</i>	0.4	1.5	0.5	0.4	-1.9%	0.3%	1.4	1.6	1.7	60.5%	0.5%
<i>Transport provided: Departmental activity</i>	1.6	0.1	0.1	0.5	-30.4%	0.3%	1.2	1.3	1.4	37.2%	0.4%
<i>Travel and subsistence</i>	7.1	13.9	6.8	4.4	-14.3%	3.9%	3.0	3.3	3.4	-8.5%	1.3%
Transfers and subsidies¹	161.1	170.7	104.6	189.5	5.5%	75.3%	206.4	219.2	232.8	7.1%	80.1%
Departmental agencies and accounts	161.1	169.4	103.2	188.0	5.3%	74.7%	205.0	217.7	231.3	7.2%	79.6%
Foreign governments and international organisations	-	1.3	1.4	1.5	-	0.5%	1.4	1.5	1.5	-0.1%	0.6%
Households	0.1	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.4	0.1	1.2	0.3	-6.7%	0.3%	0.3	0.3	0.3	-5.6%	0.1%
Machinery and equipment	0.4	0.1	1.2	0.3	-6.7%	0.3%	0.3	0.3	0.3	-5.6%	0.1%
Payments for financial assets	0.0	0.0	0.3	-	-100.0%	-	-	-	-	-	-
Total	209.8	231.2	155.0	235.7	4.0%	100.0%	257.6	273.9	291.2	7.3%	100.0%
Proportion of total programme expenditure to vote expenditure	26.6%	27.5%	20.3%	26.9%	-	-	26.9%	27.2%	27.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	161.1	169.4	103.2	188.0	5.3%	74.7%	205.0	217.7	231.3	7.2%	79.6%
National School of Government	138.5	140.4	71.1	153.9	3.6%	60.6%	169.0	179.3	190.3	7.3%	65.4%
Centre for Public Service Innovation	22.6	29.0	32.1	34.1	14.7%	14.2%	36.0	38.4	41.0	6.4%	14.1%
Foreign governments and international organisations											
Current	-	1.3	1.4	1.5	-	0.5%	1.4	1.5	1.5	-0.1%	0.6%
Open Government Partnership	-	1.3	1.4	1.5	-	0.5%	1.4	1.5	1.5	-0.1%	0.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Governance of Public Administration

Programme purpose

Manage and oversee the implementation of policies, strategies and programmes on public service integrity, intergovernmental relations, the macro organisation of the state, organisational design and senior leadership management. Manage government intervention programmes.

Objectives

- Manage the risk of corruption in the public service on an ongoing basis by:
 - monitoring and reporting on the implementation of the financial disclosure framework by departments

- monitoring and reporting on the implementation of the determination on other remunerative work by public service employees to ensure that public service employees, as individuals or through companies, do not conduct business with the state.
- Enhance and promote the quality of organisational structures in the public service by providing ongoing support to national and provincial departments on organisational design through the implementation of organisational design tools and frameworks, and training and support for implementation.
- Improve transparency, responsibility and accountability in the public service annually by:
 - supporting selected national and provincial departments in the implementation of the standardised delegation principles and templates
 - monitoring and reporting on departments' compliance with these principles and templates.
- Monitor the implementation of outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework throughout the public service by:
 - coordinating reporting to the governance and administration cluster and Cabinet quarterly
 - evaluating compliance with legislation and determinations pertaining to public service administration through the establishment of an office of standards and evaluating compliance to set standards over the medium term.
- Strengthen the recruitment and development practices of senior managers on an ongoing basis by:
 - supporting the implementation of and monitoring compliance with the directive on compulsory capacity development
 - providing training days and minimum entry requirements for senior managers in the public service.

Subprogrammes

- *Management: Governance of Public Administration* provides administrative support and management to the programme.
- *Ethics and Integrity Management* develops and manages policies, strategies and programmes on ethics and integrity in the public service.
- *Organisational Design and Macro Organisation of the Public Service* develops, manages and supports the implementation of organisational design and macro organisational policies and frameworks for the public service and the state.
- *Transformation Policies and Programmes* manages the development and supports the implementation of transformation and diversity management policies, practices and frameworks.
- *Intergovernmental Relations and Government Interventions* manages intergovernmental relations between Parliament, Cabinet, donor coordination and coordinating structures for governance and administration; and manages public administration government interventions.
- *Leadership Management* provides a leadership and management framework for the senior management service to ensure good governance of the public service through a professional management echelon.
- *Human Resource Management Information Systems* manages the development, implementation and maintenance of the human resource management module of the integrated financial management system, and provides data and statistics from the PERSAL system.
- *Public Service Commission facilitates* a transfer payment to the Public Service Commission, which oversees and evaluates the functioning of the public service with a view to establish good governance and best practice principles.

Expenditure trends and estimates

Table 10.14 Governance of Public Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Management: Governance of Public Administration	3.7	4.2	3.3	3.7	-0.2%	1.4%	3.9	4.3	4.4	5.7%	1.3%
Ethics and Integrity Management	9.1	10.7	11.5	13.1	13.0%	4.1%	15.7	16.7	18.2	11.5%	5.0%
Organisational Design and Macro Organisation of the Public Service	7.4	7.9	6.5	7.1	-1.5%	2.6%	8.2	8.8	9.5	10.2%	2.6%
Transformation Policies and Programmes	5.0	4.9	4.3	4.4	-4.5%	1.7%	4.2	4.5	4.9	3.6%	1.4%
Intergovernmental Relations and Government Interventions	3.5	3.6	4.4	4.7	10.5%	1.5%	4.1	4.3	4.5	-1.3%	1.4%
Leadership Management	4.8	5.8	5.7	6.1	8.5%	2.1%	5.2	5.5	5.9	-1.4%	1.8%
Human Resource Management Information Systems	5.0	5.4	5.2	5.3	1.6%	1.9%	6.3	6.7	7.2	11.0%	2.0%
Public Service Commission	225.5	229.8	229.2	242.8	2.5%	84.8%	264.4	278.2	297.6	7.0%	84.6%
Total	264.1	272.4	270.2	287.2	2.8%	100.0%	311.9	329.1	352.2	7.0%	100.0%
Change to 2017 Budget estimate				(4.6)			(0.1)	(5.0)	(5.4)		
Economic classification											
Current payments	38.1	42.3	40.4	43.9	4.8%	15.1%	45.8	49.2	52.8	6.4%	15.0%
Compensation of employees	29.7	31.8	31.4	33.5	4.1%	11.6%	35.2	37.8	40.7	6.7%	11.5%
Goods and services ¹	8.4	10.5	9.0	10.4	7.3%	3.5%	10.6	11.3	12.1	5.3%	3.5%
of which:											
Catering: Departmental activities	0.3	0.2	0.2	0.1	-24.8%	0.1%	0.5	0.6	0.6	67.1%	0.1%
Communication	0.4	0.5	0.6	0.6	13.6%	0.2%	0.6	0.7	0.7	4.5%	0.2%
Computer services	0.7	2.8	3.8	4.7	92.8%	1.1%	4.8	5.2	5.5	5.2%	1.6%
Travel and subsistence	3.8	4.3	2.3	2.4	-14.6%	1.2%	3.2	3.5	3.7	15.8%	1.0%
Operating payments	0.3	0.2	0.2	0.4	2.4%	0.1%	0.3	0.3	0.3	-3.2%	0.1%
Venues and facilities	1.3	1.2	0.6	0.8	-15.4%	0.3%	0.4	0.5	0.5	-11.0%	0.2%
Transfers and subsidies¹	225.8	230.0	229.5	243.0	2.5%	84.9%	264.7	278.5	297.9	7.0%	84.7%
Departmental agencies and accounts	225.5	229.8	229.2	242.8	2.5%	84.8%	264.4	278.2	297.6	7.0%	84.6%
Foreign governments and international organisations	0.2	0.2	0.2	0.3	3.5%	0.1%	0.3	0.3	0.3	5.1%	0.1%
Households	0.0	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.2	0.1	0.2	0.3	6.4%	0.1%	1.4	1.4	1.5	74.1%	0.4%
Machinery and equipment	0.2	0.1	0.2	0.3	8.1%	0.1%	0.2	0.3	0.3	-0.6%	0.1%
Software and other intangible assets	0.0	-	-	-	-100.0%	-	1.2	1.2	1.2	-	0.3%
Payments for financial assets	0.0	0.0	0.0	0.0	51.8%	-	-	-	-	-100.0%	-
Total	264.1	272.4	270.2	287.2	2.8%	100.0%	311.9	329.1	352.2	7.0%	100.0%
Proportion of total programme expenditure to vote expenditure	33.5%	32.4%	35.4%	32.7%	-	-	32.6%	32.7%	32.7%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	225.5	229.8	229.2	242.8	2.5%	84.8%	264.4	278.2	297.6	7.0%	84.6%
Public Service Commission	225.5	229.8	229.2	242.8	2.5%	84.8%	264.4	278.2	297.6	7.0%	84.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Other departments within the vote

National School of Government

Budget summary

R million	2018/19			Payments for capital assets	2019/20	2020/21
	Total	Current payments	Transfers and subsidies		Total	Total
MTEF allocation						
Administration	102.6	99.5	–	3.1	109.4	116.6
Public Sector Organisational and Staff Development	66.4	–	66.4	–	69.8	73.7
Total expenditure estimates	169.0	99.5	66.4	3.1	179.3	190.3

Executive authority: Minister of Public Service and Administration
 Accounting officer: Principal of the National School of Government
 Website address: www.thensg.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Department purpose

Provide or coordinate the provision of learning interventions that lead to improved performance and service delivery in the public sector.

Mandate

The National School of Government derives its mandate from the Public Service Amendment Act (2007). In terms of the act, the institution is mandated to provide training or effect the provision of training. The National School of Government responds to its mandate by developing relevant training and development programmes for delivery to South African public service officials at all levels. The National School of Government uses its trading account as a delivery vehicle for its core outputs, which are established in terms of the Public Finance Management Act (1999).

Expenditure analysis

The NDP emphasises the need to build a skilled and professional public service, responsible for producing future public sector leaders to realise the NDP's Vision 2030 and the African Union's Agenda 2063. The National School of Government, therefore, intends to continue focusing on contributing towards the fulfilment of the educational, training and developmental needs of the public service over the medium term. The school's work contributes to the attainment of outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework.

The National School of Government carries out its work through the National School of Government training trading account, which is funded from transfers the school receives from the Department of Public Service and Administration, as well as through revenue it generates from training programmes it provides to government departments, such as ethics management, and governance and leadership, among others. Accordingly, transfers to the school's training trading account represent a projected 39 per cent (R209.9 million) of its total budget over the medium term. 61 per cent (R328.6 million) of the school's total budget is allocated to the *Administration* programme to provide strategic direction and support services to the school.

Over the MTEF period, the school plans to continue engaging on various strategic approaches to build capacity to create a professional, capable and developmental public service. One of these approaches is Rutanang MaAfrika, which aims to commission serving and retired public service officials to deliver certain training programmes. Expressions of interest from relevant individuals and parties have been received, and the school will, over the MTEF period, screen these applicants. This will be carried out in the in the *Management* subprogramme in the *Administration* programme. In addition, over the medium term, the school intends to focus on positioning itself as a thought leader on the complex issues South Africa faces in the context of the

global political economy. To achieve this, the school plans to publish opinion pieces in the media and create an online newsletter on thought leadership.

The school aims to continue revising its funding model to ensure it generates more revenue through its training projects. The revised funding model will propose that a portion of national departments' training budgets be redirected to the school to fund the mandatory training it provides. The school plans to conclude its consultation with key stakeholders on the revised funding model in 2018/19, and implementation is projected to begin in 2019/20. The school's executive management is responsible for revising the funding model, and activities relating to this revision are expected to take place in the *Management* and *Corporate Services* subprogrammes in the *Administration* programme.

The *Administration* programme, which has a total allocation of R328.6 million over the MTEF period, will provide overall management and support services, including financial, supply chain and human resources management, to the department and its training trading account. The school expects to outsource support services such as IT services and facilities management, which together account for 31.2 per cent (R43.3 million) of the total allocation for goods and services over the medium term. The school functions with a staff complement of 90, with spending on compensation of employees expected to be R176.2 million over the medium term.

Expenditure trends

Table 10.15 Departmental expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Public Sector Organisational and Staff Development																																	
Programme																																	
	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)		
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18					
Programme 1	82.9	82.9	78.3	84.3	84.6	89.8	55.1	88.6	87.7	95.9	94.8	94.8	110.2%	99.9%																			
Programme 2	55.6	55.6	55.6	55.2	55.8	47.8	-	-	-	64.6	59.1	59.1	92.6%	95.3%																			
Total	138.5	138.5	133.9	139.5	140.4	137.6	55.1	88.6	87.7	160.5	153.9	153.9	103.9%	98.4%																			
Change to 2017 Budget estimate												(6.6)																					
Economic classification																																	
Current payments	80.6	80.6	73.6	81.9	82.3	85.0	55.1	86.2	84.6	92.9	91.8	91.8	107.9%	98.3%																			
Compensation of employees	45.7	45.7	37.0	47.8	48.1	44.1	50.0	50.0	49.1	51.9	51.1	52.0	93.2%	93.4%																			
Goods and services	34.9	34.9	36.6	34.1	34.1	41.0	5.1	36.2	35.5	41.0	40.8	39.9	132.8%	104.8%																			
Transfers and subsidies	55.6	55.6	55.8	55.2	55.8	47.9	-	-	0.1	64.6	59.1	59.1	92.8%	95.5%																			
Departmental agencies and accounts	55.6	55.6	55.6	55.2	55.8	47.8	-	-	-	64.6	59.1	59.1	-	-																			
Households	-	-	0.2	-	-	0.1	-	-	0.1	-	-	-	-	-																			
Payments for capital assets	2.4	2.4	4.2	2.4	2.4	4.7	-	2.4	2.9	3.0	3.0	3.0	191.8%	146.7%																			
Machinery and equipment	2.4	2.4	4.1	2.4	2.4	4.3	-	2.4	2.7	3.0	3.0	3.0	183.7%	140.6%																			
Software and other intangible assets	-	-	0.1	-	-	0.4	-	-	0.2	-	-	-	-	-																			
Payments for financial assets	-	-	0.3	-	-	0.1	-	-	-	-	-	-	-	-																			
Total	138.5	138.5	133.9	139.5	140.4	137.6	55.1	88.6	87.7	160.5	153.9	153.9	103.9%	98.4%																			

Expenditure estimates

Table 10.16 Departmental expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Public Sector Organisational and Staff Development								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	94.8	4.6%	68.3%	102.6	109.4	116.6	7.2%	61.1%
Programme 2	59.1	2.1%	31.7%	66.4	69.8	73.7	7.6%	38.9%
Total	153.9	3.6%	100.0%	169.0	179.3	190.3	7.3%	100.0%
Change to 2017 Budget estimate				(4.3)	(4.6)	(4.9)		
Economic classification								
Current payments	91.8	4.5%	65.3%	99.5	106.2	113.2	7.2%	59.3%
Compensation of employees	52.0	4.4%	35.5%	54.9	58.4	62.8	6.5%	32.9%
Goods and services	39.9	4.6%	29.8%	44.5	47.8	50.4	8.1%	26.4%
Transfers and subsidies	59.1	2.1%	31.7%	66.4	69.8	73.7	7.6%	38.9%
Departmental agencies and accounts	59.1	2.1%	31.7%	66.4	69.8	73.7	7.6%	38.9%
Payments for capital assets	3.0	7.9%	2.9%	3.1	3.3	3.4	5.0%	1.8%
Machinery and equipment	3.0	7.9%	2.8%	3.1	3.3	3.4	5.0%	1.8%
Total	153.9	3.6%	100.0%	169.0	179.3	190.3	7.3%	100.0%

Expenditure trends and estimates for significant spending items

Table 10.17 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Augmentation of training trading account	55 597	47 795	–	59 112	2.1%	31.7%	66 380	69 847	73 703	7.6%	38.9%
Agency and support/outsourced services	9 830	8 415	5 083	13 940	12.3%	7.3%	13 410	14 569	15 356	3.3%	8.3%
Operating leases	5 999	9 554	9 529	6 409	2.2%	6.1%	9 118	9 223	9 730	14.9%	5.0%
Compensation of employees	36 953	44 056	49 100	51 080	11.4%	35.3%	54 845	58 382	62 826	7.1%	32.8%
Total	108 379	109 820	63 712	130 541	28.0%	80.4%	143 753	152 021	161 615	32.9%	85.0%

Goods and services expenditure trends and estimates

Table 10.18 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	339	391	579	54	-45.8%	0.9%	56	60	63	5.3%	0.1%
Advertising	802	787	361	671	-5.8%	1.7%	710	750	792	5.7%	1.6%
Minor assets	341	331	113	454	10.0%	0.8%	480	506	533	5.5%	1.1%
Audit costs: External	3 788	4 285	2 868	3 487	-2.7%	9.4%	3 690	3 897	4 111	5.6%	8.3%
Bursaries: Employees	597	697	740	469	-7.7%	1.6%	497	525	554	5.7%	1.1%
Catering: Departmental activities	135	411	520	253	23.3%	0.9%	268	283	299	5.7%	0.6%
Communication	904	1 236	1 117	1 984	30.0%	3.4%	1 570	1 658	1 750	-4.1%	3.8%
Computer services	3 842	4 145	3 492	2 687	-11.2%	9.2%	2 813	2 971	3 134	5.3%	6.3%
Consultants: Business and advisory services	1 176	279	329	1 152	-0.7%	1.9%	1 190	1 256	1 325	4.8%	2.7%
Legal services	356	177	245	639	21.5%	0.9%	677	715	754	5.7%	1.5%
Contractors	383	754	1 388	727	23.8%	2.1%	769	812	857	5.6%	1.7%
Agency and support/outsourced services	9 830	8 415	5 083	13 940	12.3%	24.2%	13 410	14 569	15 356	3.3%	31.2%
Entertainment	–	–	–	110	–	0.1%	116	122	128	5.2%	0.3%
Fleet services (including government motor transport)	392	294	7	512	9.3%	0.8%	541	571	602	5.5%	1.2%

Table 10.18 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
							2017/18 - 2020/21				
Inventory: Food and food supplies	-	-	-	30	-	-	32	33	34	4.3%	0.1%
Inventory: Learner and teacher support material	-	-	-	340	-	0.2%	360	380	401	5.7%	0.8%
Inventory: Materials and supplies	115	79	205	25	-39.9%	0.3%	27	29	31	7.4%	0.1%
Inventory: Medical supplies	-	-	225	10	-	0.2%	10	11	12	6.3%	-
Inventory: Other supplies	-	-	-	84	-	0.1%	89	94	99	5.6%	0.2%
Consumable supplies	471	397	793	-	-100.0%	1.1%	-	-	-	-	-
Consumables: Stationery, printing and office supplies	956	1 014	759	1 360	12.5%	2.7%	1 438	1 518	1 602	5.6%	3.2%
Operating leases	5 999	9 554	9 529	6 409	2.2%	20.5%	9 118	9 223	9 730	14.9%	18.8%
Rental and hiring	-	4	41	-	-	-	-	-	-	-	-
Property payments	2 758	4 151	3 391	591	-40.2%	7.1%	626	661	697	5.7%	1.4%
Travel and subsistence	1 600	2 056	2 108	2 911	22.1%	5.6%	3 081	3 754	3 961	10.8%	7.5%
Training and development	863	667	742	1 146	9.9%	2.2%	2 213	2 592	2 735	33.6%	4.7%
Operating payments	860	742	154	457	-19.0%	1.4%	484	510	538	5.6%	1.1%
Venues and facilities	123	91	747	248	26.3%	0.8%	262	277	292	5.6%	0.6%
Total	36 630	40 957	35 536	40 750	3.6%	100.0%	44 527	47 777	50 390	7.3%	100.0%

Transfers and subsidies expenditure trends and estimates**Table 10.19 Departmental transfers and subsidies trends and estimates**

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
							2017/18 - 2020/21				
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	55 597	47 795	-	59 112	2.1%	99.8%	66 380	69 847	73 703	7.6%	100.0%
Augmentation of training trading account	55 597	47 795	-	59 112	2.1%	99.8%	66 380	69 847	73 703	7.6%	100.0%
Households											
Other transfers to households											
Current	174	66	134	-	-100.0%	0.2%	-	-	-	-	-
Employee social benefits	174	66	134	-	-100.0%	0.2%	-	-	-	-	-
Total	55 771	47 861	134	59 112	2.0%	100.0%	66 380	69 847	73 703	7.6%	100.0%

Personnel information**Table 10.20 Departmental personnel numbers and cost by salary level and programme¹**

Programmes		Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment											Number					
National School of Government	Salary level	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2017/18 - 2020/21	Average: Salary level/Total (%)			
				2016/17			2017/18			2018/19		2019/20		2020/21						
				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
	91	-	-	91	49.1	0.5	91	52.0	0.6	91	54.9	0.6	90	58.4	0.6	90	62.8	0.7	-0.4%	100.0%
1-6	17	-	-	17	3.5	0.2	17	3.8	0.2	18	4.4	0.2	18	4.7	0.3	18	5.1	0.3	1.9%	19.6%
7-10	39	-	-	40	13.5	0.3	41	15.2	0.4	40	15.9	0.4	39	16.5	0.4	39	17.8	0.5	-1.7%	43.9%
11-12	17	-	-	17	12.1	0.7	16	12.3	0.8	17	14.2	0.8	17	15.3	0.9	17	16.5	1.0	2.0%	18.5%
13-16	18	-	-	17	19.3	1.1	17	20.7	1.2	16	20.5	1.3	16	21.9	1.4	16	23.4	1.5	-2.0%	18.0%
Other	-	-	-	-	0.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Programme	91	-	-	91	49.1	0.5	91	52.0	0.6	91	54.9	0.6	90	58.4	0.6	90	62.8	0.7	-0.4%	100.0%
Programme 1	91	-	-	91	49.1	0.5	91	52.0	0.6	91	54.9	0.6	90	58.4	0.6	90	62.8	0.7	-0.4%	100.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 10.21 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	111	102	183	26	26	-38.4%	100.0%	78	79	80	45.4%	100.0%
Sales of goods and services produced by department	28	33	38	26	26	-2.4%	29.6%	28	29	30	4.9%	43.0%
Other sales	28	33	38	26	26	-2.4%	29.6%	28	29	30	4.9%	43.0%
of which:												
Parking fees	1	1	1	-	-	-100.0%	0.7%	1	1	1	-	1.1%
Commission	27	32	37	26	26	-1.3%	28.9%	27	28	29	3.7%	41.8%
Sales of scrap, waste, arms and other used current goods	2	-	-	-	-	-100.0%	0.5%	-	-	-	-	-
of which:												
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	2	-	-	-	-	-100.0%	0.5%	-	-	-	-	-
Interest, dividends and rent on land	50	50	48	-	-	-100.0%	35.1%	50	50	50	-	57.0%
Interest	50	50	48	-	-	-100.0%	35.1%	50	50	50	-	57.0%
Sales of capital assets	31	14	56	-	-	-100.0%	23.9%	-	-	-	-	-
Transactions in financial assets and liabilities	-	5	41	-	-	-	10.9%	-	-	-	-	-
Total	111	102	183	26	26	-38.4%	100.0%	78	79	80	45.4%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the National School of Government.

Expenditure trends and estimates

Table 10.22 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management	6.0	12.4	15.4	13.6	31.2%	13.5%	16.0	17.0	18.1	9.9%	15.3%
Corporate Services	63.5	63.7	60.0	80.6	8.3%	76.4%	86.0	91.8	97.9	6.7%	84.1%
Property Management	8.8	13.7	12.2	0.6	-59.3%	10.1%	0.6	0.7	0.7	5.7%	0.6%
Total	78.3	89.8	87.7	94.8	6.6%	100.0%	102.6	109.4	116.6	7.2%	100.0%
Change to 2017				(1.1)			(2.6)	(2.8)	(3.0)		
Budget estimate											
Economic classification											
Current payments	73.6	85.0	84.6	91.8	7.7%	95.6%	99.5	106.2	113.2	7.2%	97.0%
Compensation of employees	37.0	44.1	49.1	51.1	11.4%	51.7%	54.9	58.4	62.8	7.1%	53.7%
Goods and services ¹	36.6	41.0	35.5	40.8	3.6%	43.9%	44.5	47.8	50.4	7.3%	43.3%
of which:											
Audit costs: External	3.8	4.3	2.9	3.5	-2.7%	4.1%	3.7	3.9	4.1	5.6%	3.6%
Computer services	3.8	4.1	3.5	2.7	-11.2%	4.0%	2.8	3.0	3.1	5.3%	2.7%
Agency and support/outsourced services	9.8	8.4	5.1	13.9	12.3%	10.6%	13.4	14.6	15.4	3.3%	13.5%
Operating leases	6.0	9.6	9.5	6.4	2.2%	9.0%	9.1	9.2	9.7	14.9%	8.1%
Travel and subsistence	1.6	2.1	2.1	2.9	22.1%	2.5%	3.1	3.8	4.0	10.8%	3.2%
Training and development	0.9	0.7	0.7	1.1	9.9%	1.0%	2.2	2.6	2.7	33.6%	2.1%
Transfers and subsidies¹	0.2	0.1	0.1	-	-100.0%	0.1%	-	-	-	-	-
Households	0.2	0.1	0.1	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	4.2	4.7	2.9	3.0	-11.0%	4.2%	3.1	3.3	3.4	5.0%	3.0%
Machinery and equipment	4.1	4.3	2.7	3.0	-10.4%	4.0%	3.1	3.3	3.4	5.0%	3.0%
Software and other intangible assets	0.1	0.4	0.2	-	-100.0%	0.2%	-	-	-	-	-
Payments for financial assets	0.3	0.1	-	-	-100.0%	0.1%	-	-	-	-	-
Total	78.3	89.8	87.7	94.8	6.6%	100.0%	102.6	109.4	116.6	7.2%	100.0%
Proportion of total programme expenditure to vote expenditure	58.5%	65.3%	100.0%	61.6%	-	-	60.7%	61.0%	61.3%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Public Sector Organisational and Staff Development

Programme purpose

Facilitate transfer payments to the training trading account, which provides education, development and training to public sector employees.

Objectives

- Inform learning and development needs and opportunities in the public service by implementing effective research, knowledge management and diagnostic strategies on an ongoing basis.
- Monitor the quality of learning and development interventions, and evaluate the effectiveness of interventions on performance, based on norms and standards, by implementing an effective monitoring and evaluation framework over the medium term.
- Provide learning and development opportunities by managing an integrated and collaborative network of local and international learning and development institutions and practitioners on an ongoing basis.

Expenditure trends and estimates

Table 10.23 Public Sector Organisational and Staff Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Augmentation of training trading account	55.6	47.8	–	59.1	2.1%	100.0%	66.4	69.8	73.7	7.6%	100.0%
Total	55.6	47.8	–	59.1	2.1%	100.0%	66.4	69.8	73.7	7.6%	100.0%
Change to 2017 Budget estimate				(5.5)			(1.7)	(1.8)	(1.9)		
Economic classification											
Transfers and subsidies¹	55.6	47.8	–	59.1	2.1%	100.0%	66.4	69.8	73.7	7.6%	100.0%
Departmental agencies and accounts	55.6	47.8	–	59.1	2.1%	100.0%	66.4	69.8	73.7	7.6%	100.0%
Total	55.6	47.8	–	59.1	2.1%	100.0%	66.4	69.8	73.7	7.6%	100.0%
Proportion of total programme expenditure to vote expenditure	41.5%	34.7%		38.4%	–	–	39.3%	39.0%	38.7%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	55.6	47.8	–	59.1	2.1%	100.0%	66.4	69.8	73.7	7.6%	100.0%
Augmentation of training trading account	55.6	47.8	–	59.1	2.1%	100.0%	66.4	69.8	73.7	7.6%	100.0%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Public Service Commission

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	125.9	124.8	0.1	0.9	129.0	137.1
Leadership and Management Practices	44.7	44.5	0.2	0.1	47.8	51.4
Monitoring and Evaluation	39.3	39.3	–	–	42.6	45.8
Integrity and Anti-Corruption	54.5	54.5	0.0	0.0	58.9	63.3
Total expenditure estimates	264.4	263.1	0.3	1.0	278.2	297.6
Executive authority	Minister of Public Service and Administration					
Accounting officer	Director General of the Public Service Commission					
Website address	www.psc.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Department purpose

Promote constitutional values and principles of public administration in the public service.

Mandate

The Public Service Commission is an independent institution established in terms of chapter 10 of the Constitution. The commission derives its mandate from sections 195 and 196 of the Constitution and is tasked and empowered, either of its own accord or if it receives any complaint, to investigate, monitor and evaluate the organisation and administration of the public service. The mandate also requires the commission to: evaluate the performance of government programmes and promote measures throughout the public service, which ensures effective and efficient performance within the public service; and promote the values and principles of public administration, as set out in the Constitution.

Selected performance indicators

Table 10.24 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of grievances finalised per year	Leadership and Management Practices	Outcome 12: An efficient, effective and development oriented public service	90% (711/790)	89% (605/680)	87% (615/709)	75%	80%	80%	80%
Number of reports on the management of grievances in the public service produced per year	Leadership and Management Practices		1	1	1	3	3	3	3
Number of research reports on labour relations produced per year	Leadership and Management Practices		1	1	1	2	2	2	2
Number of reports on evaluation of constitutional values and principles produced per year ²	Monitoring and Evaluation		14	4	4	14	100	12	100
Percentage of public administration investigations concluded per year	Integrity and Anti-Corruption		57% (237/419)	73% (371/510)	84% (303/360)	60%	65%	70%	75%
Number of reports on selected public administration practices produced per year	Integrity and Anti-Corruption		– ¹	2	2	2	3	2	2
Percentage of national anti-corruption hotline cases referred to relevant departments within seven days of receipt of report per year	Integrity and Anti-Corruption		100% (1 612)	100% (1 374)	100% (1 856)	90%	85%	90%	80%
Percentage of financial disclosure forms received and scrutinised per year	Integrity and Anti-Corruption		100% (8 699)	100% (8 986)	100% (10 302)	100%	100%	100%	100%
Number of advisory workshops provided per year on professional and ethical conduct in the public service	Integrity and Anti-Corruption		17	27	69 ²	15	22	22	22
Percentage of early resolution cases finalised within 45 days upon receipt of all relevant information per year	Integrity and Anti-Corruption		61% (90/147)	100% (154)	85% (126/148)	80%	80%	80%	80%

1. No historical data available.

2. Fluctuations are due to different research methods applied.

Expenditure analysis

Over the medium term, the Public Service Commission will focus on fighting corruption, strengthening human resource practices and management, and monitoring and evaluating service delivery performance across the public service. These focus areas will contribute towards the attainment of outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework, as well as chapters 13 and 14 of the NDP, which emphasise building a capable and developmental state, and rooting out corruption in government. As the commission's work is largely knowledge-based, a projected 77.3 per cent (R653.7 million) of its total budget is allocated to compensation of employees for its staff complement of approximately 281 over the medium term.

Fighting corruption

Chapter 14 of the NDP calls for effective anti-corruption initiatives to prevent corrupt activities, detect them early where they do occur, and strengthen government's responsiveness to them. The national anti-corruption hotline, which is managed by the commission, has remained an important public participation mechanism for reporting cases of alleged corruption across the public service. Although the hotline was established primarily for reporting alleged corruption, complaints related to service delivery are also lodged through it. Over the MTEF period, the commission expects to refer 85 per cent of cases reported through the hotline to relevant departments within 21 days of receiving the reports. The cost of managing the hotline is estimated at R16.2 million over the medium term, the bulk of which is expected to be spent on compensation of employees. The commission also plans to continue promoting professional ethics in the public service through managing conflicts of interest. This involves scrutinising financial disclosure forms submitted by public service employees as required by the Public Administration and Management Act (2014). R16 million has been allocated over the medium term for this purpose in the *Professional Ethics* subprogramme in the *Integrity and Anti-Corruption* programme.

Strengthening human resource practices and management

In line with its mandate, as outlined in section 196 of the Constitution, the commission will continue to assess, monitor and evaluate personnel practices to provide advice and make recommendations aimed at making the public service more effective and efficient. To ensure maximum impact, the commission will host 15 sessions with government departments per year over the MTEF period. Stakeholders, such as heads of departments and other key officials in human resources and labour relations in national and provincial departments, will be engaged to ensure that recommendations are implemented. These include recommendations on recruitment and selection processes, performance and discipline management, and development systems. These activities are budgeted for in the *Labour Relations Improvement* subprogramme, which accounts for a projected 29 per cent (R41.4 million) of the total allocation in the *Leadership and Management Practices* programme over the medium term.

The commission also plans to promote structured collaboration with dispute resolution institutions such as the Commission for Conciliation, Mediation and Arbitration; the Public Service Coordinating Bargaining Council and sectoral bargaining councils to create a platform for meaningful engagement on labour issues in the public service. These institutions are expected to be engaged on matters referred to dispute resolution institutions by employees for grievances that include unfair treatment, dismissals, different interpretations of resolutions and suspensions. This work will be carried out by 6 officials in the *Leadership and Human Resource Reviews* subprogramme.

The commission plans to complete 2 multi-year projects aimed at evaluating the impact of performance management and development systems, and evaluating recruitment and selection systems in the public service. Both projects are expected to be completed in 2018/19, and each has been allocated 4 officials in the *Leadership and Human Resource Reviews* subprogramme, accounting for R10.8 million over the medium term for compensation of employees in this subprogramme.

Monitoring and evaluating service delivery performance

In 2017/18, the commission tested an evaluation tool, based on the nine principles outlined in section 195 of the Constitution, in 3 pilot evaluations involving the Department of Water and Sanitation, the Department of Correctional Services and the North West Provincial Department of Economy and Enterprise Development. The commission conducts these evaluations to assess the performance of the public service and determine whether the values and principles of public administration are being upheld. Based on findings from the pilot evaluations, the tool has been refined and customised for various departments for implementation over the medium term. An evaluation will be undertaken in 2 phases over the MTEF period: a quantitative evaluation in 2018/19 and a qualitative evaluation in 2019/20. The first phase will consist of a promotion campaign to foster an understanding among public service employees of the values and principles of the public service, promote their realisation, and clarify the performance expectations related to them. The second phase comprises a programme of evaluations of government departments against the values and principles of the Constitution. This work is expected to be carried out in the *Programme Management: Monitoring and Evaluation* subprogramme in the *Monitoring and Evaluation* programme, which is allocated a total budget of R73 million over the medium term.

Expenditure trends

Table 10.25 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Leadership and Management Practices														
3. Monitoring and Evaluation														
4. Integrity and Anti-Corruption														
Programme														
R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Programme 1	102.3	108.4	103.2	100.2	98.7	107.9	105.8	102.4	106.2	115.0	120.9	120.9	103.5%	101.8%
Programme 2	38.7	35.4	37.3	38.6	39.6	38.2	40.4	38.3	37.4	43.1	41.2	41.2	95.8%	99.8%
Programme 3	37.0	35.9	37.7	37.0	37.7	36.2	38.7	32.9	34.3	36.8	32.6	32.6	94.1%	101.1%
Programme 4	48.0	46.2	47.5	46.3	50.5	47.1	49.3	55.7	51.2	50.8	48.1	48.1	99.7%	96.7%
Total	226.0	226.0	225.8	222.1	226.5	229.3	234.2	229.2	229.0	245.7	242.8	242.8	99.9%	100.3%
Change to 2017 Budget estimate										(2.9)				
Economic classification														
Current payments	224.9	221.4	218.8	221.2	224.8	226.6	234.2	228.3	225.6	244.7	240.8	240.8	98.6%	99.6%
Compensation of employees	171.6	165.7	155.4	181.3	180.7	167.1	190.8	177.7	172.7	188.8	183.2	183.2	92.6%	95.9%
Goods and services	53.2	55.7	63.4	39.8	44.1	59.5	43.4	50.6	53.0	55.9	57.6	57.6	121.3%	112.2%
Transfers and subsidies	1.2	0.2	1.2	0.0	0.7	0.8	-	0.3	0.8	0.3	1.0	1.0	251.3%	171.9%
Departmental agencies and accounts	-	-	0.5	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	0.1	-	0.1	0.0	0.0	-	-	0.0	0.1	0.0	0.0	0.0	128.6%	189.5%
Households	1.1	0.2	0.6	-	0.7	0.8	-	0.2	0.7	0.3	1.0	1.0	224.6%	147.2%
Payments for capital assets	-	4.4	5.7	0.9	0.9	1.8	-	0.6	2.6	0.7	1.0	1.0	706.3%	159.9%
Machinery and equipment	-	3.2	4.4	0.9	0.9	1.8	-	0.6	1.5	0.7	1.0	1.0	553.4%	152.0%
Software and other intangible assets	-	1.2	1.3	-	-	-	-	-	1.1	-	-	-	-	197.5%
Payments for financial assets	-	-	0.2	-	-	0.0	-	-	0.0	-	-	-	-	-
Total	226.0	226.0	225.8	222.1	226.5	229.3	234.2	229.2	229.0	245.7	242.8	242.8	99.9%	100.3%

Expenditure estimates

Table 10.26 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Leadership and Management Practices									
3. Monitoring and Evaluation									
4. Integrity and Anti-Corruption									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Programme 1	120.9	3.7%	47.3%	125.9	129.0	137.1	4.3%	47.4%	
Programme 2	41.2	5.2%	16.6%	44.7	47.8	51.4	7.6%	17.1%	
Programme 3	32.6	-3.2%	15.2%	39.3	42.6	45.8	12.1%	14.8%	
Programme 4	48.1	1.3%	20.9%	54.5	58.9	63.3	9.6%	20.8%	
Total	242.8	2.4%	100.0%	264.4	278.2	297.6	7.0%	100.0%	
Change to 2017 Budget estimate				1.6	(3.4)	(3.9)			
Economic classification									
Current payments	240.8	2.8%	98.4%	263.1	276.9	296.2	7.1%	99.4%	
Compensation of employees	183.2	3.4%	73.2%	202.7	217.3	233.6	8.4%	77.3%	
Goods and services	57.6	1.1%	25.2%	60.4	59.5	62.5	2.8%	22.2%	
Transfers and subsidies	1.0	71.5%	0.4%	0.3	0.3	0.3	-29.6%	0.2%	
Foreign governments and international organisations	0.0	-	0.0%	0.0	0.0	0.0	5.1%	0.0%	
Households	1.0	69.7%	0.3%	0.3	0.3	0.3	-31.4%	0.2%	
Payments for capital assets	1.0	-39.2%	1.2%	1.0	1.0	1.1	3.6%	0.4%	
Machinery and equipment	1.0	-32.3%	0.9%	1.0	1.0	1.1	3.6%	0.4%	
Total	242.8	2.4%	100.0%	264.4	278.2	297.6	7.0%	100.0%	

Expenditure trends and estimates for significant spending items

Table 10.27 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Compensation of employees	155 362	167 108	172 696	183 188	5.6%	73.2%	202 745	217 347	233 640	8.4%	77.3%
Consultants: Business and advisory services	7 245	6 116	5 770	2 856	-26.7%	2.4%	3 010	3 177	3 351	5.5%	1.1%
Operating leases	11 071	17 827	20 642	32 275	42.9%	8.8%	31 117	32 452	33 994	1.7%	12.0%
Property payments	2 420	4 496	4 846	4 230	20.5%	1.7%	4 363	4 738	4 999	5.7%	1.7%
Total	176 098	195 547	203 954	222 549	42.3%	86.1%	241 235	257 714	275 984	21.3%	92.1%

Goods and services expenditure trends and estimates

Table 10.28 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Administrative fees	163	82	117	33	-41.3%	0.2%	35	37	39	5.7%	0.1%
Advertising	1 660	361	238	171	-53.1%	1.0%	70	73	78	-23.0%	0.2%
Minor assets	403	142	103	109	-35.3%	0.3%	115	121	128	5.5%	0.2%
Audit costs: External	3 909	3 017	2 667	2 200	-17.4%	5.1%	2 319	2 446	2 581	5.5%	4.0%
Bursaries: Employees	1 431	559	292	376	-36.0%	1.1%	396	418	441	5.5%	0.7%
Catering: Departmental activities	797	526	669	376	-22.2%	1.0%	229	242	256	-12.0%	0.5%
Communication	3 377	3 564	3 825	2 088	-14.8%	5.5%	2 201	2 325	2 449	5.5%	3.8%
Computer services	5 695	9 076	4 698	5 724	0.2%	10.8%	6 033	6 365	6 715	5.5%	10.3%
Consultants: Business and advisory services	7 245	6 116	5 770	2 856	-26.7%	9.4%	3 010	3 177	3 351	5.5%	5.2%
Legal services	167	28	-	-	-100.0%	0.1%	-	-	-	-	-
Contractors	442	295	190	230	-19.6%	0.5%	4 742	256	269	5.4%	2.3%
Agency and support/outsourced services	33	67	130	18	-18.3%	0.1%	3	3	4	-39.4%	-
Fleet services (including government motor transport)	1 440	1 388	1 170	1 421	-0.4%	2.3%	1 139	1 199	1 264	-3.8%	2.1%
Inventory: Clothing material and accessories	-	165	6	11	-	0.1%	-	-	-	-100.0%	-

Table 10.28 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Consumable supplies	542	189	172	37	-59.1%	0.4%	30	33	35	-1.8%	0.1%
Consumables: Stationery, printing and office supplies	1 604	1 425	1 355	694	-24.4%	2.2%	640	672	710	0.8%	1.1%
Operating leases	11 071	17 827	20 642	32 275	42.9%	35.0%	31 117	32 452	33 994	1.7%	54.1%
Rental and hiring	-	51	1	1	-	-	-	1	-	-100.0%	-
Property payments	2 420	4 496	4 846	4 230	20.5%	6.9%	4 363	4 738	4 999	5.7%	7.6%
Travel and subsistence	15 225	7 360	4 572	2 237	-47.2%	12.6%	1 746	2 668	2 812	7.9%	3.9%
Training and development	1 227	1 062	403	1 842	14.5%	1.9%	1 581	1 668	1 760	-1.5%	2.9%
Operating payments	2 705	1 692	1 068	647	-37.9%	2.6%	565	598	629	-0.9%	1.0%
Venues and facilities	1 837	15	18	23	-76.8%	0.8%	24	25	27	5.5%	-
Total	63 393	59 503	52 952	57 599	-3.1%	100.0%	60 358	59 517	62 541	2.8%	100.0%

Transfers and subsidies expenditure trends and estimates**Table 10.29 Departmental transfers and subsidies trends and estimates**

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	505	-	-	-	-100.0%	13.5%	-	-	-	-	-
Public Service Sector Education and Training Authority	505	-	-	-	-100.0%	13.5%	-	-	-	-	-
Households											
Other transfers to households											
Current	596	835	702	953	16.9%	82.6%	274	289	307	-31.4%	93.2%
Employee social benefits	596	835	702	953	16.9%	82.6%	274	289	307	-31.4%	93.2%
Foreign governments and international organisations											
Current	57	-	56	31	-18.4%	3.9%	33	34	36	5.1%	6.8%
Association of African Public Services Commissions	57	-	56	31	-18.4%	3.9%	33	34	36	5.1%	6.8%
Total	1 158	835	758	984	-5.3%	100.0%	307	323	343	-29.6%	100.0%

Personnel information**Table 10.30 Departmental personnel numbers and cost by salary level and programme¹**

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2017/18 - 2020/21	Average: Salary level/Total (%)		
		2016/17		2017/18		2018/19		2019/20		2020/21							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	
Public Service Commission	291	-	271	172.7	0.6	271	183.2	0.7	283	202.7	0.7	281	217.3	0.8	280	233.6	0.8
Salary level																	
1 – 6	66	-	65	14.7	0.2	65	16.1	0.2	65	17.5	0.3	64	18.6	0.3	63	19.9	0.3
7 – 10	83	-	76	34.7	0.5	76	35.3	0.5	83	40.7	0.5	82	43.4	0.5	82	46.9	0.6
11 – 12	80	-	69	60.1	0.9	69	55.8	0.8	76	66.4	0.9	76	71.7	0.9	76	77.5	1.0
13 – 16	62	-	61	63.2	1.0	61	75.9	1.2	59	78.1	1.3	59	83.6	1.4	59	89.4	1.5
Programme	291	-	271	172.7	0.6	271	183.2	0.7	283	202.7	0.7	281	217.3	0.8	280	233.6	0.8
Programme 1	109	-	109	60.6	0.6	109	67.1	0.6	105	68.6	0.7	104	73.3	0.7	103	78.6	0.8
Programme 2	57	-	50	35.4	0.7	50	39.0	0.8	51	42.8	0.8	50	45.8	0.9	50	49.3	1.0
Programme 3	50	-	45	31.7	0.7	45	31.6	0.7	55	38.6	0.7	55	41.5	0.8	55	44.7	0.8
Programme 4	75	-	67	45.1	0.7	67	45.4	0.7	72	52.7	0.7	72	56.7	0.8	72	61.1	0.8

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 10.31 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)		Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17			2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20		
Departmental receipts	281	211	371	333	382	10.8%	100.0%	339	346	362	-1.8%	100.0%
Sales of goods and services produced by department	57	87	100	98	131	32.0%	30.1%	104	109	115	-4.2%	32.1%
Other sales	57	87	100	98	131	32.0%	30.1%	104	109	115	-4.2%	32.1%
of which:												
Garage rent	10	36	45	42	116	126.4%	16.6%	46	50	55	-22.0%	18.7%
Commission Insurance	47	51	55	56	15	-31.7%	13.5%	58	59	60	58.7%	13.4%
Interest, dividends and rent on land	34	1	15	8	11	-31.4%	4.9%	15	11	14	8.4%	3.6%
Interest	34	1	15	8	11	-31.4%	4.9%	15	11	14	8.4%	3.6%
Transactions in financial assets and liabilities	190	123	256	227	240	8.1%	65.0%	220	226	233	-1.0%	64.3%
Total	281	211	371	333	382	10.8%	100.0%	339	346	362	-1.8%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the commission.

Expenditure trends and estimates

Table 10.32 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20		
R million											
Public Service Commission	19.6	19.3	19.1	21.5	3.2%	18.2%	20.4	23.3	24.9	4.9%	17.6%
Management	8.3	5.8	11.8	13.6	17.7%	9.0%	15.1	15.4	17.1	8.0%	11.9%
Corporate Services	62.5	61.3	50.5	50.2	-7.1%	51.2%	55.8	54.2	57.2	4.5%	42.4%
Property Management	12.8	21.5	24.8	35.6	40.7%	21.6%	34.5	36.1	37.9	2.1%	28.1%
Total	103.2	107.9	106.2	120.9	5.4%	100.0%	125.9	129.0	137.1	4.3%	100.0%
Change to 2017				5.9			2.9	(3.3)	(5.3)		
Budget estimate											
Economic classification											
Current payments	96.9	106.2	103.3	119.9	7.4%	97.3%	124.8	127.9	135.9	4.3%	99.2%
Compensation of employees	57.2	58.9	60.6	67.1	5.5%	55.6%	68.6	73.3	78.6	5.4%	56.1%
Goods and services ¹	39.7	47.3	42.8	52.8	9.9%	41.7%	56.2	54.6	57.3	2.8%	43.1%
of which:											
Audit costs: External	3.9	3.0	2.7	2.2	-17.4%	2.7%	2.3	2.4	2.6	5.5%	1.9%
Computer services	5.7	9.1	4.7	5.7	0.2%	5.7%	6.0	6.4	6.7	5.5%	4.8%
Consultants: Business and advisory services	1.9	2.6	2.9	2.9	14.2%	2.3%	3.0	3.2	3.4	5.5%	2.4%
Contractors	0.1	0.2	0.1	0.2	8.0%	0.1%	4.7	0.2	0.2	5.4%	1.0%
Operating leases	11.1	17.8	20.6	32.3	42.9%	18.7%	31.1	32.5	34.0	1.7%	25.3%
Property payments	1.8	3.7	4.2	3.3	22.6%	3.0%	3.4	3.7	3.9	5.8%	2.8%
Transfers and subsidies¹	0.9	0.1	0.4	0.1	-45.7%	0.3%	0.1	0.2	0.2	5.5%	0.1%
Departmental agencies and accounts	0.5	-	-	-	-100.0%	0.1%	-	-	-	-	-
Foreign governments and international organisations	0.0	-	0.1	0.0	-14.2%	-	0.0	0.0	0.0	5.1%	-
Households	0.3	0.1	0.3	0.1	-29.6%	0.2%	0.1	0.1	0.1	5.6%	0.1%
Payments for capital assets	5.3	1.7	2.4	0.9	-45.5%	2.3%	0.9	1.0	1.0	5.5%	0.7%
Machinery and equipment	4.3	1.7	1.3	0.9	-41.3%	1.8%	0.9	1.0	1.0	5.5%	0.7%
Software and other intangible assets	1.0	-	1.1	-	-100.0%	0.5%	-	-	-	-	-
Payments for financial assets	0.2	0.0	0.0	-	-100.0%	0.1%	-	-	-	-	-
Total	103.2	107.9	106.2	120.9	5.4%	100.0%	125.9	129.0	137.1	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	45.7%	47.1%	46.4%	49.8%	-	-	47.6%	46.4%	46.1%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Leadership and Management Practices

Programme purpose

Promote sound public service leadership, human resource management, labour relations and labour practices.

Objectives

- Enhance labour relations and practices in the public service by timeously investigating all properly referred grievances and providing best practices on an ongoing basis.
- Identify and promote sound human resource management and leadership practices in the public service through continued research and stakeholder engagements to identify weaknesses in current procedures and practices, and make recommendations thereon, on an ongoing basis.

Subprogrammes

- *Labour Relations Improvement* promotes labour relations and practices through the timeous investigation of properly referred grievances and the provision of best practices.
- *Leadership and Human Resource Reviews* identifies and promotes sound human resource management and leadership practices in public administration.
- *Programme Management: Leadership and Management Practices* provides administrative support and management to the programme.

Expenditure trends and estimates

Table 10.33 Leadership and Management Practices expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Labour Relations Improvement	22.4	23.5	11.9	12.3	-18.0%	45.5%	13.2	13.7	14.4	5.3%	29.0%
Leadership and Human Resource Reviews	13.3	13.0	6.1	9.4	-11.0%	27.2%	11.8	12.5	13.2	11.8%	25.3%
Programme Management: Leadership and Management Practices	1.6	1.7	19.5	19.5	130.6%	27.4%	19.7	21.6	23.8	6.9%	45.7%
Total	37.3	38.2	37.4	41.2	3.4%	100.0%	44.7	47.8	51.4	7.6%	100.0%
Change to 2017 Budget estimate				(1.8)			(1.8)	(2.4)	0.3		
Economic classification											
Current payments	37.3	38.1	37.2	41.0	3.3%	99.6%	44.5	47.6	51.2	7.6%	99.5%
Compensation of employees	31.5	34.7	35.4	39.0	7.5%	91.2%	42.8	45.8	49.3	8.1%	95.6%
Goods and services ¹	5.8	3.3	1.8	2.0	-29.9%	8.4%	1.6	1.8	1.9	-2.3%	3.9%
of which:											
Communication	0.5	0.6	0.6	0.4	-8.2%	1.3%	0.4	0.4	0.4	5.4%	0.8%
Fleet services (including government motor transport)	0.3	0.3	0.3	0.5	16.3%	0.9%	0.3	0.3	0.3	-17.3%	0.7%
Consumables: Stationery, printing and office supplies	0.2	0.2	0.2	0.2	-4.6%	0.5%	0.2	0.2	0.2	-5.5%	0.4%
Property payments	0.3	0.4	0.1	0.2	-9.5%	0.6%	0.2	0.3	0.3	5.5%	0.5%
Travel and subsistence	3.0	1.6	0.4	0.5	-45.5%	3.6%	0.4	0.5	0.5	-0.3%	1.0%
Operating payments	0.7	0.0	0.1	0.1	-42.9%	0.6%	0.1	0.1	0.2	5.6%	0.3%
Transfers and subsidies¹	0.0	0.0	0.2	0.2	138.9%	0.2%	0.2	0.2	0.2	5.7%	0.4%
Households	0.0	0.0	0.2	0.2	192.4%	0.2%	0.2	0.2	0.2	5.7%	0.4%
Payments for capital assets	0.1	0.1	0.1	0.0	-11.1%	0.1%	0.1	0.1	0.1	21.6%	0.1%
Machinery and equipment	0.1	0.1	0.1	0.0	-11.1%	0.1%	0.1	0.1	0.1	21.6%	0.1%
Total	37.3	38.2	37.4	41.2	3.4%	100.0%	44.7	47.8	51.4	7.6%	100.0%
Proportion of total programme expenditure to vote expenditure	16.5%	16.6%	16.3%	17.0%	-	-	16.9%	17.2%	17.3%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Monitoring and Evaluation

Programme purpose

Establish a high standard of service delivery, monitoring and good governance in the public service.

Objectives

- Support policy development and decision-making annually by:
 - producing 4 research reports on institutional assessments and programme evaluations
 - producing 7 research reports on participative evaluation and evaluations of service delivery models and processes.

Subprogrammes

- *Governance Monitoring* provides institutional assessments and programme evaluations that support policy and management decisions.
- *Service Delivery and Compliance Evaluations* provides participative evaluations and evaluations of service delivery models and processes to support policy and management decisions.
- *Programme Management: Monitoring and Evaluation* provides administrative support and management to the programme.

Expenditure trends and estimates

Table 10.34 Monitoring and Evaluation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
R million											
Governance Monitoring	20.8	17.4	7.3	7.7	-28.3%	37.8%	9.4	10.2	10.8	12.1%	23.8%
Service Delivery and Compliance Evaluations	16.5	18.0	7.5	6.8	-25.6%	34.7%	7.5	8.1	8.6	8.0%	19.4%
Programme Management: Monitoring and Evaluation	0.4	0.7	19.5	18.1	258.9%	27.5%	22.4	24.2	26.4	13.5%	56.8%
Total	37.7	36.2	34.3	32.6	-4.8%	100.0%	39.3	42.6	45.8	12.1%	100.0%
Change to 2017 Budget estimate				(4.2)			0.1	0.8	1.2		
Economic classification											
Current payments	37.4	35.5	34.2	32.5	-4.5%	99.2%	39.3	42.6	45.8	12.1%	100.0%
Compensation of employees	29.0	32.2	31.7	31.6	2.9%	88.5%	38.6	41.5	44.7	12.3%	97.7%
Goods and services ¹	8.3	3.3	2.5	0.9	-52.7%	10.7%	0.7	1.0	1.1	6.7%	2.3%
of which:											
Catering: Departmental activities	0.1	0.0	0.1	0.0	-68.9%	0.2%	0.0	0.0	0.0	10.1%	–
Communication	0.5	0.6	0.5	0.1	-43.3%	1.2%	0.1	0.1	0.1	5.4%	0.3%
Fleet services (including government motor transport)	0.4	0.4	0.2	0.3	-5.5%	1.0%	0.3	0.3	0.3	-0.7%	0.8%
Consumables: Stationery, printing and office supplies	0.3	0.1	0.2	0.1	-43.7%	0.5%	0.1	0.1	0.1	3.2%	0.2%
Property payments	0.2	0.4	0.1	0.1	-16.6%	0.6%	0.1	0.1	0.2	5.3%	0.4%
Travel and subsistence	3.9	1.5	1.1	0.2	-63.4%	4.7%	0.1	0.4	0.4	27.3%	0.7%
Transfers and subsidies¹	0.0	0.5	0.0	–	-100.0%	0.4%	–	–	–	–	–
Households	0.0	0.5	0.0	–	-100.0%	0.4%	–	–	–	–	–
Payments for capital assets	0.3	0.1	0.1	0.0	-46.7%	0.4%	–	–	–	-100.0%	–
Machinery and equipment	0.1	0.1	0.1	0.0	-14.2%	0.2%	–	–	–	-100.0%	–
Software and other intangible assets	0.2	–	–	–	-100.0%	0.2%	–	–	–	–	–
Total	37.7	36.2	34.3	32.6	-4.8%	100.0%	39.3	42.6	45.8	12.1%	100.0%
Proportion of total programme expenditure to vote expenditure	16.7%	15.8%	15.0%	13.4%	–	–	14.9%	15.3%	15.4%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Integrity and Anti-Corruption

Programme purpose

Undertake public administration investigations, analyse and refer cases of alleged corruption to respective departments for investigation, and scrutinise the financial disclosure forms of senior managers to ensure integrity-driven public service and administration.

Objectives

- Improve public administration practices by investigating and finalising complaints lodged on an ongoing basis.
- Promote ethical conduct among public servants by:
 - scrutinising 100 per cent of financial disclosure forms submitted to the Public Service Commission annually
 - referring 80 per cent of national anti-corruption hotline cases to the relevant national departments within 7 days of receipt of case reports per year over the medium term.
- Promote professional and ethical conduct among public service employees by hosting 22 workshops on professional and ethical conduct annually.

Subprogrammes

- *Public Administration Investigations* investigates and improves public administration practices, makes recommendations to departments on the promotion of good governance, and issues directions regarding compliance with the Public Service Act (1994).
- *Professional Ethics* promotes ethical conduct among public servants through the management of the financial disclosure framework and the national anti-corruption hotline, and provides advice on professional and ethical conduct in the public service.
- *Programme Management: Integrity and Anti-Corruption* provides administrative support and management to the programme.

Expenditure trends and estimates

Table 10.35 Integrity and Anti-Corruption expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million												
Public Administration Investigations	19.0	19.5	13.0	12.5		-13.2%	33.0%	13.4	15.0	15.5	7.6%	25.1%
Professional Ethics	26.6	25.5	19.8	19.0		-10.6%	46.9%	23.0	24.6	26.7	12.0%	41.6%
Programme Management: Integrity and Anti-Corruption	1.9	2.1	18.4	16.6		107.7%	20.1%	18.1	19.2	21.1	8.4%	33.4%
Total	47.5	47.1	51.2	48.1		0.4%	100.0%	54.5	58.9	63.3	9.6%	100.0%
Change to 2017 Budget estimate				(2.7)				0.4	1.4	(0.1)		
Economic classification												
Current payments	47.2	46.8	50.9	47.3		0.1%	99.2%	54.5	58.8	63.3	10.2%	99.6%
Compensation of employees	37.7	41.2	45.1	45.4		6.4%	87.4%	52.7	56.7	61.1	10.4%	96.0%
Goods and services ¹	9.5	5.6	5.9	1.9		-41.1%	11.8%	1.9	2.1	2.3	5.1%	3.7%
of which:												
Communication	0.5	0.6	0.7	0.6		1.6%	1.2%	0.6	0.6	0.6	5.5%	1.1%
Fleet services (including government motor transport)	0.2	0.2	0.3	0.3		11.0%	0.6%	0.2	0.3	0.3	-5.9%	0.5%
Consumables: Stationery, printing and office supplies	0.4	0.3	0.4	0.2		-25.4%	0.7%	0.2	0.2	0.2	0.2%	0.3%
Property payments	0.1	0.0	0.5	0.6		83.8%	0.6%	0.6	0.6	0.7	5.5%	1.1%
Travel and subsistence	2.5	0.7	0.8	0.2		-58.2%	2.2%	0.1	0.3	0.4	24.6%	0.4%
Operating payments	0.3	0.3	0.2	0.1		-32.5%	0.4%	0.1	0.1	0.1	5.4%	0.2%

Table 10.35 Integrity and Anti-Corruption expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Transfers and subsidies ¹	0.2	0.2	0.2	0.7	42.2%	0.7%	0.0	0.0	0.0	-82.1%	0.3%
Households	0.2	0.2	0.2	0.7	42.2%	0.7%	0.0	0.0	0.0	-82.1%	0.3%
Payments for capital assets	0.0	0.0	0.1	0.0	7.3%	0.1%	0.0	0.0	0.0	-20.1%	0.1%
Machinery and equipment	0.0	0.0	0.1	0.0	7.3%	0.1%	0.0	0.0	0.0	-20.1%	0.1%
Total	47.5	47.1	51.2	48.1	0.4%	100.0%	54.5	58.9	63.3	9.6%	100.0%
Proportion of total programme expenditure to vote expenditure	21.0%	20.5%	22.3%	19.8%	–	–	20.6%	21.2%	21.3%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Centre for Public Service Innovation

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	19.4	19.1	0.0	0.3	21.0	22.4
Public Sector Innovation	16.6	16.6	–	–	17.5	18.6
Total expenditure estimates	36.0	35.8	0.0	0.3	38.4	41.0

Executive authority: Minister of Public Service and Administration
Accounting officer: Chief Executive Officer of the Centre for Public Service Innovation
Website address: www.cpsi.co.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Department purpose

Facilitate the unearthing, development and practical implementation of innovative solutions within and throughout the public service.

Mandate

The responsibility for public sector innovation is vested in the Minister of Public Service and Administration in terms of section 3(1)(i) of the Public Service Act (1994). The Centre for Public Service Innovation is tasked by the minister to fulfil this mandate, which includes establishing norms and standards relating to transformation, reform and innovation to improve the effectiveness and efficiency of the public service and its service delivery to the public.

Selected performance indicators

Table 10.36 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of innovative solutions developed to address service delivery challenges per year	Public Sector Innovation	Outcome 12: An efficient, effective and development oriented public service	– ¹	– ¹	– ¹	1	2	2	2
Number public sector officials and other partners capacitated on innovation tools, processes and approaches through the multimedia innovation centre per year ²	Public Sector Innovation		432	330	165	330	330	330	330
Number of innovation solutions facilitated and supported for replication per year	Public Sector Innovation		1	2	2	2	2	2	2
Number of knowledge platforms hosted to unearth, demonstrate, share, encourage and award innovation in the public sector per year	Public Sector Innovation		2	5	5	6	6	6	6
Number of editions of Ideas That Work: The South African Public Sector Innovation Journal published to encourage learning per year	Public Sector Innovation		2	2	2	2	2	2	2
Number of international programmes participated in to profile and strengthen national and regional capacity per year	Public Sector Innovation		2	2	2	2	2	2	2

1. No historical data available.
2. Indicator driven by demand.

Expenditure analysis

The Centre for Public Service Innovation is tasked by the Minister for Public Service and Administration to contribute to the improvement of the public service and its delivery of services to the public. Over the medium term, the centre plans to continue focusing on innovation to improve the efficiency and effectiveness of government institutions. The department's work is aligned with the NDP's vision of building a capable and developmental state and contributes to outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework.

The centre relies on its knowledge and research capacity to perform its core functions. As such, expenditure on compensation of employees and other related costs, such as travel and subsistence, account for the bulk of spending over the MTEF period. The centre's staff complement is expected to remain at 30 over the medium term. Compensation of employees accounts for 54.4 per cent of spending over the medium term, while travel and subsistence accounts for 17.8 per cent of total spending under goods and services over the same period.

Unearthing innovation

Over the medium term, innovation in the public service will be unearthed by adopting innovative solutions proposed in programmes such as the Public Sector Innovation Awards, and through seeking other innovative practices locally, regionally and internationally. R1.3 million is allocated per year over the medium term in the *Enabling Environment* subprogramme in the *Public Service Innovation* programme for hosting the Public Sector Innovation Awards. New and innovative solutions are expected to be developed through partnerships with government departments, non-governmental organisations, the private sector, academia and international entities. R1 million in the *Solution Support and Incubation* subprogramme has been allocated for this purpose over the MTEF period.

Providing the tools for innovation

To foster and strengthen a culture of innovation in the public service, the centre plans to facilitate 1 conference and 4 training sessions on the management of public sector innovation per year over the medium term for public sector officials. The conference and training sessions are aimed at sharing the latest innovative practices, tools and approaches so that they can be replicated. A total of 1 500 public service employees are targeted over medium term. R900 000 per year over the medium term is allocated for hosting the conference and R200 000 per year over the same period is allocated for hosting the training sessions. These allocations are in the *Enabling Environment* subprogramme in *Public Service Innovation* programme.

The multimedia innovation centre is a critical platform for entrenching innovative practices in the public sector. It also serves as a critical tool for interrogating service delivery challenges and undertaking process mapping, which entails evaluating existing service delivery processes and value chains. To maximise the potential of the multimedia innovation centre, the centre plans to extend the use of its facilities to 330 public sector officials and other innovation partners per year over the MTEF period. This work will be carried out in the *Solution Support and Incubation* subprogramme in the *Public Service Innovation* programme at an estimated cost of R1.1 million, mainly for maintenance and regular upgrades to the centre, over the MTEF period.

Tracking and reporting on trends in innovation

In each year over the medium term, the centre plans to participate in 2 international innovation programmes for learning, sharing and profiling innovations to strengthen initiatives that promote good governance. To strengthen regional integration in public service innovation over the MTEF period, the centre plans to continue to serve as an online regional centre for the United Nations Public Administration Network. To this end, the department plans to facilitate the network's annual capacity building workshop in partnership with the United Nations Development Programme to encourage the participation of Southern African Development Community member states in the network and enhance its activities through sharing best practices and building innovation knowledge management capacity to achieve sustainable development goals. The centre's participation in the 2 international innovation programmes is set to result in expenditure of R500 000 per year

over the medium term in the *Enabling Environment* subprogramme in the *Public Service Innovation* programme.

The department plans to publish 2 editions of Ideas that Work: The South African Public Sector Innovation Journal, which is a valuable resource for case studies, projects and academic articles that promote innovation in service delivery. The journal also serves as a platform for entrenching information sharing and learning for an informed and empowered public sector. The journal is disseminated to the public sector nationally and internationally through the *Enabling Environment* subprogramme, at an estimated cost of R320 000 per year over the MTEF period.

Expenditure trends

Table 10.37 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Public Sector Innovation														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	11.6	11.6	10.3	14.0	14.0	13.3	16.5	17.7	17.9	18.7	18.7	18.7	99.0%	97.2%
Programme 2	13.7	13.7	12.2	15.0	15.0	14.7	15.6	14.4	13.5	15.4	15.4	15.4	93.6%	95.5%
Total	25.3	25.3	22.6	29.0	29.0	28.1	32.1	32.1	31.4	34.1	34.1	34.1	96.4%	96.4%
Change to 2017 Budget estimate														
Economic classification														
Current payments	24.5	24.5	22.1	28.9	28.9	27.3	32.0	32.0	29.1	33.8	33.5	33.5	94.0%	94.2%
Compensation of employees	12.8	12.8	11.6	15.0	15.0	14.2	17.2	16.8	15.6	18.4	18.4	18.4	94.3%	95.0%
Goods and services	11.7	11.7	10.5	14.0	14.0	13.1	14.8	15.2	13.5	15.4	15.1	15.1	93.5%	93.3%
Transfers and subsidies	0.0	0.0	0.0	0.0	0.0	–	0.0	–	0.0	0.0	0.0	0.0	25.8%	32.9%
Foreign governments and international organisations	0.0	0.0	0.0	–	–	–	–	–	–	–	–	–	100.0%	100.0%
Payments for capital assets	0.8	0.8	0.4	0.1	0.1	0.8	0.1	0.1	2.3	0.2	0.6	0.6	352.9%	271.2%
Buildings and other fixed structures	–	–	–	–	–	–	–	–	0.8	–	–	–	–	–
Machinery and equipment	0.8	0.8	0.4	0.1	0.1	0.5	0.1	0.1	1.3	0.2	0.6	0.6	243.3%	187.0%
Software and other intangible assets	–	–	–	–	–	0.2	–	–	0.2	–	–	–	–	–
Total	25.3	25.3	22.6	29.0	29.0	28.1	32.1	32.1	31.4	34.1	34.1	34.1	96.4%	96.4%

Expenditure estimates

Table 10.38 Departmental expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Public Sector Innovation									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
Programme 1	18.7	17.1%	51.9%	19.4	21.0	22.4	6.2%	54.5%	
Programme 2	15.4	4.0%	48.1%	16.6	17.5	18.6	6.6%	45.5%	
Total	34.1	10.4%	100.0%	36.0	38.4	41.0	6.4%	100.0%	
Change to 2017 Budget estimate									
Economic classification									
Current payments	33.5	11.0%	96.5%	35.8	37.9	40.4	6.5%	98.7%	
Compensation of employees	18.4	12.9%	51.4%	19.4	20.9	22.5	7.0%	54.3%	
Goods and services	15.1	8.7%	45.1%	16.4	17.0	17.9	5.9%	44.4%	
Transfers and subsidies	0.0	-71.9%	0.0%	0.0	0.0	0.0	–	0.0%	
Departmental agencies and accounts	0.0	-65.3%	0.0%	0.0	0.0	0.0	–	0.0%	

Table 10.38 Departmental expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R million	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
Payments for capital assets	0.6	-8.0%	3.5%	0.3	0.6	0.6	-0.3%	1.3%
Machinery and equipment	0.6	-8.0%	2.4%	0.2	0.3	0.3	-22.4%	0.9%
Software and other intangible assets	-	-	0.4%	0.1	0.3	0.3	-	0.5%
Total	34.1	10.4%	100.0%	36.0	38.4	41.0	6.4%	100.0%

Transfers and subsidies expenditure trends and estimates**Table 10.39 Departmental transfers and subsidies trends and estimates**

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	-	1	-	4.3%	1	1	1	-	100.0%
Communication	-	-	-	1	-	4.3%	1	1	1	-	100.0%
Households											
Other transfers to households											
Current	-	-	1	-	-	4.3%	-	-	-	-	-
Employee social benefits	-	-	1	-	-	4.3%	-	-	-	-	-
Foreign governments and international organisations											
Current	21	-	-	-	-100.0%	91.3%	-	-	-	-	-
Commonwealth Association for Public Administration and Management	21	-	-	-	-100.0%	91.3%	-	-	-	-	-
Total	21	-	1	1	-63.8%	100.0%	1	1	1	-	100.0%

Expenditure trends and estimates for significant spending items**Table 10.40 Expenditure trends and estimates for significant spending items**

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
Compensation of employees	11 588	14 169	15 593	18 360	16.6%	51.4%	19 425	20 902	22 470	7.0%	54.3%
Audit costs: External	-	740	1 447	1 763	-	3.4%	1 599	1 711	1 830	1.3%	4.6%
Operating leases	2 366	2 277	2 791	3 402	12.9%	9.3%	4 000	4 332	4 570	10.3%	10.9%
Travel and subsistence	2 253	2 516	2 755	2 688	6.1%	8.8%	2 886	3 037	3 205	6.0%	7.9%
Total	16 207	19 702	22 586	26 213	35.6%	72.9%	27 910	29 982	32 075	24.6%	77.7%

Goods and services expenditure trends and estimates**Table 10.41 Departmental goods and services expenditure trends and estimates**

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
Administrative fees	87	96	105	197	31.3%	0.9%	204	215	228	5.0%	1.3%
Advertising	191	1 053	146	176	-2.7%	3.0%	344	357	377	28.9%	1.9%
Minor assets	36	140	222	85	33.2%	0.9%	172	92	97	4.5%	0.7%
Audit costs: External	-	740	1 447	1 763	-	7.6%	1 599	1 711	1 805	0.8%	10.4%
Catering: Departmental activities	85	76	148	94	3.4%	0.8%	118	126	132	12.0%	0.7%
Communication	305	327	327	337	3.4%	2.5%	409	431	455	10.5%	2.5%
Computer services	678	670	749	719	2.0%	5.4%	1 128	1 172	1 236	19.8%	6.4%
Consultants: Business and advisory services	210	142	597	465	30.3%	2.7%	712	796	840	21.8%	4.2%
Contractors	1 098	1 200	992	1 095	-0.1%	8.4%	1 105	923	974	-3.8%	6.2%
Entertainment	29	-	-	-	-100.0%	0.1%	-	-	-	-	-
Consumable supplies	164	301	344	399	34.5%	2.3%	364	367	387	-1.0%	2.3%
Consumables: Stationery, printing and office supplies	69	243	349	341	70.3%	1.9%	366	352	371	2.9%	2.2%
Operating leases	2 366	2 277	2 791	3 402	12.9%	20.7%	4 000	4 332	4 570	10.3%	24.6%

Table 10.41 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Rental and hiring	73	–	–	–	-100.0%	0.1%	–	–	–	–	–
Property payments	–	269	431	821	–	2.9%	307	323	341	-25.4%	2.7%
Transport provided: Departmental activity	1 089	–	–	–	-100.0%	2.1%	–	–	–	–	–
Travel and subsistence	2 253	2 516	2 755	2 688	6.1%	19.5%	2 886	3 037	3 204	6.0%	17.8%
Training and development	200	85	212	219	3.1%	1.4%	231	248	262	6.2%	1.4%
Operating payments	258	973	698	894	51.3%	5.4%	889	895	944	1.8%	5.5%
Venues and facilities	1 346	2 023	1 221	1 409	1.5%	11.5%	1 517	1 602	1 690	6.2%	9.4%
Total	10 537	13 131	13 534	15 104	12.8%	100.0%	16 351	16 979	17 913	5.9%	100.0%

Personnel information

Table 10.42 Departmental personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Centre for Public Service Innovation																			
Salary level	30	–	28	15.6	0.6	30	18.4	0.6	30	19.4	0.6	30	20.9	0.7	30	22.5	0.7	–	100.0%
1 – 6	12	–	11	2.3	0.2	12	3.2	0.3	12	3.4	0.3	12	3.6	0.3	12	3.9	0.3	–	40.0%
7 – 10	3	–	3	0.7	0.2	3	1.0	0.3	3	1.1	0.4	3	1.2	0.4	3	1.3	0.4	–	10.0%
11 – 12	9	–	7	5.4	0.8	9	6.6	0.7	9	7.0	0.8	9	7.6	0.8	9	8.2	0.9	–	30.0%
13 – 16	6	–	6	7.1	1.2	6	7.5	1.3	6	7.9	1.3	6	8.5	1.4	6	9.1	1.5	–	20.0%
Other	–	–	1	0.0	0.0	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme	30	–	28	15.6	0.6	30	18.4	0.6	30	19.4	0.6	30	20.9	0.7	30	22.5	0.7	–	100.0%
Programme 1	18	–	17	7.8	0.5	18	9.4	0.5	18	9.9	0.6	18	10.7	0.6	18	11.5	0.6	–	60.0%
Programme 2	12	–	11	7.8	0.7	12	9.0	0.7	12	9.5	0.8	12	10.2	0.9	12	11.0	0.9	–	40.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 10.43 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/ Total (%) 2014/15 - 2017/18	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
Departmental receipts	–	2	3	2	23	–	100.0%	4	4	4	-44.2%	100.0%
Sales of goods and services produced by department	–	2	3	2	23	–	100.0%	4	4	4	-44.2%	100.0%
Other sales	–	2	3	2	23	–	100.0%	4	4	4	-44.2%	100.0%
of which:												
Insurance collections	–	2	3	2	23	–	100.0%	4	4	4	-44.2%	100.0%
Total	–	2	3	2	23	–	100.0%	4	4	4	-44.2%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the centre.

Expenditure trends and estimates**Table 10.44 Administration expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average Expenditure/Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/Total (%)
R million											
Strategic Management	2.1	4.3	3.7	3.8	22.7%	23.1%	4.1	4.4	4.7	6.9%	20.7%
Corporate Resource Management	7.3	5.9	9.6	8.7	5.9%	52.5%	9.2	10.0	10.6	6.8%	47.3%
Office of the Chief Financial Officer	0.9	3.1	4.6	6.1	90.2%	24.4%	6.2	6.6	7.1	4.8%	31.9%
Total	10.3	13.3	17.9	18.7	21.9%	100.0%	19.4	21.0	22.4	6.2%	100.0%
Change to 2017 Budget estimate				-			-	-	(0.0)		
Economic classification	9.9	12.6	16.1	18.1	22.4%	94.2%	19.1	20.4	21.8	6.3%	97.6%
Current payments											
Compensation of employees	5.3	6.2	7.8	9.4	20.8%	47.7%	9.9	10.7	11.5	6.8%	50.9%
Goods and services ¹	4.5	6.5	8.3	8.7	24.2%	46.5%	9.2	9.8	10.3	5.7%	46.7%
<i>of which:</i>											
<i>Audit costs: External</i>	-	0.7	1.4	1.8	-	6.6%	1.6	1.7	1.8	0.8%	8.4%
<i>Computer services</i>	0.3	0.6	0.7	0.7	24.5%	3.9%	0.9	0.9	0.9	11.8%	4.1%
<i>Consultants: Business and advisory services</i>	-	0.1	0.6	0.4	-	1.8%	0.3	0.4	0.4	5.8%	1.9%
<i>Operating leases</i>	2.4	2.3	2.8	3.4	12.9%	18.0%	4.0	4.3	4.6	10.3%	20.0%
<i>Property payments</i>	-	0.1	0.4	0.6	-	1.9%	0.3	0.3	0.3	-17.6%	1.9%
<i>Travel and subsistence</i>	0.0	0.8	1.0	0.8	203.5%	4.3%	0.8	0.8	0.9	5.2%	4.0%
Payments for capital assets	0.4	0.7	1.8	0.6	10.9%	5.8%	0.3	0.6	0.6	1.8%	2.4%
Buildings and other fixed structures	-	-	0.8	-	-	1.3%	-	-	-	-	-
Machinery and equipment	0.4	0.5	1.0	0.6	10.9%	4.0%	0.2	0.3	0.3	-20.7%	1.5%
Software and other intangible assets	-	0.2	0.0	-	-	0.5%	0.1	0.3	0.3	-	0.9%
Total	10.3	13.3	17.9	18.7	21.9%	100.0%	19.4	21.0	22.4	6.2%	100.0%
Proportion of total programme expenditure to vote expenditure	45.7%	47.6%	57.0%	54.8%	-	-	53.8%	54.6%	54.6%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Public Sector Innovation**Programme purpose**

Drive service delivery innovation in the public sector in line with government priorities.

Objectives

- Contribute to the improvement of service delivery in the public service by developing innovative solutions to address service delivery challenges on an ongoing basis.
- Capacitate public sector officials and other partners on innovation tools, processes and approaches through opening up access to the multimedia innovation centre on an ongoing basis.
- Host knowledge platforms to unearth, demonstrate, share, encourage and award innovation in the public sector annually.
- Encourage learning in the public service innovation space by publishing editions of Ideas that Work: The South African Public Sector Innovation Journal annually to encourage learning.
- Profile and strengthen national and regional capacity by participating in international programmes annually.

Subprogrammes

- *Research and Development* establishes the knowledge base in support of the programme to inform the selection and development of potential innovative models and solutions.
- *Solution Support and Incubation* facilitates the testing, piloting, demonstration, replication and mainstreaming of innovative solutions for the public sector.
- *Enabling Environment* creates an enabling environment to nurture and sustain a culture of innovation in the public sector through supporting innovative platforms and products.

Expenditure trends and estimates**Table 10.45 Public Sector Innovation expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Research and Development	1.9	2.6	2.5	3.7	24.4%	19.2%	3.9	4.1	4.4	6.5%	23.8%
Solution Support and Incubation	2.2	3.8	3.4	3.3	15.2%	22.9%	3.9	4.2	4.5	10.3%	23.4%
Enabling Environment	8.1	8.3	7.6	8.4	0.8%	57.9%	8.8	9.1	9.7	5.1%	52.8%
Total	12.2	14.7	13.5	15.4	7.9%	100.0%	16.6	17.5	18.6	6.6%	100.0%
Change to 2017 Budget estimate				-			-	-	0.0		
Economic classification											
Current payments	12.2	14.7	13.0	15.3	7.8%	99.0%	16.6	17.5	18.6	6.7%	99.9%
Compensation of employees	6.3	8.0	7.8	9.0	12.7%	55.5%	9.5	10.2	11.0	7.1%	58.3%
Goods and services ¹	6.0	6.7	5.3	6.4	2.2%	43.5%	7.1	7.2	7.6	6.0%	41.6%
<i>of which:</i>											
Advertising	0.2	0.6	0.1	0.2	-4.6%	1.9%	0.3	0.3	0.4	30.0%	1.8%
Consultants: Business and advisory services	0.2	-	-	0.1	-19.4%	0.6%	0.4	0.4	0.4	56.2%	1.9%
Contractors	1.0	1.2	0.9	1.1	1.5%	7.6%	1.1	0.9	1.0	-3.7%	6.0%
Travel and subsistence	2.2	1.7	1.8	1.9	-4.6%	13.6%	2.1	2.2	2.3	6.3%	12.6%
Operating payments	0.1	0.6	0.6	0.7	69.5%	3.5%	0.6	0.6	0.7	-0.5%	3.8%
Venues and facilities	1.3	1.9	1.1	1.3	-1.1%	10.0%	1.4	1.5	1.5	6.3%	8.4%
Payments for capital assets	-	0.0	0.5	0.0	-	1.0%	-	-	-	-100.0%	0.1%
Machinery and equipment	-	0.0	0.3	0.0	-	0.7%	-	-	-	-100.0%	0.1%
Software and other intangible assets	-	-	0.2	-	-	0.3%	-	-	-	-	-
Total	12.2	14.7	13.5	15.4	7.9%	100.0%	16.6	17.5	18.6	6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	54.3%	52.4%	43.0%	45.2%	-	-	46.2%	45.4%	45.4%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity

Comprehensive coverage of the following entities is provided with the more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **National School of Government training trading account** functions within the National School of Government as a mechanism for the partial recovery of the costs of training programmes. The branches of the trading account directly facilitate and monitor the provision of leadership development and management training at all levels of government, in collaboration with provincial academies and local government training entities. The account's total budget for 2018/19 is R186.4 million.

Vote 11

Public Works

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	480.3	462.9	5.9	11.6	511.6	557.7
Intergovernmental Coordination	58.1	52.2	5.2	0.7	62.0	64.8
Expanded Public Works Programme	2 566.6	326.7	2 237.2	2.8	2 746.3	2 903.9
Property and Construction Industry Policy and Research	4 250.4	30.5	4 219.5	0.3	4 462.8	4 703.0
Prestige Policy	97.9	79.2	10.6	8.1	116.3	117.0
Total expenditure estimates	7 453.3	951.5	6 478.3	23.5	7 899.0	8 346.4

Executive authority Minister of Public Works
 Accounting officer Director General of Public Works
 Website address www.publicworks.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Provide policy formulation for, as well as coordination, regulation and oversight of, the public works sector in relation to the accommodation, housing, land and infrastructure needs of national departments. Enhance intergovernmental relations by coordinating concurrent public works functions. Lead and direct the implementation of the national expanded public works programme. Promote growth, job creation and transformation in the construction and property industries.

Mandate

As set out in the Government Immovable Asset Management Act (2007), the Department of Public Works is mandated to be the custodian and portfolio manager of government's immovable assets. Following the shift of functions in 2015/16, the department's role now consists of policy formulation, coordination, regulation and oversight relating to the provision of accommodation and expert built environment services to client departments at national level; and, through the Property Management Trading Entity, the planning, acquiring, managing and disposing of immovable assets in the department's custody. The department is further mandated to coordinate and provide strategic leadership in job creation initiatives through the implementation of the expanded public works programme. Public works is constitutionally designated as a concurrent function exercised by the national and provincial spheres of government.

Selected performance indicators

Table 11.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of cooperation and protocol agreements for joint service delivery signed with provinces and municipalities per year	Intergovernmental Coordination	Outcome 12: An efficient, effective and development oriented public service	-1	2	2	20	20	20	15
Number of policy frameworks developed for the public works sector per year	Intergovernmental Coordination		-1	-1	-1	2	4	1	1

Table 11.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of work opportunities reported on the expanded public works programme reporting system per year	Expanded Public Works Programme	Outcome 4: Decent employment through inclusive growth	1 103 983	741 540	779 251	1 406 736	1 455 840	1 455 000	1 455 000
Number of public bodies reporting on expanded public works programme targets provided with technical support per year	Expanded Public Works Programme	Outcome 12: An efficient, effective and development orientated public service	274	278	297	290	290	290	290
Number of prestige policies approved per year	Prestige Policy		-1	-1	-1	4	2	2	2

1. No historical data available.

Expenditure analysis

Chapters 3, 4 and 13 of the National Development Plan highlight the need to create decent employment, develop and maintain infrastructure as the foundation of social and economic development, and build a capable and developmental state that is responsive to the challenges faced by South Africa. This is given expression by outcome 4 (decent employment through inclusive growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 12 (an efficient, effective and development orientated public service) of government's 2014-2019 medium-term strategic framework. The work of the Department of Public Works is closely aligned with these outcomes. As such, over the medium term, the department will continue to focus on creating jobs; supporting the development of skills related to the built environment; strengthening its governance, risk and compliance functions, and fight against corruption; improving its oversight of the public works sector; and enhancing its research and policy development capacity.

Transfers and subsidies for the operations of the expanded public works programme and the department's entities account for 86.8 per cent (R26.6 billion) of its total budget over the medium term. The department also makes transfer payments in the form of conditional grants to provinces and municipalities for the implementation of the expanded public works programme, as well as transfer payments to households.

The decrease in the department's staff complement from 1 325 in 2017/18 to 791 in 2020/21 is in line with the expenditure ceiling for compensation of employees. This decrease is mainly effected on learners in the expanded public works programme and contractors. Due to the department declaring savings of R28 million in 2017/18, spending on compensation of employees for the current year was adjusted from R486.4 million to R458.4 million. This spending is expected to increase to R599.7 million in 2020/21, at an average annual rate of 9.4 per cent.

Creating employment and investing in people

Outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework commits government to create 6 million public employment work opportunities by 2019/20. In this regard, the department leads and coordinates the expanded public works programme. By the end of 2016/17, the programme had created a cumulative total of 2.6 million work opportunities against the five-year target of 6 million work opportunities.

Over the medium term, the department plans to continue providing technical support to public bodies that are involved in implementing the expanded public works programme. This is expected to be achieved through interventions aimed at addressing poor reporting on work opportunities created, which include providing assistance to provincial coordinating departments to ensure that data is accurately captured, verified, monitored and evaluated; and assisting provinces with establishing monitoring and evaluation functions for accurate reporting. The department will also continue to provide additional support to public bodies to ensure that projects within the expanded public works programme are implemented labour intensively, and that public bodies develop policies that promote the principles of applying the expanded public works programme in all programmes.

Additional technical support provided to public bodies is expected to facilitate an increase in the number of work opportunities reported over the MTEF period, from 1 406 736 in 2017/18 to 1 455 000 in 2020/21. Spending on the expanded public works programme is projected to increase at an average annual rate of 6.4 per cent, from R2.4 billion in 2017/18 to R2.9 billion in 2020/21.

Spending on transfers and subsidies to public bodies for the creation of work opportunities through the expanded public works programme is expected to be R7.1 billion over the medium term. R1 billion is allocated to managing the expanded public works programme, R576.9 million to spending on compensation of employees for the administration of the programme, and R486.9 million to spending on goods and services. Expenditure on agency and support/outsourced services to provide technical support, such as data capturing and verification, to 290 municipalities implementing projects related to the expanded public works programme accounts for an estimated 63.6 per cent (R309.7 million) of total spending on goods and services over the MTEF period.

Skills development in the construction and property sector

To support infrastructure delivery, over the medium term, the department plans to continue prioritising skills development in the built environment sector. To facilitate this, over the MTEF period, the department plans to develop a national technical capacity building framework to guide interventions that enhance capacity in the sector.

The department also plans to augment the skills pipeline by consolidating and managing the implementation of the built environment skills pipeline strategy, which is closely aligned with the Government Immovable Asset Management Act (2007). The strategy seeks to address the skills shortage in the sector by providing enough competent and skilled professionals through supported and funded secondary and tertiary education programmes, and train built environment professionals through supported candidacy and mentorship programmes. Over the medium term, the department plans to provide 1 220 beneficiaries with opportunities to participate in the skills development programme.

These activities are set to be carried out in the *Professional Services* subprogramme in the *Intergovernmental Coordination* programme. This subprogramme receives an allocation of R81.7 million over the medium term, of which R37.1 million is for compensation of employees, R28 million for goods and services, and R15.9 million for transfers to households for non-employees' bursaries.

Strengthening governance, risk and compliance functions, and the fight against corruption

Good governance and ethical practices are essential to the achievement of the department's targets for managing core immovable assets and delivering accommodation or infrastructure services. Over the MTEF period, the department will continue implementing its integrity management framework, which is designed to instil a culture of ethical conduct among employees; and provide assurance to the accounting officer that its operations are in line with ethical standards. The application of the framework will enable the department to manage functions where ethical considerations are most apparent, such as the mandatory full disclosure of employees' financial interests and assets, and declaring gifts and donations department officials receive in their professional capacity. Over the medium term, the department will continue its efforts to combat fraud and corruption through conducting fraud awareness campaigns and fraud risk assessments as part of its fraud prevention plan. To carry out these governance, risk and compliance activities, R159 million over the medium term is allocated in the *Administration* programme, of which spending on compensation of employees accounts for 74 per cent (R118 million).

Strengthening oversight and cooperation

The department has a concurrent mandate to provide office accommodation to client departments as well as ensure that its buildings are maintained to an acceptable standard. In pursuit of providing leadership and coordinating this dual mandate, over the MTEF period, the department plans to continue expanding its intergovernmental relations function through the *Intergovernmental Coordination* programme. This is intended to promote and facilitate collaborative and cooperative decision-making in the public works sector to

ensure that sector policies and strategies are aligned with service delivery imperatives.

As such, over the medium term, the department plans to host intergovernmental forums and compile sector performance reviews to guide integrated development planning and reporting. To ensure greater cooperation at different levels of government, the department will aim to foster partnerships with provinces and municipalities through signing and reviewing a targeted 15 protocol agreements over the period on signed service delivery agreements between the department, provinces and municipalities on the department's concurrent functions. The department plans to further develop norms and standards, and policy frameworks to direct the execution of government priorities in the public works sector.

Over the MTEF period, the department expects to continue providing support and guidance to the public works sector on processes related to planning and performance management; and establish monitoring mechanisms to address negative audit outcomes and improve performance. To carry out these activities, R107 million over the medium term is allocated in the *Intergovernmental Coordination* programme, of which spending on compensation of employees accounts for 83 per cent (R88.8 million).

Strengthening the department's research and policy development capacity

The department plays a leading role in the transformation of the built environment in consultation with its public entities, built environment professional councils, charter councils and other stakeholders. The planned reviews of the Construction Industry Development Board Act (2000) and the Council for the Built Environment Act (2000) over the MTEF period aim to ensure that the acts are aligned with current policy trajectories such as the National Development Plan and the Broad-Based Black Economic Empowerment Act (2003), and address governance challenges and the slow pace of transformation in the construction industry and built environment. In this regard, the Council for the Built Environment Amendment Bill and the Construction Industry Development Board Amendment Bill are expected to be gazetted in 2018/19. Activities related to reviewing this legislation will be funded through the *Property and Construction Industry Policy and Research* programme, with an allocation of R99 million over the medium term. An estimated 0.3 per cent (R42.4 million) of the programme's total allocation will be spent on compensation of employees, and 0.4 per cent (R55.2 million) on goods and services in support of strengthening the department's research and policy development capacity to carry out these reviews and address governance challenges.

Expenditure trends

Table 11.2 Vote expenditure trends by programme and economic classification

Programmes																																													
1. Administration																																													
2. Intergovernmental Coordination																																													
3. Expanded Public Works Programme																																													
4. Property and Construction Industry Policy and Research																																													
5. Prestige Policy																																													
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Revised estimate			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)		
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18			2014/15 - 2017/18																													
Programme 1	1 175.3	1 190.6	615.9	476.0	477.3	479.2	516.6	516.0	450.4	493.8	443.3	429.3	74.2%	75.2%																															
Programme 2	–	–	26.7	47.2	45.7	44.7	31.4	28.6	16.5	60.2	48.2	52.7	101.3%	114.7%																															
Programme 3	1 951.3	1 951.3	1 925.6	1 992.2	1 953.4	1 939.9	2 319.5	2 319.5	2 301.4	2 414.6	2 407.6	2 412.8	98.9%	99.4%																															
Programme 4	2 954.5	2 939.3	3 268.3	3 803.0	3 743.0	3 735.4	3 565.1	3 552.6	3 547.0	3 969.9	4 001.4	3 997.1	101.8%	102.2%																															
Programme 5	40.1	40.1	185.5	92.7	92.8	82.0	96.1	96.1	87.9	99.6	84.6	78.3	132.0%	138.3%																															
Total	6 121.3	6 121.3	6 022.0	6 411.1	6 312.2	6 281.1	6 528.8	6 512.8	6 403.3	7 038.1	6 985.1	6 970.1	98.4%	99.0%																															
Change to 2017															(53.0)																														
Budget estimate																																													

Table 11.2 Vote expenditure trends by programme and economic classification

Economic classification	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Current payments	2 962.0	3 027.8	3 020.1	882.8	884.1	801.9	917.9	905.1	804.9	960.4	878.6	863.6	95.9%	96.4%
Compensation of employees	1 659.9	1 667.8	1 591.8	475.0	475.0	435.9	470.8	471.8	438.8	486.4	458.4	458.4	94.6%	95.2%
Goods and services	1 302.1	1 360.0	1 428.3	407.8	409.1	364.5	447.1	433.3	366.1	474.0	418.4	403.4	97.4%	97.8%
Interest and rent on land	-	-	0.0	-	-	1.6	-	-	-	-	1.8	1.8	-	187.6%
Transfers and subsidies	2 563.4	2 563.9	2 577.8	5 500.2	5 400.1	5 411.3	5 572.3	5 570.2	5 571.2	6 055.7	6 088.5	6 088.5	99.8%	100.1%
Provinces and municipalities	1 201.5	1 201.5	1 200.3	1 178.9	1 140.0	1 139.4	1 425.7	1 425.7	1 425.7	1 472.6	1 472.6	1 472.6	99.2%	100.0%
Departmental agencies and accounts	802.8	802.5	802.5	3 703.1	3 641.8	3 653.5	3 511.0	3 507.4	3 507.3	3 922.1	3 845.4	3 845.4	-	-
Foreign governments and international organisations	21.7	22.5	22.5	23.3	23.3	23.4	24.8	28.2	28.2	26.0	22.3	22.3	100.7%	100.1%
Public corporations and private enterprises	50.0	50.0	50.0	50.0	50.0	50.0	-	-	-	-	111.1	111.1	211.1%	100.0%
Non-profit institutions	477.5	477.5	488.5	534.8	534.8	535.1	600.4	600.4	600.4	624.0	624.0	624.0	100.5%	100.5%
Households	9.9	9.9	14.0	10.2	10.2	9.9	10.5	8.5	9.6	11.0	13.0	13.0	112.1%	111.9%
Payments for capital assets	595.9	529.6	420.7	28.1	28.1	23.5	38.5	37.5	25.8	22.0	18.0	18.0	71.3%	79.6%
Buildings and other fixed structures	510.4	416.1	315.9	-	-	-	-	-	-	-	-	-	61.9%	75.9%
Machinery and equipment	79.2	107.2	103.6	28.1	28.1	23.2	38.5	37.5	19.7	22.0	18.0	18.0	98.0%	86.2%
Software and other intangible assets	6.3	6.3	1.2	-	-	0.4	-	-	6.1	-	-	-	120.4%	120.4%
Payments for financial assets	-	-	3.4	-	-	44.4	-	-	1.4	-	-	-	-	-
Total	6 121.3	6 121.3	6 022.0	6 411.1	6 312.2	6 281.1	6 528.8	6 512.8	6 403.3	7 038.1	6 985.1	6 970.1	98.4%	99.0%

Expenditure estimates

Table 11.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Intergovernmental Coordination									
3. Expanded Public Works Programme									
4. Property and Construction Industry Policy and Research									
5. Prestige Policy									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
R million									
Programme 1	429.3	-28.8%	7.7%	480.3	511.6	557.7	9.1%	6.5%	
Programme 2	52.7	-	0.5%	58.1	62.0	64.8	7.1%	0.8%	
Programme 3	2 412.8	7.3%	33.4%	2 566.6	2 746.3	2 903.9	6.4%	34.7%	
Programme 4	3 997.1	10.8%	56.7%	4 250.4	4 462.8	4 703.0	5.6%	56.8%	
Programme 5	78.3	24.9%	1.7%	97.9	116.3	117.0	14.3%	1.3%	
Total	6 970.1	4.4%	100.0%	7 453.3	7 899.0	8 346.4	6.2%	100.0%	
Change to 2017 Budget estimate				(40.9)	(38.8)	(39.1)			
Economic classification									
Current payments	863.6	-34.2%	21.4%	951.5	1 034.4	1 107.7	8.7%	12.9%	
Compensation of employees	458.4	-35.0%	11.4%	518.3	557.8	599.7	9.4%	7.0%	
Goods and services	403.4	-33.3%	10.0%	433.2	476.5	508.0	8.0%	5.9%	
Interest and rent on land	1.8	-	0.0%	-	-	-	-100.0%	0.0%	
Transfers and subsidies	6 088.5	33.4%	76.5%	6 478.3	6 839.8	7 212.6	5.8%	86.8%	
Provinces and municipalities	1 472.6	7.0%	20.4%	1 516.9	1 624.2	1 713.7	5.2%	20.6%	
Departmental agencies and accounts	3 845.4	68.6%	46.0%	4 173.8	4 406.7	4 648.8	6.5%	55.7%	
Foreign governments and international organisations	22.3	-0.3%	0.4%	27.5	29.1	30.7	11.1%	0.4%	
Public corporations and private enterprises	111.1	30.5%	0.8%	28.4	5.0	-	-100.0%	0.5%	
Non-profit institutions	624.0	9.3%	8.8%	720.2	762.6	806.5	8.9%	9.5%	
Households	13.0	9.8%	0.2%	11.6	12.3	12.9	-0.2%	0.2%	
Payments for capital assets	18.0	-67.6%	1.9%	23.5	24.8	26.1	13.2%	0.3%	
Machinery and equipment	18.0	-44.8%	0.6%	23.5	24.8	26.1	13.2%	0.3%	
Total	6 970.1	4.4%	100.0%	7 453.3	7 899.0	8 346.4	6.2%	100.0%	

Expenditure trends and estimates for significant spending items

Table 11.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Employment programmes	477 481	534 816	600 257	623 904	9.3%	8.7%	720 158	762 626	806 468	8.9%	9.5%
Property Management Trading Entity	3 043 967	3 524 652	3 389 448	3 682 254	6.6%	53.1%	4 009 490	4 233 146	4 465 719	6.6%	53.4%
Expanded public works programme integrated grant for provinces	347 704	325 607	402 009	395 579	4.4%	5.7%	416 036	451 505	476 338	6.4%	5.7%
Expanded public works programme integrated grant for municipalities	594 575	587 685	663 991	691 447	5.2%	9.9%	692 878	741 917	782 918	4.2%	9.5%
Social sector expanded public works programme incentive grant for provinces	257 972	226 103	359 662	385 583	14.3%	4.8%	407 948	430 793	454 487	5.6%	5.5%
Total	4 721 699	5 198 863	5 415 367	5 778 767	39.8%	82.2%	6 246 510	6 619 987	6 985 930	31.7%	83.6%

Goods and services expenditure trends and estimates

Table 11.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	474	1 162	1 429	444	-2.2%	0.1%	470	496	575	9.0%	0.1%
Advertising	12 208	7 389	4 277	6 039	-20.9%	1.2%	9 664	10 284	10 902	21.8%	2.0%
Minor assets	11 803	3 447	3 399	6 152	-19.5%	1.0%	7 016	8 085	8 963	13.4%	1.6%
Audit costs: External	58 887	16 420	9 605	11 837	-41.4%	3.8%	12 879	13 644	15 617	9.7%	2.9%
Bursaries: Employees	292	147	48	1 113	56.2%	0.1%	1 000	1 000	1 055	-1.8%	0.2%
Catering: Departmental activities	2 246	1 866	1 724	3 017	10.3%	0.3%	1 813	1 913	2 068	-11.8%	0.5%
Communication	24 030	12 644	5 912	8 514	-29.2%	2.0%	9 944	10 726	11 563	10.7%	2.2%
Computer services	35 906	40 200	31 585	33 623	-2.2%	5.5%	36 268	39 540	41 388	7.2%	8.2%
Consultants: Business and advisory services	48 169	26 214	25 700	35 846	-9.4%	5.3%	29 130	30 463	32 573	-3.1%	7.0%
Infrastructure and planning services	22 866	25 340	32 222	9 899	-24.4%	3.5%	23 945	25 285	26 675	39.2%	4.7%
Legal services	22 466	14 987	17 402	23 473	1.5%	3.0%	20 787	20 736	21 878	-2.3%	4.7%
Contractors	118 580	43 599	22 766	33 707	-34.2%	8.5%	38 958	48 243	44 508	9.7%	9.0%
Agency and support/outsourced services	254 676	98 892	90 920	109 319	-24.6%	21.5%	108 331	122 767	128 895	5.6%	25.6%
Entertainment	301	177	160	488	17.5%	-	305	325	342	-11.2%	0.1%
Fleet services (including government motor transport)	18 059	1 914	2 134	3 697	-41.1%	1.0%	3 148	3 189	3 413	-2.6%	0.7%
Consumable supplies	17 073	2 071	5 649	5 320	-32.2%	1.2%	5 230	3 365	3 558	-12.5%	1.0%
Consumables: Stationery, printing and office supplies	11 502	5 482	6 080	8 358	-10.1%	1.2%	8 236	8 696	9 135	3.0%	1.9%
Operating leases	228 190	3 920	20 520	25 550	-51.8%	10.8%	26 433	27 973	29 915	5.4%	6.0%
Rental and hiring	837	245	1 139	1 454	20.2%	0.1%	1 425	1 505	1 588	3.0%	0.3%
Property payments	419 256	1 390	27 485	24 317	-61.3%	18.3%	23 897	29 810	39 585	17.6%	6.4%
Transport provided: Departmental activity	5 314	-	-	-	-100.0%	0.2%	-	-	-	-	-
Travel and subsistence	85 909	43 543	38 809	44 442	-19.7%	8.3%	46 842	49 952	53 526	6.4%	10.6%
Training and development	14 747	5 083	6 168	8 437	-17.0%	1.3%	5 471	5 884	6 209	-9.7%	1.4%
Operating payments	10 326	5 295	5 842	7 408	-10.5%	1.1%	5 926	6 275	7 335	-0.3%	1.5%
Venues and facilities	4 210	3 035	5 117	5 938	12.1%	0.7%	6 049	6 379	6 754	4.4%	1.4%
Total	1 428 327	364 462	366 092	418 392	-33.6%	100.0%	433 167	476 535	508 020	6.7%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 11.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Provinces and municipalities											
Municipal bank accounts											
Current	594 580	587 689	663 995	691 453	5.2%	12.9%	692 884	741 923	782 924	4.2%	10.9%
Vehicle licences	3	4	4	6	26.0%	–	6	6	6	–	–
Expanded public works programme integrated grant for municipalities	594 575	587 685	663 991	691 447	5.2%	12.9%	692 878	741 917	782 918	4.2%	10.9%
Municipal bank account	2	–	–	–	-100.0%	–	–	–	–	–	–
Households											
Social benefits											
Current	9 407	795	1 928	8 032	-5.1%	0.1%	6 640	7 001	7 375	-2.8%	0.1%
Employee social benefits	9 407	795	1 928	8 032	-5.1%	0.1%	6 640	7 001	7 375	-2.8%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	802 476	3 653 519	3 507 343	3 845 418	68.6%	60.1%	4 173 787	4 406 656	4 648 783	6.5%	64.1%
Agrément South Africa	–	11 682	12 383	29 045	–	0.3%	29 988	31 668	33 409	4.8%	0.5%
Construction Industry Development Board	77 212	65 626	52 059	74 984	-1.0%	1.4%	73 323	77 429	81 687	2.9%	1.2%
Council for the Built Environment	41 572	41 994	43 413	48 568	5.3%	0.9%	50 100	52 906	55 816	4.7%	0.8%
Construction Education and Training Authority	1 630	475	468	516	-31.8%	–	518	558	600	5.2%	–
Property Management Trading Entity	673 372	3 524 652	3 389 448	3 682 254	76.2%	57.4%	4 009 490	4 233 146	4 465 719	6.6%	61.6%
Parliamentary Villages Management Board	8 690	9 090	9 572	10 051	5.0%	0.2%	10 368	10 949	11 552	4.7%	0.2%
Non-profit institutions											
Current	488 502	535 147	600 427	624 024	8.5%	11.4%	720 158	762 626	806 468	8.9%	10.9%
Various institutions: Non-state sector programme	477 481	534 816	600 257	623 904	9.3%	11.4%	720 158	762 626	806 468	8.9%	10.9%
Agrément South Africa	11 021	–	–	–	-100.0%	0.1%	–	–	–	–	–
South African Council for the Landscape Architectural Profession	–	331	170	120	–	–	–	–	–	-100.0%	–
Households											
Other transfers to households											
Current	4 585	9 091	7 651	5 000	2.9%	0.1%	5 000	5 280	5 570	3.7%	0.1%
Bursaries for non-employees	4 585	9 091	7 651	5 000	2.9%	0.1%	5 000	5 280	5 570	3.7%	0.1%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	50 000	50 000	–	111 066	30.5%	1.1%	28 362	5 000	–	-100.0%	0.5%
Independent Development Trust	50 000	50 000	–	111 066	30.5%	1.1%	28 362	5 000	–	-100.0%	0.5%
Provinces and municipalities											
Provincial revenue funds											
Current	605 676	551 710	761 671	781 162	8.9%	13.7%	823 984	882 298	930 825	6.0%	12.8%
Expanded public works programme integrated grant for provinces	347 704	325 607	402 009	395 579	4.4%	7.5%	416 036	451 505	476 338	6.4%	6.5%
Social sector expanded public works programme incentive grant for provinces	257 972	226 103	359 662	385 583	14.3%	6.3%	407 948	430 793	454 487	5.6%	6.3%
Foreign governments and international organisations											
Current	22 548	23 363	28 234	22 342	-0.3%	0.5%	27 523	29 064	30 663	11.1%	0.4%
Commonwealth War Graves Commission	22 548	23 363	28 234	22 342	-0.3%	0.5%	27 523	29 064	30 663	11.1%	0.4%
Total	2 577 774	5 411 314	5 571 249	6 088 497	33.2%	100.0%	6 478 338	6 839 848	7 212 608	5.8%	100.0%

Personnel information

Table 11.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number				
Number of posts estimated for 31 March 2018																	Average growth rate (%)	Average Salary level/Total (%)			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									2017/18 - 2020/21				
		2016/17		Unit cost	2017/18		Unit cost	2018/19			2019/20			2020/21							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Public Works																					
Salary level	1 027	447	1 028	438.8	0.4	1 325	458.4	0.3	797	518.3	0.7	798	557.8	0.7	791	599.7	0.8			-15.8%	100.0%
1 – 6	174	124	166	37.1	0.2	193	37.4	0.2	126	28.8	0.2	125	30.8	0.2	120	32.2	0.3			-14.6%	15.2%
7 – 10	291	24	298	139.7	0.5	271	125.2	0.5	303	151.4	0.5	302	163.0	0.5	302	176.1	0.6			3.7%	31.7%
11 – 12	194	13	197	157.2	0.8	192	165.4	0.9	216	199.7	0.9	216	215.7	1.0	216	233.0	1.1			4.0%	22.6%
13 – 16	87	7	85	94.6	1.1	95	109.7	1.2	107	131.0	1.2	107	140.2	1.3	107	150.0	1.4			4.0%	11.2%
Other	281	279	282	10.2	0.0	574	20.7	0.0	45	7.3	0.2	48	8.1	0.2	46	8.5	0.2			-56.9%	19.2%
Programme	1 027	447	1 028	438.8	0.4	1 325	458.4	0.3	797	518.3	0.7	798	557.8	0.7	791	599.7	0.8			-15.8%	100.0%
Programme 1	466	167	488	240.4	0.5	483	228.1	0.5	451	263.5	0.6	452	283.2	0.6	451	305.2	0.7			-2.3%	49.5%
Programme 2	44	14	19	14.0	0.7	48	33.8	0.7	51	36.1	0.7	51	38.8	0.8	45	40.3	0.9			-2.1%	5.3%
Programme 3	460	257	463	152.6	0.3	737	161.6	0.2	234	178.1	0.8	234	191.9	0.8	234	206.9	0.9			-31.8%	38.8%
Programme 4	14	3	14	10.5	0.7	12	11.2	0.9	14	13.1	0.9	14	14.1	1.0	14	15.2	1.1			5.3%	1.5%
Programme 5	43	6	44	21.3	0.5	45	23.8	0.5	47	27.6	0.6	47	29.8	0.6	47	32.1	0.7			1.5%	5.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 11.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	16 132	7 106	14 608	1 809	3 193	-41.7%	100.0%	1 949	1 949	1 520	-21.9%	100.0%
Sales of goods and services produced by department	6 605	977	1 222	270	325	-63.4%	22.2%	280	280	280	-4.8%	13.5%
Sales by market establishments	496	977	128	110	115	-38.6%	4.2%	120	120	120	1.4%	5.5%
of which:												
Market establishment: Rental parking: Covered and open	496	977	128	110	115	-38.6%	4.2%	120	120	120	1.4%	5.5%
Other sales	6 109	–	1 094	160	210	-67.5%	18.1%	160	160	160	-8.7%	8.0%
of which:												
Tender documents	6 109	–	1 094	160	210	-67.5%	18.1%	160	160	160	-8.7%	8.0%
Sales of scrap, waste, arms and other used current goods	62	8	39	10	10	-45.6%	0.3%	40	40	40	58.7%	1.5%
of which:												
Sales: Waste	62	8	39	10	10	-45.6%	0.3%	40	40	40	58.7%	1.5%
Fines, penalties and forfeits	7	–	–	–	–	-100.0%	–	–	–	–	–	–
Interest, dividends and rent on land	5 019	2 300	12 361	500	800	-45.8%	49.9%	600	600	600	-9.1%	30.2%
Interest	5 019	2 300	12 361	500	800	-45.8%	49.9%	600	600	600	-9.1%	30.2%
Sales of capital assets	–	9	70	–	–	–	0.2%	–	–	–	–	–
Transactions in financial assets and liabilities	4 439	3 812	916	1 029	2 058	-22.6%	27.4%	1 029	1 029	600	-33.7%	54.8%
Total	16 132	7 106	14 608	1 809	3 193	-41.7%	100.0%	1 949	1 949	1 520	-21.9%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 11.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	23.4	25.3	25.5	39.7	19.2%	5.7%	39.7	43.2	46.0	5.0%	8.5%
Management	103.8	114.7	90.6	95.8	-2.6%	20.4%	119.0	127.8	137.7	12.9%	24.1%
Corporate Services	281.6	271.7	251.9	216.4	-8.4%	51.4%	221.0	230.1	248.6	4.7%	46.0%
Finance and Supply Chain Management	207.1	67.5	45.5	49.2	-38.1%	18.6%	58.3	61.0	67.0	10.8%	11.8%
Office Accommodation	–	–	36.9	42.1	–	4.0%	42.5	49.5	58.4	11.5%	9.7%
Total	615.9	479.2	450.4	443.3	-10.4%	100.0%	480.3	511.6	557.7	8.0%	100.0%
Change to 2017 Budget estimate				(50.5)			(32.0)	(28.9)	(18.3)		
Economic classification											
Current payments	546.0	427.4	425.7	427.4	-7.8%	91.8%	462.9	497.8	543.2	8.3%	96.9%
Compensation of employees	204.3	251.7	240.4	232.0	4.3%	46.7%	263.5	283.2	305.2	9.6%	54.4%
Goods and services ¹	341.7	174.4	185.3	193.6	-17.3%	45.0%	199.4	214.5	237.9	7.1%	42.4%
<i>of which:</i>											
<i>Computer services</i>	35.3	39.9	31.6	33.1	-2.1%	7.0%	35.7	39.0	40.8	7.2%	7.5%
<i>Consultants: Business and advisory services</i>	24.0	18.8	17.6	12.3	-20.0%	3.7%	15.0	15.6	16.8	11.0%	3.0%
<i>Legal services</i>	22.5	15.0	17.4	23.5	1.5%	3.9%	20.8	20.7	21.9	-2.3%	4.4%
<i>Operating leases</i>	2.9	2.7	18.5	23.2	100.2%	2.4%	24.8	26.2	28.0	6.5%	5.1%
<i>Property payments</i>	3.1	1.4	21.2	24.0	98.0%	2.5%	23.9	29.8	39.6	18.1%	5.9%
<i>Travel and subsistence</i>	18.1	20.9	18.9	17.9	-0.3%	3.8%	22.6	24.4	26.6	14.0%	4.6%
Interest and rent on land	–	1.2	–	1.8	–	0.2%	–	–	–	-100.0%	0.1%
Transfers and subsidies¹	5.2	9.6	8.1	6.5	7.7%	1.5%	5.9	6.2	6.6	0.5%	1.3%
Provinces and municipalities	0.0	0.0	0.0	0.0	26.0%	–	0.0	0.0	0.0	–	–
Households	5.2	9.6	8.1	6.5	7.6%	1.5%	5.9	6.2	6.6	0.5%	1.3%
Payments for capital assets	64.7	10.0	15.5	9.4	-47.4%	5.0%	11.6	7.6	8.0	-5.2%	1.8%
Machinery and equipment	63.5	9.7	9.5	9.4	-47.1%	4.6%	11.6	7.6	8.0	-5.2%	1.8%
Software and other intangible assets	1.2	0.4	6.1	–	-100.0%	0.4%	–	–	–	–	–
Payments for financial assets	0.1	32.1	1.1	–	-100.0%	1.7%	–	–	–	–	–
Total	615.9	479.2	450.4	443.3	-10.4%	100.0%	480.3	511.6	557.7	8.0%	100.0%
Proportion of total programme expenditure to vote expenditure	10.2%	7.6%	7.0%	6.3%	–	–	6.4%	6.5%	6.7%	–	–
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.6	0.5	0.5	6.5	120.0%	0.4%	5.9	6.2	6.6	0.5%	1.3%
Employee social benefits	0.6	0.5	0.5	6.5	120.0%	0.4%	5.9	6.2	6.6	0.5%	1.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Intergovernmental Coordination

Programme purpose

Promote sound sectoral intergovernmental relations and strategic partnerships. Coordinate with provinces on: immovable asset registers; construction and property management; the implementation of the Government Immovable Asset Management Act (2007); and the reporting on performance information within the public works sector.

Objectives

- Ensure the integrated planning and coordination of concurrent functions over the medium term by:
 - signing 55 agreements for joint service delivery with public bodies across all spheres of government
 - conducting 5 reviews on intergovernmental governance structures
 - identifying 27 state-owned properties for student accommodation through the public works sector.

- Restore the skills pipeline in the built environment by ensuring the participation of 1 220 beneficiaries in the department and Property Management Trading Entity skills development programme over the medium term.
- Establish institutional capacity to manage the public infrastructure programmes over the medium term by approving 5 asset management service tools within the different phases of the Government Immovable Asset Management Act (2007).

Subprogrammes

- *Monitoring, Evaluation and Reporting* promotes good governance by supporting provinces in strengthening their governance and coordination capabilities.
- *Intergovernmental Relations and Coordination* improves the coordination and alignment of public works sector policies and programmes by providing oversight, intervention and support programme services to provinces.
- *Professional Services* provides support to learning interventions and focused experiential learning processes; and contributes towards the development of competent, skilled and motivated built environment professionals.

Expenditure trends and estimates

Table 11.10 Intergovernmental Coordination expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Monitoring, Evaluation and Reporting	17.9	34.2	2.7	14.0	-7.9%	50.5%	6.3	6.7	7.0	-20.6%	14.6%
Intergovernmental Relations and Coordination	8.8	10.6	13.8	10.0	4.5%	31.7%	26.1	28.0	29.1	42.7%	40.0%
Professional Services	–	–	–	24.2	–	17.8%	25.7	27.3	28.6	5.8%	45.4%
Total	26.7	44.7	16.5	48.2	21.8%	100.0%	58.1	62.0	64.8	10.3%	100.0%
Change to 2017 Budget estimate				(12.0)			(6.9)	(7.3)	(9.2)		
Economic classification											
Current payments	26.3	31.9	16.2	42.4	17.2%	85.7%	52.2	55.9	58.3	11.2%	89.5%
Compensation of employees	21.7	25.9	14.0	29.3	10.6%	66.7%	36.1	38.8	40.3	11.3%	62.0%
Goods and services ¹	4.6	6.0	2.2	13.1	41.4%	19.1%	16.2	17.0	18.0	11.2%	27.6%
of which:											
Communication	0.2	0.2	0.1	0.6	43.7%	0.8%	0.7	0.8	0.8	9.6%	1.2%
Agency and support/outsourced services	–	–	–	3.5	–	2.6%	6.7	6.9	7.3	27.8%	10.4%
Operating leases	–	0.0	0.0	0.4	–	0.3%	0.5	0.6	0.7	23.1%	0.9%
Travel and subsistence	1.4	1.8	1.3	3.2	33.5%	5.7%	3.4	3.6	3.8	4.9%	6.0%
Training and development	–	0.4	–	1.0	–	1.0%	1.0	1.1	1.2	5.7%	1.9%
Operating payments	0.8	0.8	0.1	0.9	5.0%	1.8%	1.1	1.2	1.3	14.7%	1.9%
Transfers and subsidies¹	0.0	0.0	–	5.2	462.1%	3.8%	5.2	5.4	5.7	3.6%	9.2%
Households	0.0	0.0	–	5.2	462.1%	3.8%	5.2	5.4	5.7	3.6%	9.2%
Payments for capital assets	0.4	0.5	0.3	0.7	22.2%	1.4%	0.7	0.7	0.8	1.8%	1.3%
Machinery and equipment	0.4	0.5	0.3	0.7	22.2%	1.4%	0.7	0.7	0.8	1.8%	1.3%
Payments for financial assets	–	12.3	0.0	–	–	9.1%	–	–	–	–	–
Total	26.7	44.7	16.5	48.2	21.8%	100.0%	58.1	62.0	64.8	10.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.7%	0.3%	0.7%	–	–	0.8%	0.8%	0.8%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Expanded Public Works Programme

Programme purpose

Coordinate the implementation of the expanded public works programme, which aims to create work opportunities and provide training for unskilled, marginalised and unemployed people in South Africa.

Objectives

- Monitor and evaluate the implementation of public employment programmes within the expanded public works programme over the medium term by:
 - monitoring and reporting on the 4.4 million work opportunities to be created by public bodies implementing the programme
 - ensuring that public bodies report on the participation of designated groups (with targets of 55 per cent for women, 55 per cent for youth and 2 per cent for persons with disabilities) in the programme
 - producing 6 data quality assessment reports.
- Support public bodies in implementing public employment programmes in the non-state sector by contracting 400 non-profit organisations to implement non-state sector projects over the medium term.
- Support public bodies in implementing public employment programmes within the expanded public works programme in the infrastructure, social and environment, and culture sectors by ensuring that 290 public bodies are provided with technical support over the medium term.
- Provide strategic guidance on sectoral convergence through the development of implementation frameworks by developing 3 frameworks on sectoral convergence over the medium term.

Subprogrammes

- *Expanded Public Works Programme: Monitoring and Evaluation* reports and monitors the outputs of the expanded public works programme, and evaluates the impact of work opportunities created and training provided on unskilled, marginalised and unemployed people.
- *Expanded Public Works Programme: Infrastructure* aims to ensure that publicly funded construction and maintenance infrastructure projects are implemented using labour intensive methods to create work opportunities.
- *Expanded Public Works Programme: Operations* facilitates the creation of work opportunities in the environmental, culture, non-state and social sectors.
- *Expanded Public Works Programme: Partnership Support* coordinates and supports the national, provincial and municipal programmes of the expanded public works programme; and provides an enabling environment for training, enterprise development and communication across the four sectors of the programme.
- *Expanded Public Works Programme: Public Employment Coordinating Commission* consolidates progress reports on the implementation of public employment programmes such as the expanded public works programme, and produces strategic reports for the interministerial committee on public employment programmes.

Expenditure trends and estimates

Table 11.11 Expanded Public Works Programme expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Expanded Public Works Programme: Monitoring and Evaluation	66.6	63.5	68.4	62.5	-2.1%	3.0%	57.8	63.1	67.1	2.4%	2.4%
Expanded Public Works Programme: Infrastructure	1 035.0	1 016.1	1 177.1	1 193.4	4.9%	51.6%	1 213.4	1 306.4	1 379.8	5.0%	47.9%
Expanded Public Works Programme: Operations	781.1	799.2	997.4	1 075.2	11.2%	42.6%	1 208.2	1 283.9	1 357.1	8.1%	46.3%
Expanded Public Works Programme: Partnership Support	42.9	57.3	53.9	69.0	17.1%	2.6%	79.0	84.3	90.5	9.5%	3.0%
Expanded Public Works Programme: Public Employment Coordinating Commission	–	3.8	4.7	7.6	–	0.2%	8.1	8.7	9.3	7.2%	0.3%
Total	1 925.6	1 939.9	2 301.4	2 407.6	7.7%	100.0%	2 566.6	2 746.3	2 903.9	6.4%	100.0%
Change to 2017 Budget estimate				(7.0)			33.4	42.8	48.1		
Economic classification											
Current payments	245.8	263.3	272.1	308.3	7.8%	12.7%	326.7	356.5	380.5	7.3%	12.9%
Compensation of employees	112.4	134.0	152.6	156.4	11.6%	6.5%	178.1	191.9	206.9	9.8%	6.9%
Goods and services ¹	133.4	129.4	119.5	151.9	4.4%	6.2%	148.6	164.6	173.7	4.6%	6.0%
of which:											
Advertising	4.5	3.2	2.2	1.8	-26.1%	0.1%	5.3	5.6	5.9	48.1%	0.2%
Infrastructure and planning services	16.0	25.3	32.2	9.9	-14.7%	1.0%	23.9	25.3	26.7	39.2%	0.8%
Agency and support/outsourced services	77.0	74.0	58.4	97.3	8.1%	3.6%	92.7	105.6	111.4	4.6%	3.8%
Consumables: Stationery, printing and office supplies	1.6	1.7	1.8	2.5	15.5%	0.1%	2.2	2.3	2.4	-1.2%	0.1%
Travel and subsistence	13.6	18.2	16.4	18.5	10.7%	0.8%	16.4	17.3	18.3	-0.3%	0.7%
Venues and facilities	1.6	1.6	2.8	1.4	-4.8%	0.1%	1.9	2.0	2.1	13.7%	0.1%
Transfers and subsidies¹	1 677.9	1 674.4	2 027.2	2 096.7	7.7%	87.2%	2 237.2	2 387.0	2 520.4	6.3%	87.0%
Provinces and municipalities	1 200.3	1 139.4	1 425.7	1 472.6	7.1%	61.1%	1 516.9	1 624.2	1 713.7	5.2%	59.6%
Non-profit institutions	477.5	534.8	600.3	623.9	9.3%	26.1%	720.2	762.6	806.5	8.9%	27.4%
Households	0.2	0.2	1.3	0.2	-0.6%	–	0.2	0.2	0.2	5.6%	–
Payments for capital assets	1.8	2.2	1.9	2.6	13.2%	0.1%	2.8	2.8	2.9	3.7%	0.1%
Machinery and equipment	1.8	2.2	1.9	2.6	13.2%	0.1%	2.8	2.8	2.9	3.7%	0.1%
Payments for financial assets	0.1	–	0.3	–	-100.0%	–	–	–	–	–	–
Total	1 925.6	1 939.9	2 301.4	2 407.6	7.7%	100.0%	2 566.6	2 746.3	2 903.9	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	32.0%	30.9%	35.9%	34.5%	–	–	34.4%	34.8%	34.8%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	477.5	534.8	600.3	623.9	9.3%	26.1%	720.2	762.6	806.5	8.9%	27.4%
Various institutions: Non-state sector programme	477.5	534.8	600.3	623.9	9.3%	26.1%	720.2	762.6	806.5	8.9%	27.4%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	594.6	587.7	664.0	691.4	5.2%	29.6%	692.9	741.9	782.9	4.2%	27.4%
Expanded public works programme integrated grant for municipalities	594.6	587.7	664.0	691.4	5.2%	29.6%	692.9	741.9	782.9	4.2%	27.4%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	605.7	551.7	761.7	781.2	8.9%	31.5%	824.0	882.3	930.8	6.0%	32.2%
Expanded public works programme integrated grant for provinces	347.7	325.6	402.0	395.6	4.4%	17.2%	416.0	451.5	476.3	6.4%	16.4%
Social sector expanded public works programme incentive grant for provinces	258.0	226.1	359.7	385.6	14.3%	14.3%	407.9	430.8	454.5	5.6%	15.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Property and Construction Industry Policy and Research

Programme purpose

Promote the growth and transformation of the construction and property industries. Promote a standardised approach and best practice in construction and immovable asset management in the public sector.

Objective

- Research and develop policies and legislative prescripts for the construction and property sectors over the medium term by developing and reviewing 3 legislative prescripts for the Public Works Bill, Construction Industry Development Board Act (2000) and Council for the Built Environment Act (2000).

Subprogrammes

- *Construction Policy Development Programme* creates an enabling environment for transforming the construction industry by developing appropriate legislation and implementing monitoring mechanisms for the sector. This subprogramme aims to facilitate the transformation and regulation of the construction industry for economic growth and development.
- *Property Policy Development Programme* provides leadership and guidance on the transformation of the property industry. It also promotes uniformity and best practice on immovable asset management in the public sector through policy development, sets best practice standards for compiling and maintaining immovable asset registers, and provides administration of rights over state and private land through guidelines. This subprogramme aims to ensure effective and efficient strategic leadership in immovable asset management, and in the delivery of infrastructure programmes through the development of guidelines on immovable asset performance and condition assessments.
- *Construction Industry Development Board* transfers funds to the Construction Industry Development Board annually.
- *Council for the Built Environment* transfers funds to the Council for the Built Environment annually.
- *Independent Development Trust* transfers funds to the Independent Development Trust annually.
- *Construction Education and Training Authority* aims to influence training and skills development across the construction industry.
- *Property Management Trading Entity* transfers funds to the Property Management Trading Entity annually.
- *Assistance to Organisations for the Preservation of National Memorials* provides funding to the Commonwealth War Graves Commission and to the United Nations for maintaining national memorials.

Expenditure trends and estimates

Table 11.12 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18					2017/18 - 2020/21	
Construction Policy Development Programme	18.7	20.9	21.7	46.0	34.9%	0.7%	46.4	49.1	52.0	4.1%	1.1%
Property Policy Development Programme	12.6	8.4	11.7	15.7	7.4%	0.3%	14.6	15.6	16.5	1.8%	0.4%
Construction Industry Development Board	77.2	65.6	52.1	75.0	-1.0%	1.9%	73.3	77.4	81.7	2.9%	1.8%
Council for the Built Environment	41.6	42.0	43.4	48.6	5.3%	1.2%	50.1	52.9	55.8	4.7%	1.2%
Independent Development Trust	50.0	50.0	–	111.1	30.5%	1.5%	28.4	5.0	–	-100.0%	0.8%
Construction Education and Training Authority	1.6	0.5	0.5	0.5	-31.8%	–	0.5	0.6	0.6	5.2%	–
Property Management Trading Entity	3 044.0	3 524.7	3 389.4	3 682.3	6.6%	93.7%	4 009.5	4 233.1	4 465.7	6.6%	94.1%
Assistance to Organisations for the Preservation of National Memorials	22.5	23.4	28.2	22.3	-0.3%	0.7%	27.5	29.1	30.7	11.1%	0.6%
Total	3 268.3	3 735.4	3 547.0	4 001.4	7.0%	100.0%	4 250.4	4 462.8	4 703.0	5.5%	100.0%
Change to 2017 Budget estimate				31.5			(37.4)	(53.4)	(61.9)		

Table 11.12 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	2 049.0	17.1	20.7	31.2	-75.2%	14.6%	30.5	32.5	34.5	3.5%	0.7%
Compensation of employees	1 230.2	8.7	10.5	15.5	-76.7%	8.7%	13.1	14.1	15.2	-0.9%	0.3%
Goods and services ¹	818.9	8.4	10.2	15.6	-73.3%	5.9%	17.4	18.4	19.4	7.5%	0.4%
<i>of which:</i>											
<i>Advertising</i>	5.3	0.0	0.3	0.7	-48.0%	–	0.9	0.9	1.0	9.3%	–
<i>Communication</i>	17.1	0.1	0.1	0.3	-74.3%	0.1%	0.4	0.5	0.5	21.3%	–
<i>Consultants: Business and advisory services</i>	15.7	4.8	7.4	10.1	-13.7%	0.3%	13.6	14.3	15.1	14.3%	0.3%
<i>Agency and support/outsourced services</i>	34.3	0.7	–	0.7	-72.7%	0.2%	0.8	0.8	0.9	8.2%	–
<i>Consumables: Stationery, printing and office supplies</i>	5.5	0.1	0.0	0.4	-58.8%	–	0.5	0.5	0.5	10.9%	–
<i>Travel and subsistence</i>	49.3	0.9	0.7	0.5	-79.0%	0.4%	0.5	0.5	0.5	5.4%	–
Interest and rent on land	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies¹	885.9	3 718.2	3 526.2	3 969.9	64.9%	83.2%	4 219.5	4 430.0	4 668.1	5.5%	99.3%
Provinces and municipalities	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts	793.8	3 644.4	3 497.8	3 835.4	69.1%	80.9%	4 163.4	4 395.7	4 637.2	6.5%	97.8%
Foreign governments and international organisations	22.5	23.4	28.2	22.3	-0.3%	0.7%	27.5	29.1	30.7	11.1%	0.6%
Public corporations and private enterprises	50.0	50.0	–	111.1	30.5%	1.5%	28.4	5.0	–	-100.0%	0.8%
Non-profit institutions	11.0	0.3	0.2	0.1	-77.8%	0.1%	–	–	–	-100.0%	–
Households	8.6	0.0	0.0	1.0	-50.6%	0.1%	0.2	0.2	0.2	-38.6%	–
Payments for capital assets	330.1	0.1	0.2	0.3	-90.3%	2.3%	0.3	0.3	0.3	1.9%	–
Buildings and other fixed structures	315.9	–	–	–	-100.0%	2.2%	–	–	–	–	–
Machinery and equipment	14.2	0.1	0.2	0.3	-72.3%	0.1%	0.3	0.3	0.3	1.9%	–
Software and other intangible assets	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	3.2	–	0.0	–	-100.0%	–	–	–	–	–	–
Total	3 268.3	3 735.4	3 547.0	4 001.4	7.0%	100.0%	4 250.4	4 462.8	4 703.0	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	54.3%	59.5%	55.4%	57.3%	–	–	57.0%	56.5%	56.3%	–	–
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	50.0	50.0	–	111.1	30.5%	1.5%	28.4	5.0	–	-100.0%	0.8%
Independent Development Trust	50.0	50.0	–	111.1	30.5%	1.5%	28.4	5.0	–	-100.0%	0.8%
Non-profit institutions											
Current	11.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Agrément South Africa	11.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	793.8	3 644.4	3 497.8	3 835.4	69.1%	80.9%	4 163.4	4 395.7	4 637.2	6.5%	97.8%
Agrément South Africa	–	11.7	12.4	29.0	–	0.4%	30.0	31.7	33.4	4.8%	0.7%
Construction Industry Development Board	77.2	65.6	52.1	75.0	-1.0%	1.9%	73.3	77.4	81.7	2.9%	1.8%
Council for the Built Environment	41.6	42.0	43.4	48.6	5.3%	1.2%	50.1	52.9	55.8	4.7%	1.2%
Construction Education and Training Authority	1.6	0.5	0.5	0.5	-31.8%	–	0.5	0.6	0.6	5.2%	–
Property Management Trading Entity	673.4	3 524.7	3 389.4	3 682.3	76.2%	77.4%	4 009.5	4 233.1	4 465.7	6.6%	94.1%
Foreign governments and international organisations											
Current	22.5	23.4	28.2	22.3	-0.3%	0.7%	27.5	29.1	30.7	11.1%	0.6%
Commonwealth War Graves Commission	22.5	23.4	28.2	22.3	-0.3%	0.7%	27.5	29.1	30.7	11.1%	0.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Prestige Policy

Programme purpose

Provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities for state functions.

Objectives

- Improve the delivery of services to prestige clients over the medium term by:
 - developing and monitoring 6 prestige policies
 - supporting 35 planned state events with movable structures
 - providing movable assets within 60 working days to prestige clients.

Subprogrammes

- *Prestige Accommodation and State Functions* funds allocations for activities relating to the residences of parliamentarians, ministers, deputy ministers, the deputy president and the president.
- *Parliamentary Villages Management Board* provides for the transport and related costs of parliamentarians and related officials residing in parliamentary villages.

Expenditure trends and estimates

Table 11.13 Prestige Policy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Prestige Accommodation and State Functions	176.8	72.9	78.4	74.6	-25.0%	91.5%	87.5	105.3	105.5	12.3%	89.7%
Parliamentary Villages Management Board	8.7	9.1	9.6	10.1	5.0%	8.5%	10.4	10.9	11.6	4.7%	10.3%
Total	185.5	82.0	87.9	84.6	-23.0%	100.0%	97.9	116.3	117.0	11.4%	100.0%
Change to 2017 Budget estimate				(15.0)			2.0	8.0	2.2		
Economic classification											
Current payments	153.0	62.2	70.2	69.4	-23.2%	80.6%	79.2	91.7	91.1	9.5%	79.7%
Compensation of employees	23.2	15.6	21.3	25.2	2.8%	19.4%	27.6	29.8	32.1	8.4%	27.6%
Goods and services ¹	129.8	46.3	48.9	44.2	-30.2%	61.2%	51.6	62.0	59.0	10.1%	52.1%
of which:											
Minor assets	9.9	2.5	2.6	5.0	-20.3%	4.5%	5.8	6.8	7.6	15.1%	6.1%
Contractors	111.9	38.6	19.6	25.9	-38.6%	44.5%	37.3	46.2	42.0	17.5%	36.4%
Operating leases	0.0	0.6	1.3	0.7	162.6%	0.6%	0.7	0.7	0.8	5.5%	0.7%
Travel and subsistence	3.5	1.7	1.6	4.4	7.7%	2.5%	3.9	4.2	4.4	0.1%	4.1%
Operating payments	0.7	0.7	0.9	0.7	3.2%	0.7%	0.8	0.8	0.9	5.4%	0.8%
Venues and facilities	0.5	–	–	0.6	4.9%	0.3%	0.6	0.7	0.7	5.4%	0.6%
Interest and rent on land	–	0.3	–	–	–	0.1%	–	–	–	–	–
Transfers and subsidies¹	8.7	9.1	9.8	10.3	5.5%	8.6%	10.6	11.1	11.8	4.7%	10.5%
Departmental agencies and accounts	8.7	9.1	9.6	10.1	5.0%	8.5%	10.4	10.9	11.6	4.7%	10.3%
Households	0.0	0.0	0.2	0.2	88.2%	0.1%	0.2	0.2	0.2	1.8%	0.2%
Payments for capital assets	23.8	10.7	7.9	5.0	-40.5%	10.8%	8.1	13.4	14.1	41.4%	9.8%
Machinery and equipment	23.8	10.7	7.9	5.0	-40.5%	10.8%	8.1	13.4	14.1	41.4%	9.8%
Total	185.5	82.0	87.9	84.6	-23.0%	100.0%	97.9	116.3	117.0	11.4%	100.0%
Proportion of total programme expenditure to vote expenditure	3.1%	1.3%	1.4%	1.2%	–	–	1.3%	1.5%	1.4%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8.7	9.1	9.6	10.1	5.0%	8.5%	10.4	10.9	11.6	4.7%	10.3%
Parliamentary Villages Management Board	8.7	9.1	9.6	10.1	5.0%	8.5%	10.4	10.9	11.6	4.7%	10.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity¹

Property Management Trading Entity

Mandate

The Property Management Trading Entity was established following a decision in 2006 that accommodation-related costs be devolved from the Department of Public Works to client departments. The entity performs immovable asset management functions on behalf of the department. These functions include the provision of residential and office accommodation for client departments at the national government level; and the acquisition, management, operation, maintenance and disposal of immovable assets in the department's custody. On a cost recovery basis, the entity finances the purchase, construction, refurbishment and maintenance of nationally owned government properties; and manages the leases of privately owned properties accommodating national departments. The entity also pays for municipal services on behalf of national departments on a management fee basis.

Selected performance indicators

Table 11.14 Property Management Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past		2016/17	Current 2017/18	Projections		
			2014/15	2015/16			2018/19	2019/20	2020/21
Percentage of valuations completed within scheduled timeframes per year	Real estate investment services	Outcome 12: An efficient, effective and development oriented public service	-1	-1	83% (290 of 350)	85%	90%	90%	90%
Number of sites established for precinct development per year	Real estate investment services		-1	-1	3	3	4	4	4
Number of buildings performance assessed in terms of identified performance areas per year	Real estate investment services		-1	-1	400	600	800	800	800
Number of infrastructure projects completed within agreed construction period	Construction management services		-1	125 (65%)	139 (57%)	85 (80%)	105 (80%)	115 (80%)	125 (80%)
Number of infrastructure projects completed within approved budget	Construction management services		-1	109 (57%)	129 (53%)	85 (80%)	105 (80%)	115 (80%)	125 (80%)
Number of expanded public works programme work opportunities created through construction projects	Construction management services		1 482	11 126	8 959	9 000	7 511	8 200	9 020
Percentage of infrastructure projects backlogs reduced	Construction management services		-1	15% (216)	14% (154)	15% (148)	20%	30%	40%
Number of private leases reduced within the security cluster per year ²	Real estate management services		-1	-1	2	6	12	13	13
Percentage increase in revenue generation through letting of state-owned properties per year (excluding harbour-related properties)	Real estate management services		-1	-1	-1	10% (R3.1m)	10%	15%	20%
Number of provincial immovable asset registers assessed for compliance	Real estate registry services		Outcome 9: Responsive, accountable, effective and efficient developmental local government	-1	-1	9	9	9	9
Number of prioritised facilities with facilities management contracts in place per year	Facilities management services	Outcome 10: Protect and enhance our environmental assets and natural resources	-1	300	350	450	500	550	600

1. No historical data available.

2. Old indicator selected for publication in the Estimates of National Expenditure.

¹ This section has been compiled with the latest available information from the entity concerned.

Expenditure analysis

Over the medium term, the Property Management Trading Entity will improve its immovable asset management portfolio by providing cost effective accommodation solutions to client departments. These activities support the delivery of government's 2014-2019 medium-term strategic framework, in particular outcome 9 (responsive, accountable, effective and efficient developmental local government), outcome 10 (protect and enhance our environmental assets and natural resources) and outcome 12 (an efficient, effective and development oriented public service).

The entity will continue to focus on renting out state-owned properties to departments and other government institutions, refurbishing properties, constructing new buildings, extending the life cycles of existing properties, and managing leases with privately owned properties for departments. An estimated R32.8 billion will be spent on operating leases, and property and municipal services in the real estate management services programme. Payments made by the entity for accommodation and municipal services are on a cost recovery basis, with the entity paying upfront for services and later recovering the funds from client departments. The entity earns a management fee for this.

Over the medium term, the entity plans to address deterioration in facilities that negatively affects service delivery and leads to depreciation in property values. The entity is expected to develop a maintenance strategy for scheduled and unscheduled maintenance on major components (such as boilers; heating, ventilation and air conditioning systems; lifts; and water treatment plants) in 85 state-owned buildings at a projected cost of R7.3 billion in the real estate management services programme. This work is done in line with the national infrastructure maintenance strategy and the Government Immovable Asset Management Act (2007).

Maintenance capital projects focus on maintaining or improving the life cycle of immovable assets through major maintenance to, or the rehabilitation or refurbishment of, buildings as opposed to minor maintenance. Through the construction management services and facilities management services programmes, the entity plans to complete 257 maintenance capital projects at a projected cost of R10.2 billion over the MTEF period, and 122 refurbishment projects at a projected cost of R5.2 billion.

The entity plans to increase the number of construction work opportunities provided through the expanded public works programme from 7 511 in 2018/19 to 9 020 in 2020/21 with funding of R594 million in the construction management services programme. To increase the work opportunities, the entity plans to ensure that some of the construction work undertaken will be through labour intensive methods as opposed to the use of machinery.

The entity also plans to provide water and sanitation services to all buildings and facilities that are not connected to municipal water infrastructure at a projected cost of R70 million over the medium term in the facilities management services programme. Total spending on goods and services is expected to account for 79.9 per cent of the entity's total spending, increasing at an average annual rate of 2.3 per cent, from R12.2 billion in 2017/18 to R13.1 billion in 2020/21.

The entity generates revenue mainly through management fees, rentals charged to user departments, and transfers from the department. Revenue is expected to increase at an average annual rate of 3.8 per cent, from R19.7 billion in 2017/18 to R22.1 billion in 2020/21, with leased accommodation and the recovery of payments for municipal services accounting for the bulk of revenue collected.

Programmes/Objectives/Activities

Table 11.15 Property Management Trading Entity expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	848.4	5 371.0	5 662.0	712.0	-5.7%	21.8%	1 132.9	1 175.2	1 249.4	20.6%	6.8%
Real estate investment services	100.6	–	–	117.8	5.4%	0.4%	131.4	140.1	149.0	8.2%	0.9%
Construction management services	282.4	256.3	254.5	274.9	-0.9%	1.9%	318.2	264.7	281.5	0.8%	1.8%
Real estate management services	5 184.0	6 013.3	5 478.4	10 874.7	28.0%	48.4%	10 475.3	11 003.8	11 575.5	2.1%	69.8%
Real estate registry services	2 628.0	–	–	72.2	-69.8%	5.7%	108.9	115.9	123.0	19.4%	0.7%
Facilities management services	2 712.5	3 200.1	3 105.1	3 202.5	5.7%	21.8%	3 269.6	3 012.5	3 180.4	-0.2%	20.1%
Total	11 755.9	14 840.6	14 500.1	15 254.1	9.1%	100.0%	15 436.2	15 712.2	16 558.9	2.8%	100.0%

Statements of historical financial performance and position

Table 11.16 Property Management Trading Entity statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	11 209.7	12 241.1	10 576.5	11 718.9	11 341.6	12 091.2	16 038.9	16 038.9	105.9%
Sale of goods and services other than capital assets	11 187.4	9 392.1	10 529.4	10 898.7	11 297.5	10 629.9	11 650.7	11 650.7	95.3%
<i>of which:</i>									
Sales by market establishment	7 180.8	4 066.2	6 644.1	4 404.0	7 147.2	4 201.3	7 181.9	7 181.9	70.5%
Other sales	4 006.6	5 325.9	3 885.3	6 494.7	4 150.3	6 428.6	4 468.8	4 468.8	137.6%
Other non-tax revenue	22.3	2 849.1	47.0	820.1	44.0	1 461.3	4 388.2	4 388.2	211.5%
Transfers received	673.4	673.4	3 524.7	3 524.7	3 389.4	3 389.4	3 758.9	3 682.3	99.3%
Total revenue	11 883.1	12 914.5	14 101.1	15 243.5	14 731.0	15 480.7	19 797.8	19 721.2	104.7%
Expenses									
Current expenses	6 375.2	10 936.1	8 902.1	13 715.2	11 920.7	13 461.7	13 912.3	13 912.3	126.6%
Compensation of employees	–	1 268.4	1 288.8	1 310.1	1 469.8	1 500.9	1 674.3	1 674.3	129.8%
Goods and services	6 358.6	7 049.3	7 474.5	9 555.3	7 677.8	9 113.2	12 237.0	12 237.0	112.5%
Depreciation	–	2 617.6	120.0	2 604.4	2 750.0	2 759.6	–	–	278.1%
Interest, dividends and rent on land	16.6	0.7	18.8	245.4	23.1	88.1	1.0	1.0	563.8%
Transfers and subsidies	975.0	819.8	981.2	1 125.4	1 141.8	1 038.3	1 341.8	1 341.8	97.4%
Total expenses	7 350.2	11 755.9	9 883.3	14 840.6	13 062.5	14 500.1	15 254.1	15 254.1	123.7%
Surplus/(Deficit)	4 533.0	1 159.0	4 218.0	403.0	1 669.0	981.0	4 544.0	4 467.0	
Statement of financial position									
Carrying value of assets	6 050.0	110 962.8	87 674.2	137 415.8	95 016.0	139 036.5	112 862.5	112 862.5	165.9%
<i>of which:</i>									
Acquisition of assets	(4 532.9)	(3 513.9)	(4 507.7)	(4 000.8)	(4 408.3)	(3 650.3)	(4 543.7)	(4 543.7)	87.3%
Investments	1 096.2	1 008.1	1 214.0	899.7	1 214.5	713.3	1 000.0	1 000.0	80.0%
Receivables and prepayments	1 978.6	2 351.6	2 700.0	3 785.6	2 700.0	4 859.5	3 501.5	3 501.5	133.3%
Cash and cash equivalents	1.0	6.2	7.0	4.0	7.0	2.9	4.0	4.0	90.1%
Total assets	9 125.8	114 328.7	91 595.2	142 105.2	98 937.5	144 612.2	117 368.0	117 368.0	163.5%
Accumulated surplus/(deficit)	5 788.2	105 458.1	83 256.2	129 233.3	90 598.5	130 213.9	104 581.0	104 581.0	165.2%
Borrowings	1 000.0	667.6	650.0	1 468.9	650.0	1 932.4	1 500.0	1 500.0	146.5%
Finance lease	936.2	5.9	4.0	11.6	4.0	16.7	12.0	12.0	4.8%
Deferred income	–	4 364.8	–	6 227.6	–	6 418.4	7 000.0	7 000.0	343.0%
Trade and other payables	1 000.0	2 472.3	6 000.0	2 827.2	6 000.0	3 363.5	2 700.0	2 700.0	72.4%
Provisions	23.6	15.6	150.0	1 181.8	150.0	1 643.0	250.0	250.0	538.8%
Derivatives financial instruments	377.8	1 344.5	1 535.0	1 154.8	1 535.0	1 024.2	1 325.0	1 325.0	101.6%
Total equity and liabilities	9 125.8	114 328.7	91 595.2	142 105.2	98 937.5	144 612.2	117 368.0	117 368.0	163.5%

Statements of estimates of financial performance and position

Table 11.17 Property Management Trading Entity statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2019/20	2020/21		
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	16 038.9	9.4%	82.8%	15 900.9	16 720.9	17 603.0	3.2%	80.2%
Sale of goods and services other than capital assets	11 650.7	7.4%	68.0%	12 199.1	13 031.6	13 926.2	6.1%	61.4%
<i>of which:</i>								
<i>Sales by market establishment</i>	7 181.9	20.9%	31.0%	7 364.8	7 880.8	8 432.4	5.5%	37.3%
<i>Other sales</i>	4 468.8	-5.7%	37.0%	4 834.3	5 150.8	5 493.8	7.1%	24.1%
Other non-tax revenue	4 388.2	15.5%	14.8%	3 701.7	3 689.3	3 676.8	-5.7%	18.8%
Transfers received	3 682.3	76.2%	17.2%	4 009.5	4 233.1	4 465.7	6.6%	19.8%
Total revenue	19 721.2	15.2%	100.0%	19 910.4	20 954.1	22 068.7	3.8%	100.0%
Expenses								
Current expenses	13 912.3	8.4%	92.4%	14 030.7	14 194.2	14 919.4	2.4%	90.6%
Compensation of employees	1 674.3	9.7%	10.2%	1 593.1	1 698.2	1 808.6	2.6%	10.8%
Goods and services	12 237.0	20.2%	66.9%	12 437.6	12 496.0	13 110.8	2.3%	79.9%
Interest, dividends and rent on land	1.0	11.5%	0.6%	-	-	-	-100.0%	0.0%
Transfers and subsidies	1 341.8	17.8%	7.6%	1 405.6	1 518.0	1 639.5	6.9%	9.4%
Total expenses	15 254.1	9.1%	100.0%	15 436.2	15 712.2	16 558.9	2.8%	100.0%
Surplus/(Deficit)	4 467.0			4 474.0	5 242.0	5 510.0		
Statement of financial position								
Carrying value of assets	112 862.5	0.6%	96.5%	136 170.0	136 170.0	136 170.0	6.5%	96.0%
<i>of which:</i>								
<i>Acquisition of assets</i>	(4 543.7)	8.9%	-3.1%	(4 474.1)	(5 241.8)	(5 509.9)	6.6%	-3.7%
Investments	1 000.0	-0.3%	0.7%	700.0	700.0	700.0	-11.2%	0.6%
Receivables and prepayments	3 501.5	14.2%	2.8%	5 000.1	5 000.1	5 000.1	12.6%	3.4%
Cash and cash equivalents	4.0	-13.6%	0.0%	3.0	3.0	3.0	-9.1%	0.0%
Total assets	117 368.0	0.9%	100.0%	141 873.1	141 873.1	141 873.1	6.5%	100.0%
Accumulated surplus/(deficit)	104 581.0	-0.3%	90.6%	104 581.0	104 581.0	127 123.1	6.7%	88.5%
Borrowings	1 500.0	31.0%	1.1%	2 000.0	2 000.0	2 000.0	10.1%	1.5%
Finance lease	12.0	26.9%	0.0%	20.0	20.0	20.0	18.6%	0.0%
Deferred income	7 000.0	17.1%	4.7%	6 500.0	6 500.0	6 500.0	-2.4%	5.4%
Trade and other payables	2 700.0	3.0%	2.2%	3 500.0	3 500.0	3 500.0	9.0%	2.7%
Provisions	250.0	152.4%	0.5%	1 690.0	1 690.0	1 690.0	89.1%	1.1%
Derivatives financial instruments	1 325.0	-0.5%	1.0%	1 040.0	1 040.0	1 040.0	-7.8%	0.9%
Total equity and liabilities	117 368.0	0.9%	100.0%	119 331.0	119 331.0	141 873.1	6.5%	100.0%

Personnel information

Table 11.18 Property Management Trading Entity personnel numbers and cost by salary level

Property Management Trading Entity	Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21						
Salary level	6 819	7 440	4 374	1 500.9	0.3	3 747	1 674.3	0.4	6 886	1 593.1	0.2	6 665	1 698.2	0.3	6 546	1 808.6	0.3	2.6%	100.0%
1 - 6	3 602	3 991	2 532	391.3	0.2	2 137	451.5	0.2	3 743	381.4	0.1	3 560	404.3	0.1	3 485	428.3	0.1	-1.7%	54.5%
7 - 10	2 209	2 334	1 304	536.2	0.4	1 179	630.9	0.5	2 178	574.0	0.3	2 155	614.9	0.3	2 119	652.8	0.3	1.1%	31.9%
11 - 12	880	967	454	456.0	1.0	367	478.2	1.3	854	541.1	0.6	841	577.0	0.7	833	617.3	0.7	8.9%	11.9%
13 - 16	128	148	84	117.3	1.4	64	113.7	1.8	111	96.6	0.9	109	102.0	0.9	109	110.2	1.0	-1.0%	1.7%

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- **Agreement South Africa** is mandated to certify non-standardised or unconventional built environment construction products, materials and systems through technical assessments that verify whether such products, materials and systems are fit for purpose. The board's total budget for 2018/19 is R34.8 million.
- The **Construction Industry Development Board** provides leadership to stakeholders; stimulates the growth, reform and improvement of the construction sector; and enhances the industry's role in the South African

economy. The board's total budget for 2018/19 is R174.4 million.

- The **Council for the Built Environment** oversees and regulates the 6 professional councils responsible for regulating built environment professionals such as architects, engineers, quantity surveyors, landscape architects, property valuers, and project and construction managers. The council's total budget for 2018/19 is R53.7 million.
- The **Independent Development Trust** has evolved from a grant making organisation into responsive development agency with a well established footprint across South Africa. The trust's total budget for 2018/19 is R349.2 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
Departmental: Various centres	Upgrading and construction of departmental accommodation sites (77 projects)	Various	2 972.8	118.4	–	–	–	–	–	
Dolomite: Various centres	Management of dolomite risk areas (30 projects)	Various	1 038.3	85.0	–	–	–	–	–	
Accessibility: Various centres	Upgrading of disabled facilities (157 projects)	Various	113.1	10.2	–	–	–	–	–	
Border control operational coordination committee: Various centres	Redevelopment of border post centres (81 projects)	Various	2 136.3	137.2	–	–	–	–	–	
Prestige: Various centres	Upgrading and construction of prestige accommodation sites (56 projects)	Various	1 663.1	46.5	–	–	–	–	–	
Inner city regeneration: Various centres	Development of national government precincts (7 projects)	Various	457.3	3.7	–	–	–	–	–	
Small projects (total project cost of less than R250 million over the project life cycle)										
Transfer of infrastructure projects to the Property Management Trading Entity	Upgrading, development and management of various projects	Ongoing	8 153.2	–	628.4	633.0	748.2	804.6	849.7	896.4
Total			16 534.0	400.9	628.4	633.0	748.2	804.6	849.7	896.4

Vote 12

Statistics South Africa

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF Allocation						
Administration	695.3	441.5	9.7	244.0	737.7	783.0
Economic Statistics	236.9	236.8	0.0	0.1	254.4	272.8
Population and Social Statistics	202.3	199.7	0.2	2.4	141.8	151.9
Methodology, Standards and Research	67.4	67.4	0.0	0.0	72.4	77.8
Statistical Support and Informatics	267.1	250.7	–	16.4	284.8	303.3
Statistical Collection and Outreach	608.0	597.7	0.2	10.1	651.9	698.3
Survey Operations	194.7	193.1	1.5	0.1	296.5	1 017.1
Total expenditure estimates	2 271.7	1 986.9	11.6	273.2	2 439.4	3 304.1
Executive authority	Minister in the Presidency: Planning, Monitoring and Evaluation					
Accounting officer	Statistician General of Statistics South Africa					
Website address	www.statssa.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Lead and partner in the production of statistics in line with internationally recognised principles and standards, to inform users about socioeconomic dynamics for evidence-based decisions.

Mandate

Statistics South Africa is a national government department accountable to the Minister in the Presidency: Planning, Monitoring and Evaluation. The department's activities are regulated by the Statistics Act (1999), which mandates the department to advance the production, dissemination, use and coordination of official and other statistics to assist organs of state, businesses, other organisations and the public in planning, monitoring and decision-making. The act also requires that the department coordinates statistical production among organs of state in line with the purpose of official statistics and statistical principles.

Selected performance indicators

Table 12.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of GDP estimates releases per year	Economic Statistics	Outcome 4: Decent employment through inclusive growth	4	4	4	4	4	4	4
Number of releases on industry and trade statistics per year	Economic Statistics		150	150	150	150	150	150	150
Number of releases on financial statistics per year	Economic Statistics		17	17	17	17	17	17	17
Number of price index releases per year ¹	Economic Statistics		24	24	48	48	48	48	48
Number of releases on labour market dynamics per year	Population and Social Statistics		8	8	7	8	8	8	8
Number of releases on living circumstances, service delivery and poverty per year	Population and Social Statistics	Outcome 8: Sustainable human settlements and improved quality of household life	7	4	4	4	4	4	4
Number of releases on the changing profile of the population per year	Population and Social Statistics		17	17	17	17	17	17	17
Number of releases on population dynamics at national, provincial and municipal levels	Population and Social Statistics		–2	–2	–2	10	–2	–2	–2

1. Indicators for consumer price index and producer price index were combined in 2016/17 and 2 new monthly releases were introduced.

2. Indicator measured only in 2017/18 based on the results of the community survey, which is conducted every 10 years between censuses.

Expenditure analysis

The National Development Plan highlights the need to build a state that is capable of playing a developmental and transformative role. Statistics South Africa is responsible for the production and coordination of official and other statistics that inform users on changing dynamics in the economy, society and the environment. The services provided by the department contribute towards enhanced planning, policy responsiveness and effectiveness, and promote evidence-based decision-making. The department publishes more than 200 statistical releases each year, and compiles statistical research that measures development against the plan and government's 2014-2019 medium-term strategic framework, in conjunction with global and continental agendas for sustainable development. Over the medium term, the department plans to continue focusing on modernising and automating its operations; implementing statistical reform, particularly in statistical coordination; and building a capable organisation in an effort to maintain an adequate supply of statistical information.

Cabinet has approved budget reductions of R14.2 million in 2018/19, R15.1 million in 2019/20 and R15.9 million in 2020/21 on the *Administration* programme in line with government's fiscal consolidation objectives. These reductions are not expected to have a negative effect on the department's planned outputs over the MTEF period, as the department intends adjusting its operations and delaying the implementation of various new projects and initiatives.

Modernising and automating operations

To increase statistical accuracy, reduce costs and bring about faster turnaround times for releasing official statistics to the public, the department intends to focus on modernising and automating its operations through the use of new technology such as digital data collection and digital maps, and new statistical methodologies over the MTEF period. By 2020/21, the department plans to migrate from manual processes of data collection, which involve paper assisted personal interviews, to an automated process that involves conducting computer assisted personal interviews. As part of its focus on digital migration and expanding the statistical information base, the department plans to explore multiple modes of digital data collection to improve accessibility in gated communities and high walled areas. Funding for modernising and automating operations over the MTEF period will be from all programmes except the *Administration* programme.

The department's focus on digital migration over the medium term will enable it to improve the quality of its services, and allow it to respond more effectively to the increased demand for statistical information. The digital migration programme is also expected to drive organisational reform in core functional and operational areas in terms of systems, processes, structures and technology, resulting in the department revising the manner in which it functions. In instances where innovations over the MTEF period lead to excess or insufficient personnel, the department will reskill, upskill and reallocate affected staff members.

Statistical reform

Coordination of statistics between organs of state is essential for consistency and efficiency. Over the medium term, the department anticipates revising legislation pertaining to statistics to drive statistical reform, with particular attention to coordination and institutional arrangements between statistical agencies, statistical geography, data revolution, and a state-wide statistical service. The department is also in the process of developing an integrated statistical indicator framework to guide and coordinate the production of information in the national statistics system. In 2017/18, the department commenced with the draft framework, which is expected to be finalised in 2018/19 following stakeholder consultations.

Over the medium term, R82 million has been allocated for statistical coordination, including legislative reform, in the *National Statistics System* subprogramme in the *Administration* programme. Of this, R51 million is expected to be used for compensation of employees, and R31 million for goods and services to coordinate a state-wide statistical service for the national statistics system, develop a national strategy for the development of statistics in South Africa, provide statistical support and advice to organs of state on the production of statistics at all levels of government, conduct user paid surveys on behalf of organs of state, and declare statistics as official against the statistical quality assessment framework.

Maintaining the supply of statistical information

Population censuses are the biggest and most complex statistical operations undertaken by statistical offices. Planning for South Africa's next population census, which is scheduled for 2021, will commence in 2018/19. This planning process will be followed by the design and development of new and innovative collection methodologies, with testing and preparatory work for developing the geospatial information frame scheduled for 2019/20. The modernisation of statistical operations in the household surveys programme is set to be adopted in Census 2021 to ensure greater cost effectiveness and efficiency. Data collection for Census 2021 is scheduled for October 2021. Amounts of R37.1 million in 2018/19, R145.3 million in 2019/20 and R855 million in 2020/21 are allocated for activities related to Census 2021 in the *Census and Community Survey Operations* subprogramme in the *Survey Operations* programme.

In 2018/19, the department intends to conduct an income and expenditure survey as part of the household surveys programme to gain a better understanding of wealth inequalities in South Africa. For this purpose, partial funding of R70 million is allocated in 2018/19 to the *Poverty and Inequality Statistics* subprogramme in the *Population and Social Statistics* programme.

Expenditure trends

Table 12.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Economic Statistics														
3. Population and Social Statistics														
4. Methodology, Standards and Research														
5. Statistical Support and Informatics														
6. Statistical Collection and Outreach														
7. Survey Operations														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	934.7	914.4	840.8	791.3	853.8	800.1	709.2	744.7	671.2	687.5	718.8	718.8	97.1%	93.8%
Programme 2	210.5	202.8	197.5	214.4	215.9	218.7	224.7	228.8	233.3	228.8	228.8	228.8	100.0%	100.2%
Programme 3	117.9	150.0	154.7	133.7	144.9	161.2	127.0	129.5	114.5	128.2	128.2	128.2	110.2%	101.1%
Programme 4	65.5	60.2	56.5	66.3	64.6	58.1	69.6	73.4	70.2	66.8	66.8	66.8	93.8%	94.9%
Programme 5	245.1	235.6	218.6	250.0	246.1	220.2	255.4	257.0	247.9	258.4	258.4	258.4	93.7%	94.8%
Programme 6	524.5	524.7	530.2	553.6	556.8	575.8	569.9	571.4	630.1	585.1	585.1	585.1	103.9%	103.7%
Programme 7	144.3	154.9	158.2	236.0	241.2	239.5	533.3	533.3	494.0	191.4	191.4	191.4	98.0%	96.6%
Total	2 242.5	2 242.5	2 156.4	2 245.2	2 323.3	2 273.5	2 489.1	2 538.1	2 461.2	2 146.3	2 177.6	2 177.6	99.4%	97.7%
Change to 2017 Budget estimate											31.2			
Economic classification														
Current payments	1 767.7	1 763.8	1 772.1	1 960.4	1 946.1	1 943.9	2 241.3	2 235.7	2 221.7	1 858.3	1 857.9	1 857.9	99.6%	99.9%
Compensation of employees	1 231.7	1 216.8	1 184.6	1 286.6	1 288.8	1 288.4	1 470.7	1 408.4	1 371.8	1 352.2	1 352.2	1 352.2	97.3%	98.7%
Goods and services	536.1	547.0	587.5	673.8	657.3	655.5	770.7	827.3	849.9	506.1	505.7	505.7	104.5%	102.4%
Transfers and subsidies	15.1	17.3	14.5	15.5	15.9	15.0	16.6	16.7	13.1	13.2	13.6	13.6	92.9%	88.4%
Higher education institutions	8.8	8.8	7.5	8.2	8.3	7.6	8.2	8.2	7.5	7.5	7.5	7.5	91.9%	91.7%
Public corporations and private enterprises	–	2.2	2.2	–	–	0.1	–	–	0.2	–	–	–	–	112.2%
Non-profit institutions	0.3	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	107.0%	97.6%
Households	6.0	6.0	4.5	7.0	7.2	6.9	8.1	8.1	5.1	5.4	5.7	5.7	84.3%	82.0%
Payments for capital assets	459.7	461.4	366.5	269.3	361.2	313.4	231.1	285.7	220.2	274.8	306.1	306.1	97.7%	85.3%
Buildings and other fixed structures	421.2	421.2	318.0	234.9	304.3	255.3	181.4	230.4	155.9	229.6	260.8	260.8	92.8%	81.4%
Machinery and equipment	33.9	35.6	47.4	34.3	49.8	54.6	47.1	52.3	61.6	44.6	44.6	44.6	130.2%	114.2%
Software and other intangible assets	4.6	4.6	1.1	0.1	7.2	3.5	2.7	3.0	2.7	0.6	0.6	0.6	99.6%	51.7%
Payments for financial assets	–	–	3.3	–	–	1.2	–	–	6.2	–	–	–	–	–
Total	2 242.5	2 242.5	2 156.4	2 245.2	2 323.3	2 273.5	2 489.1	2 538.1	2 461.2	2 146.3	2 177.6	2 177.6	99.4%	97.7%

Expenditure estimates

Table 12.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Economic Statistics								
3. Population and Social Statistics								
4. Methodology, Standards and Research								
5. Statistical Support and Informatics								
6. Statistical Collection and Outreach								
7. Survey Operations								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	718.8	-7.7%	33.4%	695.3	737.7	783.0	2.9%	28.8%
Programme 2	228.8	4.1%	9.7%	236.9	254.4	272.8	6.0%	9.7%
Programme 3	128.2	-5.1%	6.2%	202.3	141.8	151.9	5.8%	6.1%
Programme 4	66.8	3.5%	2.8%	67.4	72.4	77.8	5.2%	2.8%
Programme 5	258.4	3.1%	10.4%	267.1	284.8	303.3	5.5%	10.9%
Programme 6	585.1	3.7%	25.6%	608.0	651.9	698.3	6.1%	25.0%
Programme 7	191.4	7.3%	11.9%	194.7	296.5	1 017.1	74.5%	16.7%
Total	2 177.6	-1.0%	100.0%	2 271.7	2 439.4	3 304.1	14.9%	100.0%
Change to 2017				22.9	130.2	839.1		
Budget estimate								
Economic classification								
Current payments	1 857.9	1.7%	86.0%	1 986.9	2 072.5	2 334.9	7.9%	81.0%
Compensation of employees	1 352.2	3.6%	57.3%	1 442.7	1 460.1	1 575.9	5.2%	57.2%
Goods and services	505.7	-2.6%	28.7%	544.2	612.4	758.9	14.5%	23.8%
Transfers and subsidies	13.6	-7.8%	0.6%	11.6	11.3	11.7	-4.9%	0.5%
Departmental agencies and accounts	0.0	35.7%	0.0%	0.0	0.0	0.0	-9.8%	0.0%
Higher education institutions	7.5	-5.3%	0.3%	7.5	7.5	7.5	-	0.3%
Non-profit institutions	0.3	2.1%	0.0%	0.3	0.3	0.4	3.7%	0.0%
Households	5.7	-1.6%	0.2%	3.7	3.4	3.8	-12.7%	0.2%
Payments for capital assets	306.1	-12.8%	13.3%	273.2	355.6	957.6	46.3%	18.6%
Buildings and other fixed structures	260.8	-14.8%	10.9%	242.2	255.8	269.9	1.1%	10.1%
Machinery and equipment	44.6	7.8%	2.3%	28.4	98.1	686.2	148.7%	8.4%
Software and other intangible assets	0.6	-47.9%	0.1%	2.6	1.7	1.5	32.7%	0.1%
Total	2 177.6	-1.0%	100.0%	2 271.7	2 439.4	3 304.1	14.9%	100.0%

Expenditure trends and estimates for significant spending items

Table 12.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Office Accommodation	542 162	494 298	355 101	390 527	-10.4%	19.7%	383 378	404 425	426 669	3.0%	15.7%
Provincial and District Offices	485 442	525 369	578 706	529 015	2.9%	23.4%	550 661	590 391	632 434	6.1%	22.6%
Census and Community Survey Operations	21 631	111 112	368 378	64 998	44.3%	6.2%	64 554	156 723	867 186	137.2%	11.3%
Data Management and Technology	107 096	115 614	135 095	130 760	6.9%	5.4%	137 280	145 519	154 114	5.6%	5.6%
Total	1 156 331	1 246 393	1 437 280	1 115 300	43.7%	54.7%	1 135 873	1 297 058	2 080 403	151.9%	55.2%

Goods and services expenditure trends and estimates

Table 12.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	1 260	589	768	595	-22.1%	0.1%	893	945	1 001	18.9%	0.1%
Advertising	3 695	6 870	10 294	2 852	-8.3%	0.9%	3 698	3 386	71 923	193.3%	3.4%
Minor assets	1 178	2 178	32 535	4 717	58.8%	1.6%	3 571	11 803	8 689	22.6%	1.2%
Audit costs: External	5 895	7 168	5 614	7 278	7.3%	1.0%	7 818	8 265	8 720	6.2%	1.3%
Bursaries: Employees	2 958	2 109	2 533	5 882	25.8%	0.5%	7 143	7 694	8 176	11.6%	1.2%
Catering: Departmental activities	4 046	13 344	4 440	6 138	14.9%	1.1%	6 248	6 627	8 805	12.8%	1.1%
Communication	34 307	25 831	34 647	28 535	-6.0%	4.7%	39 235	41 888	45 018	16.4%	6.4%
Computer services	69 216	72 869	87 292	86 979	7.9%	12.2%	91 448	125 870	128 219	13.8%	17.9%
Consultants: Business and advisory services	12 282	18 673	22 711	21 952	21.4%	2.9%	18 463	25 732	21 212	-1.1%	3.6%
Infrastructure and planning services	17 367	-	-	7 000	-26.1%	0.9%	10 086	10 652	11 219	17.0%	1.6%
Legal services	1 761	2 818	13 551	2 693	15.2%	0.8%	2 455	2 871	2 919	2.7%	0.5%
Contractors	10 480	8 424	9 187	14 785	12.2%	1.6%	15 011	14 313	14 258	-1.2%	2.4%
Agency and support/outsourced services	458	9 707	130 910	784	19.6%	5.5%	713	1 360	8 142	118.2%	0.5%
Entertainment	33	62	28	104	46.6%	-	107	124	130	7.7%	-
Fleet services (including government motor transport)	28 447	30 007	24 300	16 326	-16.9%	3.8%	27 366	28 120	31 755	24.8%	4.3%
Consumable supplies	2 644	3 604	3 526	3 993	14.7%	0.5%	3 629	4 011	12 437	46.0%	1.0%
Consumables: Stationery, printing and office supplies	9 549	10 134	4 305	9 104	-1.6%	1.3%	8 891	9 122	19 797	29.6%	1.9%
Operating leases	204 772	211 229	183 139	129 678	-14.1%	28.0%	136 928	145 615	155 532	6.2%	23.4%
Rental and hiring	23	875	1 523	157	89.7%	0.1%	9	10	3 076	169.6%	0.1%
Property payments	66 409	69 443	59 371	42 495	-13.8%	9.1%	43 353	45 956	48 417	4.4%	7.4%
Travel and subsistence	78 949	131 783	186 383	82 891	1.6%	18.5%	89 521	89 581	116 594	12.0%	15.6%
Training and development	7 434	2 795	5 082	12 358	18.5%	1.1%	12 310	12 946	14 073	4.4%	2.1%
Operating payments	18 217	16 693	19 904	17 088	-2.1%	2.8%	12 126	12 563	15 620	-2.9%	2.4%
Venues and facilities	6 081	8 330	7 892	1 289	-40.4%	0.9%	3 226	2 961	3 198	35.4%	0.4%
Total	587 461	655 535	849 935	505 673	-4.9%	100.0%	544 248	612 415	758 930	14.5%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 12.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	1 848	4 444	3 803	2 805	14.9%	23.0%	1 486	1 090	1 438	-20.0%	14.2%
Employee social benefits	1 848	4 444	3 803	2 805	14.9%	23.0%	1 486	1 090	1 438	-20.0%	14.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	12	15	9	15	7.7%	0.1%	10	11	11	-9.8%	0.1%
Communication	12	14	9	15	7.7%	0.1%	10	11	11	-9.8%	0.1%
Departmental agency and accounts	-	1	-	-	-	-	-	-	-	-	-
Non-profit institutions											
Current	310	438	290	330	2.1%	2.4%	330	349	368	3.7%	2.9%
South African Statistical Association	110	238	90	130	5.7%	1.0%	130	138	145	3.7%	1.1%
Population Association of Southern Africa	200	200	200	200	-	1.4%	200	211	223	3.7%	1.7%
Households											
Other transfers to households											
Current	2 686	2 421	1 304	2 940	3.1%	16.6%	2 232	2 304	2 382	-6.8%	20.5%
Bursaries for non-employees	2 466	2 291	1 248	2 940	6.0%	15.9%	2 070	2 186	2 307	-7.8%	19.8%
Claims against the state	-	67	46	-	-	0.2%	-	-	-	-	-
Employee Ex-gratia payment	96	63	10	-	-100.0%	0.3%	162	118	75	-	0.7%
Other transfers	124	-	-	-	-100.0%	0.2%	-	-	-	-	-
Higher education institutions											
Current	7 500	7 600	7 500	7 500	-	53.6%	7 500	7 500	7 500	-	62.4%
Stellenbosch University	6 000	6 000	6 000	6 000	-	42.7%	6 000	6 000	6 000	-	49.9%
University of the Witwatersrand	500	500	500	500	-	3.6%	500	500	500	-	4.2%
University of Cape Town	1 000	1 000	1 000	1 000	-	7.1%	1 000	1 000	1 000	-	8.3%
University of Pretoria	-	100	-	-	-	0.2%	-	-	-	-	-

Table 12.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Other transfers to public corporations											
Current	–	–	20	–	–	–	–	–	–	–	–
Claims against the state	–	–	20	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	2 150	77	165	–	-100.0%	4.3%	–	–	–	–	–
Public corporations and private enterprises	–	–	135	–	–	0.2%	–	–	–	–	–
Claims against the state	–	54	–	–	–	0.1%	–	–	–	–	–
Motion Boikanyo	2 150	–	–	–	-100.0%	3.8%	–	–	–	–	–
Other transfers	–	23	30	–	–	0.1%	–	–	–	–	–
Total	14 506	14 995	13 091	13 590	-2.2%	100.0%	11 558	11 254	11 699	-4.9%	100.0%

Personnel information

Table 12.7 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)		
		2016/17	Unit cost	Cost	2017/18	Unit cost	Cost	2018/19	Unit cost	Cost	2019/20	Unit cost	Cost			2020/21	Unit cost
Statistics South Africa																	
Salary level																	
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1 – 6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11 – 12	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13 – 16	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Programme 7	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

1. The department did not provide the relevant personnel data.

2. Rand million.

Departmental receipts

Table 12.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)	
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20			2020/21
R thousand													
Departmental receipts	5 003	10 055	8 580	1 825	1 825	-28.5%	100.0%	1 615	1 634	1 652	-3.3%	100.0%	
Sales of goods and services produced by department	916	938	826	996	996	2.8%	14.4%	780	788	795	-7.2%	49.9%	
Sales by market establishments	275	277	142	42	42	-46.5%	2.9%	41	41	41	-0.8%	2.5%	
of which:													
Parking	275	277	142	42	42	-46.5%	2.9%	41	41	41	-0.8%	2.5%	
Other sales	641	661	684	954	954	14.2%	11.5%	739	747	754	-7.5%	47.5%	
of which:													
Replacement of security cards	7	6	1	1	1	-47.7%	0.1%	1	1	1	-	0.1%	
Commission on insurance	576	619	646	702	702	6.8%	10.0%	714	720	725	1.1%	42.5%	
Departmental publications	58	36	37	18	18	-32.3%	0.6%	24	26	28	15.9%	1.4%	
Cruise conference entrance fees	-	-	-	233	233	-	0.9%	-	-	-	-100.0%	3.5%	
Sales of scrap, waste, arms and other used current goods	20	177	737	5	5	-37.0%	3.7%	5	6	7	11.9%	0.3%	
of which:													
Sale of waste paper	20	177	737	5	5	-37.0%	3.7%	5	6	7	11.9%	0.3%	
Interest, dividends and rent on land	94	124	110	77	77	-6.4%	1.6%	80	85	90	5.3%	4.9%	
Interest	94	124	110	77	77	-6.4%	1.6%	80	85	90	5.3%	4.9%	
Sales of capital assets	10	-	1 039	16	16	17.0%	4.2%	-	-	-	-100.0%	0.2%	
Transactions in financial assets and liabilities	3 963	8 816	5 868	731	731	-43.1%	76.1%	750	755	760	1.3%	44.5%	
Total	5 003	10 055	8 580	1 825	1 825	-28.5%	100.0%	1 615	1 634	1 652	-3.3%	100.0%	

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department. Drive statistical coordination among organs of state.

Objective

- Lead the development and coordination of the statistical production system among organs of state in line with the purpose of official statistics and statistical principles on an ongoing basis.

Subprogrammes

- *Departmental Management* provides strategic direction and leadership to the organisation.
- *Corporate Services* provides human resources, facilities management and capacity building services, and promotes good governance.
- *Financial Administration* provides financial, asset and procurement support services to the department.
- *Internal Audit* provides an independent audit service to the department.
- *National Statistics System* coordinates the statistical production system among organs of state.
- *Office Accommodation* provides a secure and healthy working environment for employees and stakeholders.

Expenditure trends and estimates

Table 12.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Departmental Management	28.1	38.7	35.2	37.4	9.9%	4.6%	33.3	35.6	38.1	0.6%	4.9%
Corporate Services	172.2	165.7	163.8	170.4	-0.4%	22.2%	162.2	173.0	184.8	2.7%	23.5%
Financial Administration	66.6	68.7	74.4	78.7	5.8%	9.5%	78.7	84.4	90.4	4.7%	11.3%
Internal Audit	9.6	11.1	12.8	12.5	9.2%	1.5%	12.1	13.0	13.9	3.8%	1.8%
National Statistics System	22.2	21.7	29.8	29.3	9.7%	3.4%	25.6	27.3	29.2	-0.1%	3.8%
Office Accommodation	542.2	494.3	355.1	390.5	-10.4%	58.8%	383.4	404.4	426.7	3.0%	54.7%
Total	840.8	800.1	671.2	718.8	-5.1%	100.0%	695.3	737.7	783.0	2.9%	100.0%
Change to 2017				31.2			(14.2)	(15.1)	(15.9)		
Budget estimate											
Economic classification											
Current payments	505.3	525.7	488.3	439.3	-4.6%	64.6%	441.5	470.3	501.3	4.5%	63.1%
Compensation of employees	211.6	224.7	228.7	225.9	2.2%	29.4%	218.8	236.0	253.7	3.9%	31.8%
Goods and services ¹	293.7	301.0	259.6	213.4	-10.1%	35.2%	222.7	234.3	247.6	5.1%	31.3%
of which:											
Audit costs: External	5.9	7.2	5.6	7.2	7.1%	0.9%	7.8	8.2	8.7	6.3%	1.1%
Consultants: Business and advisory services	1.4	7.4	4.7	10.7	98.6%	0.8%	6.8	9.5	8.0	-9.3%	1.2%
Fleet services (including government motor transport)	3.2	2.8	2.7	3.3	1.3%	0.4%	7.1	6.6	7.1	28.3%	0.8%
Operating leases	158.1	167.0	128.0	92.3	-16.4%	18.0%	102.6	108.0	114.1	7.3%	14.2%
Property payments	66.3	69.3	58.6	42.2	-14.0%	7.8%	43.0	45.5	48.1	4.4%	6.1%
Travel and subsistence	22.9	25.0	21.5	24.9	2.8%	3.1%	22.9	22.4	24.1	-1.1%	3.2%
Interest and rent on land	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	10.5	11.4	9.3	10.7	0.4%	1.4%	9.7	9.8	10.0	-2.3%	1.4%
Departmental agencies and accounts	0.0	0.0	-	0.0	5.3%	-	-	-	-	-100.0%	-
Higher education institutions	7.5	7.5	7.5	7.5	-	1.0%	7.5	7.5	7.5	-	1.0%
Public corporations and private enterprises	-	-	0.1	-	-	-	-	-	-	-	-
Non-profit institutions	0.1	0.2	0.1	0.1	5.7%	-	0.1	0.1	0.1	3.7%	-
Households	2.9	3.7	1.5	3.0	1.1%	0.4%	2.1	2.2	2.3	-8.5%	0.3%
Payments for capital assets	325.0	263.0	167.4	268.8	-6.1%	33.8%	244.0	257.6	271.8	0.4%	35.5%
Buildings and other fixed structures	318.0	255.3	155.9	260.8	-6.4%	32.7%	242.2	255.8	269.9	1.1%	35.1%
Machinery and equipment	7.0	7.6	11.5	7.9	4.4%	1.1%	1.8	1.8	1.9	-38.1%	0.5%
Software and other intangible assets	-	0.2	-	-	-	-	0.0	0.1	0.1	-	-
Payments for financial assets	-	-	6.2	-	-	0.2%	-	-	-	-	-
Total	840.8	800.1	671.2	718.8	-5.1%	100.0%	695.3	737.7	783.0	2.9%	100.0%
Proportion of total programme expenditure to vote expenditure	39.0%	35.2%	27.3%	33.0%	-	-	30.6%	30.2%	23.7%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	2.5	2.3	1.2	2.9	6.0%	0.3%	2.1	2.2	2.3	-7.8%	0.3%
Bursaries for non-employees	2.5	2.3	1.2	2.9	6.0%	0.3%	2.1	2.2	2.3	-7.8%	0.3%
Higher education institutions											
Current	7.5	7.5	7.5	7.5	-	1.0%	7.5	7.5	7.5	-	1.0%
Stellenbosch University	6.0	6.0	6.0	6.0	-	0.8%	6.0	6.0	6.0	-	0.8%
University of the Witwatersrand	0.5	0.5	0.5	0.5	-	0.1%	0.5	0.5	0.5	-	0.1%
University of Cape Town	1.0	1.0	1.0	1.0	-	0.1%	1.0	1.0	1.0	-	0.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Economic Statistics

Programme purpose

Produce economic statistics to inform evidence-based economic development and transformation in line with internationally recognised practices.

Objectives

- Expand the economic statistics information base by increasing the depth, breadth and geographic spread for evidence-based planning, monitoring and decision-making for use by both the public and private sectors by:
 - publishing monthly, quarterly, annual and periodic statistical releases on industry, trade and financial statistics in the private and public sectors
 - publishing monthly statistical releases on the consumer price and producer price indexes
 - publishing quarterly and annual GDP estimates providing information on 10 industries
 - developing new and innovative products to respond to user demands over the medium term
 - improving the measurement of economic indicators through the application of internationally recognised standards and practices on an ongoing basis.

Subprogrammes

- *Programme Management for Economic Statistics* provides strategic direction and leadership to the programme.
- *Short-Term Indicators* provides information on turnover and volumes in various industries in the economy through the publication of monthly, quarterly and annual statistical releases.
- *Structural Industry Statistics* provides and publishes periodic statistical information on the income and expenditure structure of industries.
- *Price Statistics* provides information on inflation by producing the consumer price index and various producer price indexes.
- *Private Sector Finance Statistics* tracks the financial performance of private sector organisations.
- *Government Finance Statistics* tracks public sector spending.
- *National Accounts* produces GDP data and other integrative statistical products.
- *Economic Analysis* integrates and analyses information from various internal and external data sources.

Expenditure trends and estimates

Table 12.10 Economic Statistics expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
R million											
Programme Management for Economic Statistics	2.8	3.9	4.6	6.3	30.7%	2.0%	6.6	7.1	7.5	6.3%	2.8%
Short-Term Indicators	26.4	28.9	30.9	32.2	6.9%	13.5%	33.3	35.8	38.4	6.0%	14.1%
Structural Industry Statistics	33.1	39.4	40.8	42.2	8.4%	17.7%	43.7	46.9	50.3	6.0%	18.4%
Price Statistics	62.7	68.8	73.5	71.5	4.5%	31.5%	73.9	79.4	85.3	6.1%	31.2%
Private Sector Finance Statistics	27.7	29.6	32.7	31.0	3.7%	13.8%	32.2	34.6	37.1	6.2%	13.6%
Government Finance Statistics	15.9	17.3	18.2	17.3	2.9%	7.8%	18.0	19.3	20.7	6.2%	7.6%
National Accounts	10.2	10.8	20.1	20.4	26.1%	7.0%	21.1	22.5	24.0	5.5%	8.9%
Economic Analysis	18.7	19.9	12.7	7.9	-24.9%	6.7%	8.2	8.8	9.5	6.1%	3.5%
Total	197.5	218.7	233.3	228.8	5.0%	100.0%	236.9	254.4	272.8	6.0%	100.0%
Change to 2017 Budget estimate				–			–	–	–		

Table 12.10 Economic Statistics expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Current payments	196.1	217.1	231.6	227.7	5.1%	99.3%	236.8	254.3	272.8	6.2%	99.9%
Compensation of employees	177.4	194.5	210.4	201.7	4.4%	89.3%	208.4	224.3	241.1	6.1%	88.2%
Goods and services ¹	18.7	22.5	21.2	26.0	11.7%	10.1%	28.4	30.0	31.6	6.7%	11.7%
<i>of which:</i>											
<i>Bursaries: Employees</i>	–	0.3	0.5	1.8	–	0.3%	2.0	2.2	2.3	8.9%	0.8%
<i>Communication</i>	3.2	2.9	1.7	3.6	3.3%	1.3%	4.8	5.2	5.5	15.2%	1.9%
<i>Consultants: Business and advisory services</i>	8.3	8.5	8.1	6.5	-7.7%	3.6%	8.5	9.0	9.4	13.2%	3.4%
<i>Consumables: Stationery, printing and office supplies</i>	1.5	1.9	0.3	1.0	-12.9%	0.5%	1.3	1.4	1.5	13.6%	0.5%
<i>Travel and subsistence</i>	4.8	7.6	7.2	10.9	31.8%	3.5%	9.1	9.6	10.2	-2.4%	4.0%
<i>Operating payments</i>	0.4	0.5	2.5	1.3	42.9%	0.5%	1.2	1.2	1.3	0.4%	0.5%
Transfers and subsidies¹	0.2	0.1	0.4	0.1	-9.8%	0.1%	0.0	0.0	0.0	-79.1%	–
Households	0.2	0.1	0.4	0.1	-10.1%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	1.2	1.5	1.3	1.0	-5.6%	0.6%	0.1	0.1	0.1	-58.7%	0.1%
Machinery and equipment	1.2	1.5	1.3	1.0	-5.6%	0.6%	0.1	0.1	0.1	-58.7%	0.1%
Total	197.5	218.7	233.3	228.8	5.0%	100.0%	236.9	254.4	272.8	6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	9.2%	9.6%	9.5%	10.5%	–	–	10.4%	10.4%	8.3%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Population and Social Statistics

Programme purpose

Produce population and social statistics to inform evidence-based socioeconomic development and transformation in line with internationally recognised practices.

Objectives

- Expand the population and social statistics information base by increasing the depth, breadth and geographic spread for evidence-based planning, monitoring and decision-making for use by both the public and private sectors by:
 - publishing quarterly and annual statistical information on the labour market, and on employment and earnings in the formal and informal sectors
 - publishing monthly and annual statistical information on vital registrations based on administrative sources
 - publishing annual and periodic statistical information on poverty levels, living conditions and service delivery, as well as population dynamics and demographic trends
 - developing new and innovative products to respond to user demands over the medium term
 - improving the measurement of social indicators through the application of internationally recognised standards and practices on an ongoing basis.

Subprogrammes

- *Programme Management for Population and Social Statistics* provides strategic direction and leadership to the programme.
- *Population Statistics* publishes population statistics collected through population censuses and surveys.
- *Health and Vital Statistics* publishes statistics on births, deaths, marriages, divorces, tourism and migration based on administrative records.
- *Social Statistics* provides information on living conditions, domestic tourism and crime collected through household surveys.

- *Demographic Analysis* collates and analyses data, including administrative data, from censuses and other surveys to compile midyear population estimates and generate a knowledge base on social and population themes.
- *Labour Statistics* provides information on employment levels in the formal, non-agricultural sector, and labour market trends in South Africa.
- *Poverty and Inequality Statistics* provides information on poverty levels, and income and expenditure trends in South Africa.

Expenditure trends and estimates

Table 12.11 Population and Social Statistics expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18						
Programme Management for Population and Social Statistics	4.0	4.8	3.3	5.5	11.1%	3.2%	5.8	6.2	6.7	6.5%	3.9%
Population Statistics	6.1	7.1	12.0	8.3	10.9%	6.0%	8.4	9.0	9.6	5.3%	5.6%
Health and Vital Statistics	10.8	10.8	10.9	13.0	6.5%	8.2%	13.6	14.6	15.6	6.2%	9.1%
Social Statistics	10.5	15.8	17.6	15.9	14.8%	10.7%	16.3	17.5	18.7	5.5%	10.9%
Demographic Analysis	11.6	13.7	12.3	16.5	12.5%	9.7%	17.3	18.6	19.9	6.4%	11.6%
Labour Statistics	35.9	36.6	37.3	42.5	5.7%	27.3%	44.0	47.3	50.7	6.1%	29.6%
Poverty and Inequality Statistics	75.8	72.5	21.1	26.5	-29.5%	35.1%	96.8	28.7	30.7	5.0%	29.3%
Total	154.7	161.2	114.5	128.2	-6.1%	100.0%	202.3	141.8	151.9	5.8%	100.0%
Change to 2017 Budget estimate											
Economic classification											
Current payments	153.3	158.0	113.1	126.2	-6.3%	98.6%	199.7	139.2	149.0	5.7%	98.4%
Compensation of employees	106.3	114.2	101.5	103.3	-1.0%	76.1%	176.2	114.3	122.8	5.9%	82.8%
Goods and services ¹	47.0	43.7	11.6	22.9	-21.3%	22.4%	23.5	24.9	26.1	4.5%	15.6%
<i>of which:</i>											
Minor assets	0.4	0.1	0.0	1.3	47.0%	0.3%	1.9	1.9	2.0	16.2%	1.1%
Communication	0.7	0.5	0.8	0.6	-2.2%	0.5%	3.2	3.6	3.5	76.7%	1.8%
Consumables: Stationery, printing and office supplies	1.6	1.7	0.5	0.9	-19.0%	0.8%	1.4	1.4	1.5	20.1%	0.8%
Travel and subsistence	24.1	27.0	3.5	9.5	-26.7%	11.5%	10.2	10.9	11.6	7.0%	6.8%
Operating payments	6.3	4.3	5.7	4.7	-9.3%	3.8%	1.4	1.5	1.9	-26.0%	1.5%
Venues and facilities	4.6	0.1	0.1	0.2	-67.8%	0.9%	2.1	2.2	1.9	131.1%	1.0%
Transfers and subsidies¹	0.2	2.0	0.5	0.2	-1.9%	0.5%	0.2	0.2	0.2	3.7%	0.1%
Non-profit institutions	0.2	0.2	0.2	0.2	-	0.1%	0.2	0.2	0.2	3.7%	0.1%
Households	0.0	1.8	0.3	-	-100.0%	0.4%	-	-	-	-	-
Payments for capital assets	1.2	1.2	0.9	1.8	15.4%	0.9%	2.4	2.4	2.7	14.3%	1.5%
Machinery and equipment	1.2	1.2	0.8	1.7	12.8%	0.9%	2.1	2.1	2.3	11.3%	1.3%
Software and other intangible assets	-	0.1	0.1	0.1	-	0.1%	0.3	0.3	0.4	46.2%	0.2%
Total	154.7	161.2	114.5	128.2	-6.1%	100.0%	202.3	141.8	151.9	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	7.2%	7.1%	4.7%	5.9%	-	-	8.9%	5.8%	4.6%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Methodology, Standards and Research

Programme purpose

Provide expertise on quality, methodology, statistical standards and practices for official statistics, in line with international best practice. Build and maintain a business sampling frame. Conduct policy research and analysis on emerging policy matters.

Objectives

- Improve the comparability and accuracy of statistical information by annually reviewing and evaluating methodological compliance in survey areas, and applying appropriate quality criteria, standards, classifications and procedures to the statistical value chain.
- Ensure a complete and accurate business sampling frame to enhance the quality of economic statistics by annually drawing samples for economic surveys.
- Provide statistical support and advice to policy makers by annually conducting policy research and analysis on emerging policy matters, and producing annual research papers on the economy and society.

Subprogrammes

- *Programme Management for Methodology, Standards and Research* provides strategic direction and leadership to the programme.
- *Policy Research and Analysis* provides integrated statistical advice and support for policy planners and development practitioners, and participates in knowledge research and innovation on key development themes.
- *Methodology and Evaluation* provides technical expertise on methodologies for producing official statistics and reviewing surveys.
- *Survey Standards* develops standards, classifications and definitions for surveys undertaken by the department.
- *Business Register* maintains and improves the sampling frame for economic statistics.

Expenditure trends and estimates

Table 12.12 Methodology, Standards and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management for Methodology, Standards and Research	1.0	2.2	4.3	4.1	62.4%	4.6%	4.2	4.5	4.8	4.8%	6.2%
Policy Research and Analysis	5.1	5.5	6.2	6.4	7.9%	9.2%	6.7	7.2	7.7	6.7%	9.8%
Methodology and Evaluation	12.5	13.8	18.7	16.9	10.5%	24.6%	16.7	17.9	19.2	4.4%	24.9%
Survey Standards	4.7	5.4	7.4	6.2	9.3%	9.4%	5.7	6.1	6.5	1.9%	8.6%
Business Register	33.2	31.3	33.7	33.3	0.1%	52.2%	34.2	36.8	39.5	5.9%	50.5%
Total	56.5	58.1	70.2	66.8	5.8%	100.0%	67.4	72.4	77.8	5.2%	100.0%
Change to 2017 Budget estimate				-			-	-	-		

Table 12.12 Methodology, Standards and Research expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Current payments	52.7	56.4	69.4	66.2	7.9%	97.2%	67.4	72.4	77.7	5.5%	99.7%
Compensation of employees	51.3	54.9	67.2	62.5	6.8%	93.7%	62.9	67.6	72.7	5.2%	93.4%
Goods and services ¹	1.3	1.5	2.3	3.7	41.0%	3.5%	4.5	4.7	5.0	10.2%	6.3%
<i>of which:</i>											
<i>Bursaries: Employees</i>	–	0.1	0.0	0.2	–	0.1%	0.2	0.2	0.2	5.5%	0.3%
<i>Communication</i>	0.5	0.4	0.2	0.4	-5.5%	0.6%	1.2	1.2	1.3	43.3%	1.4%
<i>Consultants: Business and advisory services</i>	–	–	–	0.2	–	0.1%	0.5	0.5	0.5	35.7%	0.6%
<i>Consumables: Stationery, printing and office supplies</i>	0.3	0.2	0.0	0.2	-19.2%	0.3%	0.3	0.3	0.3	20.6%	0.3%
<i>Travel and subsistence</i>	0.5	0.7	1.2	1.9	60.0%	1.7%	1.7	1.8	1.9	0.7%	2.6%
<i>Training and development</i>	0.0	0.1	0.3	0.3	206.3%	0.3%	0.3	0.4	0.4	5.6%	0.5%
Transfers and subsidies¹	0.1	0.0	0.3	0.1	-1.1%	0.2%	0.0	–	–	-100.0%	–
Households	0.1	0.0	0.3	0.1	-1.1%	0.2%	0.0	–	–	-100.0%	–
Payments for capital assets	0.4	0.5	0.5	0.5	7.1%	0.8%	0.0	0.0	0.0	-57.3%	0.2%
Machinery and equipment	0.4	0.5	0.5	0.5	7.1%	0.8%	0.0	0.0	0.0	-57.3%	0.2%
Payments for financial assets	3.3	1.2	–	–	-100.0%	1.8%	–	–	–	–	–
Total	56.5	58.1	70.2	66.8	5.8%	100.0%	67.4	72.4	77.8	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	2.6%	2.6%	2.9%	3.1%	–	–	3.0%	3.0%	2.4%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Statistical Support and Informatics

Programme purpose

Enable service delivery programmes by using technology in the production and use of official statistics. Inform policy through the use of statistical geography. Build and maintain a spatial information frame.

Objectives

- Enhance and update the spatial information frame, which consists of geo-referenced structures as the base reference for the operations and dissemination of censuses and surveys, annually.
- Modernise business processes by applying emerging technologies for data collection, processing and statistics dissemination over the medium term.
- Enable the department's production of official statistics by providing a technology infrastructure that is reliable, sustainable and cost effective over the medium term.

Subprogrammes

- *Programme Management for Statistical Support and Informatics* provides strategic direction and leadership to the programme.
- *Geography Services* provides geospatial information and analysis, and spatial tools.
- *Geography Frames* provides a sampling frame for household surveys and censuses.
- *Publication Services* provides editing, publishing and distribution services to survey areas.
- *Data Management and Technology* provides technology infrastructure to the department and supports data management across statistical series.
- *Business Modernisation* improves data and information management across the department by modernising the way business is conducted and supported by technology.

Expenditure trends and estimates

Table 12.13 Statistical Support and Informatics expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 -	2017/18				2017/18 -	2020/21
Programme Management for Statistical Support and Informatics	2.8	3.6	4.1	4.4	15.8%	1.6%	4.6	4.9	5.3	6.5%	1.7%
Geography Services	31.5	15.6	18.5	24.2	-8.3%	9.5%	22.9	24.6	26.3	2.8%	8.8%
Geography Frames	15.0	19.5	22.2	21.9	13.3%	8.3%	22.1	23.6	25.3	5.0%	8.3%
Publication Services	24.8	22.2	20.2	26.4	2.0%	9.9%	27.1	29.0	31.0	5.5%	10.2%
Data Management and Technology	107.1	115.6	135.1	130.8	6.9%	51.7%	137.3	145.5	154.1	5.6%	51.0%
Business Modernisation	37.4	43.6	47.7	50.8	10.8%	19.0%	53.1	57.1	61.3	6.4%	20.0%
Total	218.6	220.2	247.9	258.4	5.7%	100.0%	267.1	284.8	303.3	5.5%	100.0%
Change to 2017 Budget estimate				-			-	-	-		
Economic classification											
Current payments	199.0	199.4	220.3	242.3	6.8%	91.1%	250.7	268.4	285.4	5.6%	94.0%
Compensation of employees	102.4	115.3	126.2	132.1	8.8%	50.4%	133.7	143.8	154.6	5.4%	50.7%
Goods and services ¹	96.6	84.0	94.1	110.2	4.5%	40.7%	117.1	124.6	130.8	5.9%	43.3%
of which:											
Communication	6.4	4.4	3.8	6.0	-2.2%	2.2%	6.3	6.6	7.0	5.3%	2.3%
Computer services	66.1	68.2	80.8	83.7	8.2%	31.6%	87.7	94.9	102.1	6.9%	33.1%
Consultants: Business and advisory services	0.0	0.1	-	1.4	342.5%	0.2%	1.7	1.9	2.1	14.1%	0.6%
Contractors	3.1	5.2	3.6	8.2	38.2%	2.1%	11.0	10.1	9.0	3.1%	3.4%
Travel and subsistence	1.0	1.3	2.8	4.8	66.1%	1.1%	5.1	5.6	5.9	7.3%	1.9%
Operating payments	1.4	3.1	1.5	1.6	5.2%	0.8%	2.5	2.6	1.7	1.4%	0.8%
Interest and rent on land	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	2.3	0.3	0.2	0.1	-66.4%	0.3%	-	-	-	-100.0%	-
Higher education institutions	-	0.1	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	2.2	-	-	-	-100.0%	0.2%	-	-	-	-	-
Households	0.1	0.2	0.2	0.1	-10.3%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	17.3	20.4	27.4	16.0	-2.6%	8.6%	16.4	16.4	17.9	3.8%	6.0%
Machinery and equipment	16.2	17.2	25.1	15.5	-1.4%	7.8%	14.2	15.1	16.8	2.8%	5.5%
Software and other intangible assets	1.1	3.2	2.3	0.5	-22.6%	0.8%	2.3	1.3	1.1	27.3%	0.5%
Payments for financial assets	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Total	218.6	220.2	247.9	258.4	5.7%	100.0%	267.1	284.8	303.3	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	10.1%	9.7%	10.1%	11.9%	-	-	11.8%	11.7%	9.2%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Statistical Collection and Outreach

Programme purpose

Provide data collection and dissemination services to inform policy processes and decision-making. Engage stakeholders and provide effective communication services. Promote statistical development and cooperation in South Africa, Africa and the world.

Objectives

- Increase awareness and the use of official statistics by government and the public on an ongoing basis by:
 - reaching out to stakeholders and responding to user inquiries
 - educating users
 - improving the accessibility and ease of use of statistical information
 - conducting publicity campaigns.

- Manage external and internal communications on statistical matters by issuing daily, weekly and monthly information updates through the media on an ongoing basis.
- Provide integrated data collection services, and disseminate quality statistics to provincial and local stakeholders and the public by ensuring an average annual response rate of 85 per cent.
- Ensure alignment with international standards, best practice and statistical skills development by increasing participation, sharing and learning in international statistical initiatives on an ongoing basis.

Subprogrammes

- *Programme Management for Statistical Collection and Outreach* provides strategic direction and leadership to the programme.
- *International Statistical Development and Cooperation* manages relations with international statistical agencies, promotes statistical development in Africa and builds partnerships.
- *Provincial and District Offices* provides integrated data collection and dissemination services, and promotes the use and coordination of official statistics to provincial and local stakeholders.
- *Stakeholder Relations and Marketing* maintains relations with stakeholders across the country and increases use through the dissemination of official statistics.
- *Corporate Communications* manages external and internal communications in the department.

Expenditure trends and estimates

Table 12.14 Statistical Collection and Outreach expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Programme Management for Statistical Collection and Outreach	6.1	8.3	8.4	8.8	12.8%	1.4%	9.1	9.8	10.4	5.9%	1.5%
International Statistical Development and Cooperation	8.1	8.6	7.0	11.1	10.9%	1.5%	11.4	12.2	13.0	5.4%	1.9%
Provincial and District Offices	485.4	525.4	578.7	529.0	2.9%	91.3%	550.7	590.4	632.4	6.1%	90.5%
Stakeholder Relations and Marketing	17.1	19.2	20.2	20.5	6.3%	3.3%	21.2	22.8	24.5	6.1%	3.5%
Corporate Communications	13.4	14.4	15.8	15.6	5.3%	2.5%	15.6	16.7	17.9	4.7%	2.6%
Total	530.2	575.8	630.1	585.1	3.3%	100.0%	608.0	651.9	698.3	6.1%	100.0%
Change to 2017 Budget estimate				-			-	-	-		
Economic classification											
Current payments	509.7	555.6	612.9	570.2	3.8%	96.9%	597.7	641.9	687.3	6.4%	98.2%
Compensation of employees	403.8	447.7	493.9	473.4	5.4%	78.4%	490.6	527.8	567.4	6.2%	81.0%
Goods and services ¹	105.9	107.9	119.0	96.8	-2.9%	18.5%	107.2	114.1	119.8	7.4%	17.2%
of which:											
Communication	16.7	13.1	15.2	12.4	-9.6%	2.5%	16.4	17.3	16.0	8.9%	2.4%
Fleet services (including government motor transport)	19.8	19.5	19.2	12.2	-15.0%	3.0%	18.7	19.9	21.4	20.7%	2.8%
Consumables: Stationery, printing and office supplies	2.0	2.9	1.6	2.2	2.4%	0.4%	2.3	2.4	2.8	8.7%	0.4%
Operating leases	46.7	44.3	55.2	37.4	-7.1%	7.9%	34.3	37.6	41.5	3.5%	5.9%
Travel and subsistence	13.9	21.4	19.6	18.8	10.5%	3.2%	22.0	22.6	22.5	6.1%	3.4%
Training and development	0.1	0.2	0.3	2.3	249.0%	0.1%	2.5	2.6	3.0	10.3%	0.4%
Transfers and subsidies¹	0.5	0.8	1.2	0.1	-36.5%	0.1%	0.2	0.1	0.1	-14.9%	-
Households	0.5	0.7	1.1	0.1	-36.5%	0.1%	0.2	0.1	0.1	-18.4%	-
Payments for capital assets	20.0	19.4	16.0	14.8	-9.5%	3.0%	10.1	9.8	10.9	-9.6%	1.8%
Machinery and equipment	20.0	19.4	16.0	14.8	-9.5%	3.0%	10.1	9.8	10.9	-9.6%	1.8%
Total	530.2	575.8	630.1	585.1	3.3%	100.0%	608.0	651.9	698.3	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	24.6%	25.3%	25.6%	26.9%	-	-	26.8%	26.7%	21.1%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 7: Survey Operations

Programme purpose

Coordinate survey operations for household surveys and provide processing services to produce official statistics. Conduct independent household survey monitoring and evaluation activities.

Objectives

- Expand the statistical information base for use by government, the private sector and the public by conducting a population census every 10 years, and large scale population surveys between censuses.
- Ensure the efficiency and effectiveness of survey operations conducted by the department by coordinating household survey operations, with an average response rate of 85 per cent, on an annual basis.
- Improve the quality and timeliness of the editing and processing of statistical data by administering a common data processing platform for censuses, household surveys, administrative records and ad hoc survey data over the medium term.

Subprogrammes

- *Programme Management for Survey Operations* provides strategic direction and leadership to the programme.
- *Census and Community Survey Operations* conducts periodic population censuses or large scale population surveys.
- *Household Survey Operations* coordinates and integrates collection activities across surveys.
- *Corporate Data Processing* manages the editing and processing of data.
- *Survey Coordination, Monitoring and Evaluation* monitors the quality of field operations of household surveys and censuses, and conducts independent evaluations.

Expenditure trends and estimates

Table 12.15 Survey Operations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management for Survey Operations	9.4	12.9	10.1	12.7	10.4%	4.2%	12.2	13.1	14.0	3.3%	3.1%
Census and Community Survey Operations	21.6	111.1	368.4	65.0	44.3%	52.3%	64.6	156.7	867.2	137.2%	67.9%
Household Survey Operations	41.8	28.6	24.0	24.7	-16.1%	11.0%	25.5	27.3	29.2	5.7%	6.3%
Corporate Data Processing	69.2	69.6	74.9	70.2	0.5%	26.2%	72.9	78.4	84.2	6.2%	18.0%
Survey Coordination, Monitoring and Evaluation	16.2	17.3	16.7	18.8	5.1%	6.4%	19.5	21.0	22.5	6.2%	4.8%
Total	158.2	239.5	494.0	191.4	6.6%	100.0%	194.7	296.5	1 017.1	74.5%	100.0%
Change to 2017 Budget estimate				-			37.1	145.3	855.0		
Economic classification											
Current payments	156.0	231.7	486.1	185.9	6.0%	97.8%	193.1	226.0	361.5	24.8%	56.9%
Compensation of employees	131.7	137.0	143.9	153.4	5.2%	52.3%	152.1	146.3	163.6	2.2%	36.2%
Goods and services ¹	24.3	94.8	342.2	32.6	10.2%	45.6%	41.0	79.8	197.9	82.5%	20.7%
of which:											
Advertising	-	2.4	6.1	0.6	-	0.8%	1.2	0.7	68.8	396.1%	4.2%
Minor assets	0.3	1.6	31.9	0.1	-21.8%	3.1%	0.1	8.5	5.2	247.6%	0.8%
Communication	3.4	2.3	11.2	2.7	-8.2%	1.8%	3.3	3.7	7.2	39.1%	1.0%
Computer services	0.7	2.2	4.0	0.7	-0.9%	0.7%	0.5	26.9	22.7	223.2%	3.0%
Infrastructure and planning services	-	-	-	7.0	-	0.6%	10.0	10.6	11.1	16.7%	2.3%
Travel and subsistence	11.7	48.7	130.6	12.1	1.1%	18.8%	18.6	16.7	40.4	49.5%	5.2%

Table 12.15 Survey Operations expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Transfers and subsidies¹	0.7	0.4	1.4	2.3	47.2%	0.4%	1.5	1.1	1.4	-14.9%	0.4%
Public corporations and private enterprises	–	0.1	–	–	–	–	–	–	–	–	–
Households	0.7	0.3	1.4	2.3	47.2%	0.4%	1.5	1.1	1.4	-14.9%	0.4%
Payments for capital assets	1.4	7.4	6.6	3.2	30.5%	1.7%	0.1	69.3	654.2	492.1%	42.8%
Machinery and equipment	1.4	7.4	6.4	3.2	30.5%	1.7%	0.1	69.3	654.2	492.1%	42.8%
Software and other intangible assets	–	–	0.2	–	–	–	–	–	–	–	–
Total	158.2	239.5	494.0	191.4	6.6%	100.0%	194.7	296.5	1 017.1	74.5%	100.0%
Proportion of total programme expenditure to vote expenditure	7.3%	10.5%	20.1%	8.8%	–	–	8.6%	12.2%	30.8%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Vote 13

Women

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	78.7	76.8	0.0	1.9	83.9	90.9
Social Transformation and Economic Empowerment	106.7	25.5	80.7	0.4	113.1	120.6
Policy, Stakeholder Coordination and Knowledge Management	44.9	44.1	–	0.8	47.4	48.2
Total expenditure estimates	230.2	146.4	80.7	3.0	244.5	259.8
Executive authority	Minister of Women in the Presidency					
Accounting officer	Director General of Women					
Website address	www.women.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Lead, coordinate and oversee the transformation agenda on women's socioeconomic empowerment, rights and equality.

Mandate

The Department of Women derives its mandate from the Constitution and the presidential proclamation made in 2014 that mandates the department to champion gender equality, and the achievement of women's socioeconomic empowerment and rights.

Selected performance indicators

Table 13.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of reports produced per year on the implementation of the presidential directive on women's economic empowerment in the nine point plan	Social Transformation and Economic Empowerment	Outcome 4: Decent employment through inclusive growth	–1	–1	1	1	1	1	1
Implementation of interventions to enhance prevention and elimination of violence against women and children	Social Transformation and Economic Empowerment	Outcome 3: All people in South Africa are and feel safe Outcome 13: An inclusive and responsive social protection system	–1	–1	–1	Support stakeholders in the implementation of the integrated plan of action on violence against women and children	–2	–2	–2
Policy framework for sanitary dignity developed	Social Transformation and Economic Empowerment	Outcome 14: Nation building and social cohesion	–1	–1	Consultation with stakeholder departments conducted	Develop policy framework for sanitary dignity	–2	–2	–2

Table 13.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of public participation and outreach initiatives on women's empowerment, including girls and young women, conducted per year	Policy, Stakeholder Coordination and Knowledge Management	Outcome 14: Nation building and social cohesion	-1	-1	10	10	10	10	10
Number of campaigns rolled out on 365 Days for No Violence against Women and Children campaign per year	Policy, Stakeholder Coordination and Knowledge Management		-1	1	1	1	3	3	3
Number of reports produced on the implementation of women's empowerment and gender equality monitoring and evaluation framework per year	Policy, Stakeholder Coordination and Knowledge Management		-1	-1	0	1	1	1	1
Number of reports on the implementation of government commitments on international instruments produced per year	Policy, Stakeholder Coordination and Knowledge Management		-1	-1	4	4	4	4	4
Number of country indicator frameworks for the socioeconomic empowerment of women developed per year	Policy, Stakeholder Coordination and Knowledge Management		-1	-1	-1	-1	1	1	1

1. No historical data available.

2. Indicator discontinued.

Expenditure analysis

Chapter 15 of the National Development Plan envisages economic participation, education and skills development for women and other vulnerable groups, and the elimination of violence against women and children. This vision is given expression by outcome 3 (all people in South African are and feel safe), outcome 4 (decent employment through inclusive growth), outcome 13 (an inclusive and responsive social protection system) and outcome 14 (nation building and social cohesion) of government's 2014-2019 medium-term strategic framework. The work of the Department of Women is closely aligned with these outcomes. Accordingly, over the medium term, the department intends to continue focusing on: analysing, evaluating and monitoring policy and programme implementation, and building stakeholder relations; mainstreaming the socioeconomic empowerment of women; and raising awareness and conducting outreach programmes to further gender equality and women's rights. Measures to facilitate this include intensifying campaigns for gender equality and against gender violence, removing educational barriers for women to enter job markets, and encouraging the participation of women in developmental planning.

The department's largest area of spending is compensation of employees for its staff complement of 120, accounting for 37.5 per cent (R275.2 million) of the total budget over the MTEF period. Transfers and subsidies to the Commission for Gender Equality, an entity of the department, account for a projected 34.8 per cent (R255.9 million) of the department's budget over the medium term. Spending on goods and services accounts for 26.4 per cent (R193.7 million) of the department's budget over the same period, with a significant portion allocated to spending on property payments, and travel and subsistence. Spending on these items supports the department's research, consultative work, involvement in advocacy and awareness campaigns, and payments for office accommodation.

Analysing, evaluating and monitoring policy and programme implementation

Over the MTEF period, the department plans to lead government in the process of monitoring and evaluating progress in relation to the advancement of women's socioeconomic empowerment and gender equality. Some planned outputs over the medium term include the development of a country gender indicator framework in 2018/19, which will guide data collection on indicators in key priority areas such as skills development for women entrepreneurs, access to development finance, enterprise development opportunities, and women's access to credit and property. The framework will contain gender indicators for functions that various national and provincial departments are responsible for, and guide departments in planning, implementing and reporting on these indicators. Once the framework is developed, the department will monitor its implementation by national and provincial departments.

Another key initiative planned by the department over the MTEF period is conducting a review to assess the country's progress in advancing quality of life for women between 2014 and 2019. As such, the department plans to source information from other departments on how women have benefitted from their respective services for the period under review. Once this review is concluded, the department expects to publish a report. This work, which is expected to be

completed in 2020/21, will be carried out in the *Research, Policy Analysis and Knowledge Management* subprogramme in the *Policy, Stakeholder Coordination and Knowledge Management* programme, which has a staff complement of 4 and a total budget of R6.9 million over the medium term.

In an effort to strengthen international relations and ensure South Africa's compliance with international agreements on issues affecting women and girls, the department plans to produce 4 reports per year in compliance with these international treaties. This is expected to be achieved with a staff capacity of 3 officials and allocations of R2.9 million per year over the medium term in the *International Relations* subprogramme in the *Policy, Stakeholder Coordination and Knowledge Management* programme.

Mainstreaming women's socioeconomic empowerment

Over the MTEF period, the department plans to ensure that disadvantaged women, particularly, but not limited to, those in low income segments of society, are empowered through inclusive economic development that responds to their specific needs. This will entail continual engagement with departments in the economic, employment and infrastructure development clusters to encourage them to generate data on race, gender, geography and other critical factors to facilitate responsive decision-making, policy formulation and implementation to address the empowerment of women and gender equality. In this regard, the department plans to hold 4 meetings per year over the medium term with departments in these clusters. This work is to be carried out in the *Economic Empowerment and Participation* subprogramme in the *Social Transformation and Economic Empowerment* programme. 2 additional staff members are expected to be recruited in 2018/19 to enable this work. Accordingly, expenditure in the subprogramme is expected to increase at an average annual rate of 23.4 per cent, from R3.7 million in 2017/18 to R6.9 million in 2020/21.

The department also plans to develop a gender responsive planning and budgeting framework in 2018/19 to guide government on its priorities and allocation of resources. The national task team responsible for the development of this framework, which comprises officials from national departments such as the Department of Planning, Monitoring and Evaluation, the Department of Public Service and Administration, the Department of Justice and Constitutional Development, and National Treasury, among others, decided that the framework should focus on planning and budgeting instead of only budgeting, as was initially envisaged. Once the framework is developed, a pilot for its implementation will be undertaken. The framework is expected to be rolled out over the medium term. This work will be carried out in the *Governance Transformation, Justice and Security* subprogramme in the *Social Transformation and Economic Empowerment* programme, which will employ 2 additional personnel from 2018/19. Accordingly, expenditure in the subprogramme is expected to increase at an average annual rate of 9.4 per cent, from R5.6 million in 2017/18 to R7.4 million in 2020/21.

The department is also leading a multi-departmental task team comprising officials from the Department of Social Development, the Department of Basic Education, the Department of Trade and Industry, the Department of Health and the Department of Small Business Development, among others, to develop a framework for the provision of free sanitary products to indigent girls and women. The department plans to facilitate a pilot of the policy framework in 1 province once the framework is finalised and approved by Cabinet. The pilot will involve procuring and distributing sanitary products to identified beneficiaries in the selected province. The procurement and distribution of sanitary products is envisaged to be carried out in all provinces and the department will monitor and evaluate the project's performance. The department has allocated R4 million for spending on compensation of employees and R200 000 for spending on goods and services per year over the medium term for this work, which will be carried out in the *Social Empowerment and Transformation* subprogramme in the *Social Transformation and Economic Empowerment* programme.

Building stakeholder relations and raising awareness

Over the MTEF period, the department also plans to initiate a knowledge hub aimed at contributing to improved access to knowledge and information, and building stakeholder relations. Particular attention will be given to undertaking 10 outreach, public participation and advocacy initiatives per year over the medium term to promote awareness and change behaviour. The department also plans to take national dialogues on violence against women and children to 3 provinces, and monitor the implementation of key interventions arising from these dialogues. This work will be undertaken in the *Stakeholder Coordination and Outreach* subprogramme in the *Policy, Stakeholder Coordination and Knowledge Management* programme, which is allocated R4.5 million over the MTEF period for public participation initiatives and R3.6 million over the same period for the implementation of the national dialogues, including the 16 Days of Activism for No Violence Against Women and Children campaign.

The department conducts campaigns and outreach initiatives on the economic empowerment of women, gender equality and women's rights; violence against women and children; and gender-based violence. Over the medium term, the

department plans to conduct 9 public dialogues hosted by the minister for the 365 Days of Activism for No Violence Against Women and Children campaign in all provinces. One report on the outcome of these dialogues will be produced in each year over the medium term. These campaigns are allocated R3 million in 2018/19, R3.2 million in 2019/20 and R3.4 million in 2020/21 in the *Stakeholder Coordination and Outreach* subprogramme. Raising awareness and outreach work is consultative in nature, and often requires travel and hired facilities, which accounts for an estimated 33 per cent (R46.2 million) of the total allocation to the *Policy, Stakeholder Coordination and Knowledge Management* programme over the MTEF period.

Expenditure trends

Table 13.2 Vote expenditure trends by programme and economic classification

Programme														
1. Administration														
2. Social Transformation and Economic Empowerment														
3. Policy, Stakeholder Coordination and Knowledge Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	78.6	78.6	73.6	80.5	78.9	84.9	89.4	88.3	88.5	83.0	84.7	83.8	99.8%	100.1%
Programme 2	83.8	83.8	85.3	87.2	86.9	83.2	84.4	84.4	79.5	94.9	99.8	94.3	97.7%	96.4%
Programme 3	18.4	18.4	18.7	19.3	23.3	20.3	23.1	24.2	26.7	28.2	21.7	28.1	105.4%	107.2%
Total	180.8	180.8	177.5	187.0	189.1	188.4	196.9	196.9	194.7	206.2	206.2	206.2	99.5%	99.2%
Change to 2017 Budget estimate														
Economic classification														
Current payments	108.1	108.1	104.9	115.8	117.9	117.4	123.3	123.3	121.1	124.1	123.9	124.8	99.4%	99.0%
Compensation of employees	61.0	61.0	57.7	66.5	65.1	63.6	72.6	72.6	70.6	71.9	71.7	71.7	96.9%	97.5%
Goods and services	47.1	47.1	47.3	49.3	52.8	53.8	50.7	50.7	50.5	52.2	52.2	53.1	102.7%	100.9%
Transfers and subsidies	69.5	69.5	70.0	67.7	67.8	68.2	69.9	69.9	70.2	78.3	78.4	78.2	100.5%	100.4%
Provinces and municipalities	0.0	0.0	0.0	–	–	0.0	0.0	0.0	0.0	–	–	–	342.9%	342.9%
Departmental agencies and accounts	67.2	67.2	67.4	67.7	67.7	67.7	69.9	69.9	69.9	78.3	78.3	78.3	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–	–	–	(0.1)	–	–
Households	2.2	2.2	2.7	–	0.1	0.5	0.0	0.0	0.3	0.0	0.2	0.1	159.1%	143.6%
Payments for capital assets	3.2	3.2	2.6	3.5	3.5	2.8	3.7	3.7	3.3	3.8	3.8	3.1	82.8%	82.8%
Buildings and other fixed structures	–	–	–	–	–	0.0	0.1	0.1	–	–	–	–	9.2%	9.2%
Machinery and equipment	3.2	3.2	2.6	3.5	3.5	2.8	3.6	3.6	3.3	2.9	2.9	2.3	82.3%	82.3%
Software and other intangible assets	–	–	–	–	–	–	–	–	–	0.9	0.9	0.9	100.0%	100.0%
Payments for financial assets	–	–	–	–	–	–	–	–	0.1	–	–	–	–	–
Total	180.8	180.8	177.5	187.0	189.1	188.4	196.9	196.9	194.7	206.2	206.2	206.2	99.5%	99.2%

Expenditure estimates

Table 13.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Social Transformation and Economic Empowerment								
3. Policy, Stakeholder Coordination and Knowledge Management								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	83.8	2.2%	43.1%	78.7	83.9	90.9	2.8%	35.9%
Programme 2	94.3	4.0%	44.6%	106.7	113.1	120.6	8.6%	46.2%
Programme 3	28.1	15.2%	12.2%	44.9	47.4	48.2	19.7%	17.9%
Total	206.2	4.5%	100.0%	230.2	244.5	259.8	8.0%	100.0%
Change to 2017 Budget estimate				(3.8)	(4.0)	(4.3)		

Table 13.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2019/20	2020/21		
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Current payments	124.8	4.9%	61.1%	146.4	156.0	166.4	10.1%	63.1%
Compensation of employees	71.7	5.5%	34.4%	85.5	91.4	98.3	11.1%	36.9%
Goods and services	53.1	4.1%	26.7%	61.0	64.6	68.1	8.7%	26.2%
Transfers and subsidies	78.2	4.0%	37.4%	80.7	85.3	89.9	4.8%	35.5%
Departmental agencies and accounts	78.3	5.2%	36.9%	80.7	85.3	89.9	4.7%	35.5%
Non-profit institutions	(0.1)	–	0.0%	–	–	–	-100.0%	0.0%
Households	0.1	-69.5%	0.5%	0.0	0.0	0.0	-74.9%	0.0%
Payments for capital assets	3.1	-0.2%	1.5%	3.0	3.2	3.4	2.6%	1.4%
Machinery and equipment	2.3	-10.5%	1.4%	2.1	2.3	2.4	1.9%	1.0%
Software and other intangible assets	0.9	–	0.1%	0.9	0.9	1.0	4.3%	0.4%
Total	206.2	4.5%	100.0%	230.2	244.5	259.8	8.0%	100.0%

Expenditure trends and estimates for significant spending items

Table 13.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Commission for Gender Equality	67 235	67 689	69 891	78 266	5.2%	36.9%	80 735	85 256	89 945	4.7%	35.5%
Compensation of employees	57 684	63 643	70 621	71 725	7.5%	34.4%	84 685	90 672	97 413	10.7%	36.6%
Property payments	9 209	11 454	11 678	15 804	19.7%	6.3%	16 787	18 424	19 438	7.1%	7.5%
Travel and subsistence	11 172	13 952	17 145	16 270	13.3%	7.6%	19 668	20 886	21 975	10.5%	8.4%
Total	145 300	156 738	169 335	182 065	45.7%	85.2%	201 875	215 238	228 771	33.0%	88.0%

Goods and services expenditure trends and estimates

Table 13.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	1 878	394	595	715	-27.5%	1.8%	496	569	817	4.5%	1.1%
Advertising	8 114	4 477	1 615	986	-50.5%	7.5%	1 348	1 425	1 505	15.1%	2.1%
Minor assets	274	324	572	255	-2.4%	0.7%	261	278	293	4.7%	0.4%
Audit costs: External	3 612	4 127	3 917	3 556	-0.5%	7.5%	3 649	3 853	4 525	8.4%	6.3%
Bursaries: Employees	57	45	7	230	59.2%	0.2%	238	252	266	5.0%	0.4%
Catering: Departmental activities	1 888	3 907	456	837	-23.7%	3.5%	1 332	1 426	1 506	21.6%	2.1%
Communication	2 274	3 103	2 978	2 671	5.5%	5.4%	2 704	2 974	3 137	5.5%	4.7%
Computer services	1 509	1 370	3 656	1 668	3.4%	4.0%	3 026	2 958	3 241	24.8%	4.4%
Consultants: Business and advisory services	1 461	1 424	1 039	1 387	-1.7%	2.6%	1 362	1 434	1 590	4.7%	2.3%
Legal services	1 312	203	1 077	278	-40.4%	1.4%	288	304	321	4.9%	0.5%
Contractors	1 068	480	476	645	-15.5%	1.3%	682	720	760	5.6%	1.1%
Agency and support/outsourced services	29	840	–	–	-100.0%	0.4%	–	–	–	–	–
Entertainment	2	77	–	4	26.0%	–	4	4	4	–	–
Fleet services (including government motor transport)	482	469	558	147	-32.7%	0.8%	152	161	170	5.0%	0.3%
Consumable supplies	270	297	566	501	22.9%	0.8%	524	554	584	5.2%	0.9%
Consumables: Stationery, printing and office supplies	498	767	1 429	1 246	35.8%	1.9%	988	861	1 076	-4.8%	1.7%
Operating leases	–	42	–	–	–	–	–	–	–	–	–
Rental and hiring	–	2 671	132	3	–	1.4%	597	630	665	505.2%	0.8%
Property payments	9 209	11 454	11 678	15 804	19.7%	23.6%	16 787	18 424	19 438	7.1%	28.7%
Transport provided: Departmental activity	–	–	–	270	–	0.1%	286	302	319	5.7%	0.5%
Travel and subsistence	11 172	13 952	17 145	16 270	13.3%	28.7%	19 283	20 569	21 560	9.8%	31.6%
Training and development	513	147	357	840	17.9%	0.9%	810	858	922	3.2%	1.4%
Operating payments	1 093	1 404	1 134	1 512	11.4%	2.5%	1 183	1 179	1 389	-2.8%	2.1%
Venues and facilities	546	1 808	1 140	2 355	62.8%	2.9%	4 978	4 846	4 045	19.8%	6.6%
Total	47 261	53 782	50 527	52 180	3.4%	100.0%	60 978	64 581	68 133	9.3%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 13.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Provinces and municipalities											
Municipal bank accounts											
Current	6	12	1	-	-100.0%	-	-	-	-	-	-
Vehicle licences	6	-	-	-	-100.0%	-	-	-	-	-	-
Municipal bank account	-	12	1	-	-	-	-	-	-	-	-
Households											
Social benefits											
Current	2 651	125	345	176	-59.5%	1.1%	1	1	1	-82.2%	0.1%
Employee social benefits	2 651	125	345	176	-59.5%	1.1%	1	1	1	-82.2%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	67 372	67 689	69 891	78 266	5.1%	98.7%	80 735	85 256	89 945	4.7%	99.9%
Public Service Sector Education and Training Authority	137	-	-	-	-100.0%	-	-	-	-	-	-
Commission for Gender Equality	67 235	67 689	69 891	78 266	5.2%	98.7%	80 735	85 256	89 945	4.7%	99.9%
Households											
Other transfers to households											
Current	-	344	-	-	-	0.1%	-	-	-	-	-
Employee social benefits	-	344	-	-	-	0.1%	-	-	-	-	-
Provinces and municipalities											
Municipal agencies and funds											
Current	-	-	5	-	-	-	-	-	-	-	-
Municipal bank account	-	-	5	-	-	-	-	-	-	-	-
Total	70 029	68 170	70 242	78 442	3.9%	100.0%	80 736	85 257	89 946	4.7%	100.0%

Personnel information

Table 13.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number of posts estimated for 31 March 2018												Number and cost ² of personnel posts filled / planned for on funded establishment		Number	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)		
		2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21										
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	
Women																	
Salary level	106	3	113	70.6	0.6	109	71.7	0.7	121	85.5	0.7	120	91.4	0.8	120	98.3	0.8
1-6	25	-	25	5.5	0.2	25	6.0	0.2	27	7.1	0.3	26	7.3	0.3	26	7.9	0.3
7-10	32	-	32	11.8	0.4	32	12.9	0.4	34	15.2	0.4	34	16.4	0.5	34	17.7	0.5
11-12	12	-	12	8.1	0.7	14	10.1	0.7	21	16.2	0.8	21	17.5	0.8	21	18.9	0.9
13-16	34	3	41	40.3	1.0	35	37.5	1.1	36	41.4	1.1	36	44.2	1.2	36	47.4	1.3
Other	3	-	3	4.9	1.6	3	5.2	1.7	3	5.6	1.9	3	6.0	2.0	3	6.5	2.2
Programme	106	3	113	70.6	0.6	109	71.7	0.7	121	85.5	0.7	120	91.4	0.8	120	98.3	0.8
Programme 1	72	2	79	49.0	0.6	73	47.0	0.6	70	47.3	0.7	70	50.7	0.7	70	54.5	0.8
Programme 2	12	-	12	7.3	0.6	13	8.6	0.7	20	14.9	0.7	20	16.0	0.8	20	17.2	0.9
Programme 3	22	1	22	14.3	0.6	23	16.2	0.7	31	23.3	0.8	30	24.7	0.8	30	26.5	0.9

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 13.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	24	42	576	40	40	18.6%	100.0%	38	40	42	1.6%	100.0%
Sales of goods and services produced by department	18	42	576	40	40	30.5%	99.1%	38	40	42	1.6%	100.0%
Sales by market establishments	18	42	576	37	37	27.1%	98.7%	38	40	42	4.3%	98.1%
of which:												
Sales market establishments	18	42	576	37	37	27.1%	98.7%	38	40	42	4.3%	98.1%
Other sales	-	-	-	3	3	-	0.4%	-	-	-	-100.0%	1.9%
of which:												
Sales of scrap, waste, arms and other used current goods	-	-	-	3	3	-	0.4%	-	-	-	-100.0%	1.9%
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	6	-	-	-	-	-100.0%	0.9%	-	-	-	-	-
Total	24	42	576	40	40	18.6%	100.0%	38	40	42	1.6%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 13.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	23.8	21.5	21.3	19.4	-6.6%	25.9%	16.1	16.9	17.8	-2.8%	20.7%
Departmental Management	7.8	14.0	22.5	17.4	30.4%	18.6%	11.0	12.3	15.0	-4.8%	16.4%
Corporate Services	19.0	28.0	20.5	19.1	0.2%	26.1%	22.2	23.8	25.1	9.4%	26.7%
Financial Management	13.9	10.0	12.6	13.1	-2.1%	15.0%	12.6	13.4	14.5	3.7%	15.8%
Office Accommodation	9.1	11.4	11.6	15.8	20.3%	14.4%	16.8	17.6	18.6	5.6%	20.3%
Total	73.6	84.9	88.5	84.7	4.8%	100.0%	78.7	83.9	90.9	2.4%	100.0%
Change to 2017 Budget estimate				(2.3)			(1.8)	(1.8)	(1.9)		
Economic classification											
Current payments	68.9	82.0	85.1	81.8	5.9%	95.8%	76.8	82.0	88.8	2.8%	97.4%
Compensation of employees	38.0	48.5	49.0	50.2	9.7%	56.0%	47.3	50.7	54.5	2.8%	59.9%
Goods and services ¹	30.9	33.5	36.0	31.7	0.8%	39.8%	29.5	31.3	34.3	2.7%	37.5%
of which:											
Audit costs: External	3.6	4.1	3.9	3.6	-0.5%	4.6%	3.6	3.9	4.5	8.4%	4.6%
Communication	1.7	2.3	2.1	1.6	-2.5%	2.3%	1.5	1.7	1.8	5.4%	2.0%
Computer services	1.5	1.3	3.7	1.7	3.4%	2.5%	1.7	1.8	1.9	4.9%	2.1%
Property payments	9.2	11.5	11.7	15.8	19.7%	14.5%	16.8	17.8	18.8	5.9%	20.5%
Travel and subsistence	6.7	9.2	7.1	4.0	-15.8%	8.1%	1.3	1.5	1.8	-22.6%	2.6%
Training and development	0.3	0.1	0.4	0.8	39.7%	0.5%	0.8	0.9	0.9	3.2%	1.0%
Transfers and subsidies¹	2.7	0.5	0.2	0.1	-66.6%	1.1%	0.0	0.0	0.0	-78.5%	-
Provinces and municipalities	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Households	2.6	0.4	0.2	0.1	-66.0%	1.0%	0.0	0.0	0.0	-78.5%	-
Payments for capital assets	2.0	2.5	3.1	2.7	11.7%	3.1%	1.9	2.0	2.1	-8.4%	2.6%
Machinery and equipment	2.0	2.5	3.1	1.9	-1.8%	2.8%	1.0	1.0	1.1	-15.8%	1.5%
Software and other intangible assets	-	-	-	0.9	-	0.3%	0.9	0.9	1.0	4.3%	1.1%
Payments for financial assets	-	-	0.1	-	-	-	-	-	-	-	-
Total	73.6	84.9	88.5	84.7	4.8%	100.0%	78.7	83.9	90.9	2.4%	100.0%
Proportion of total programme expenditure to vote expenditure	41.4%	45.1%	45.4%	41.1%	-	-	34.2%	34.3%	35.0%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Social Transformation and Economic Empowerment

Programme purpose

Facilitate and promote the attainment of women's socioeconomic empowerment and gender equality.

Objectives

- Advance women's socioeconomic empowerment on an ongoing basis by:
 - promoting women's social empowerment and participation through conducting national dialogues on violence against women and children, and social upliftment programmes for women
 - proposing and developing interventions for women's socioeconomic empowerment and participation
 - developing interventions to advance gender equality, and establishing a just and safe society.

Subprogrammes

- *Management: Social Transformation and Economic Empowerment* provides overall strategic leadership and management to the programme.
- *Social Empowerment and Transformation* provides intervention mechanisms on policies and programme implementation for mainstreaming the social empowerment and participation of women towards social transformation.
- *Governance Transformation, Justice and Security* provides guidance for enhancing existing systems and procedures, addresses barriers to the equal participation of women in the public and private sectors, and contributes to the elimination of gender-based violence.
- *Economic Empowerment and Participation* provides intervention mechanisms for women's economic empowerment mainstreamed into the nine point plan.
- *Commission for Gender Equality* facilitates transfer payments to the Commission for Gender Equality, which promotes gender equality and respect for women's rights.

Expenditure trends and estimates

Table 13.10 Social Transformation and Economic Empowerment expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Management: Social Transformation and Economic Empowerment	10.2	3.3	3.8	6.3	-15.0%	6.8%	6.6	7.6	8.3	9.8%	6.5%
Social Empowerment and Transformation	7.8	11.9	2.8	6.0	-8.4%	8.2%	7.2	7.3	8.0	10.3%	6.5%
Governance Transformation, Justice and Security	–	0.2	1.7	5.6	–	2.2%	6.3	6.7	7.4	9.4%	5.9%
Economic Empowerment and Participation	–	–	1.3	3.7	–	1.4%	5.9	6.3	6.9	23.4%	5.2%
Commission for Gender Equality	67.2	67.7	69.9	78.3	5.2%	81.4%	80.7	85.3	89.9	4.7%	75.9%
Total	85.3	83.2	79.5	99.8	5.4%	100.0%	106.7	113.1	120.6	6.5%	100.0%
Change to 2017 Budget estimate				6.3			(1.9)	(1.9)	(2.0)		

Table 13.10 Social Transformation and Economic Empowerment expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	17.9	15.4	9.5	21.2	5.7%	18.4%	25.5	27.5	30.2	12.6%	23.7%
Compensation of employees	5.9	4.7	7.3	7.9	10.2%	7.4%	14.9	16.0	17.2	29.9%	12.7%
Goods and services ¹	12.1	10.7	2.2	13.3	3.3%	11.0%	10.6	11.4	13.0	-0.9%	11.0%
of which:											
Advertising	6.0	2.6	0.0	0.4	-59.7%	2.6%	0.5	0.5	0.5	8.8%	0.4%
Catering: Departmental activities	1.8	3.4	0.0	0.5	-33.4%	1.7%	0.6	0.6	0.6	5.7%	0.5%
Communication	0.3	0.3	0.3	0.7	40.5%	0.4%	0.8	0.8	0.9	5.6%	0.7%
Travel and subsistence	3.2	1.2	1.1	8.4	38.2%	4.0%	5.3	6.1	7.1	-5.5%	6.1%
Operating payments	0.4	0.0	0.0	0.8	26.1%	0.4%	0.5	0.6	0.6	-10.2%	0.6%
Venues and facilities	0.1	0.1	0.6	1.3	117.9%	0.6%	1.9	1.7	2.0	14.9%	1.6%
Transfers and subsidies¹	67.2	67.7	70.0	78.3	5.2%	81.4%	80.7	85.3	89.9	4.7%	75.9%
Departmental agencies and accounts	67.2	67.7	69.9	78.3	5.2%	81.4%	80.7	85.3	89.9	4.7%	75.9%
Households	-	-	0.1	0.0	-	-	-	-	-	-100.0%	-
Payments for capital assets	0.1	0.1	0.1	0.4	63.4%	0.2%	0.4	0.4	0.4	5.6%	0.4%
Machinery and equipment	0.1	0.1	0.1	0.4	63.4%	0.2%	0.4	0.4	0.4	5.6%	0.4%
Total	85.3	83.2	79.5	99.8	5.4%	100.0%	106.7	113.1	120.6	6.5%	100.0%
Proportion of total programme expenditure to vote expenditure	48.0%	44.1%	40.8%	48.4%	-	-	46.3%	46.3%	46.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	67.2	67.7	69.9	78.3	5.2%	81.4%	80.7	85.3	89.9	4.7%	75.9%
Commission for Gender Equality	67.2	67.7	69.9	78.3	5.2%	81.4%	80.7	85.3	89.9	4.7%	75.9%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Policy, Stakeholder Coordination and Knowledge Management

Programme purpose

Coordinate the socioeconomic empowerment of women and gender equality through policy analysis and knowledge management.

Objectives

- Inform decision-making, policy development and implementation on the socioeconomic empowerment of women in South Africa in line with national, regional, continental and global development goals by generating, accessing and analysing available knowledge, research and information databases on the implementation of policy and international commitments on an ongoing basis.
- Ensure that government departments better contribute to the socioeconomic empowerment of women by improving the mainstreaming of gender within government's planning, monitoring and evaluation systems on an ongoing basis.
- Improve planning, monitoring and evaluation systems on the socioeconomic empowerment of women annually by analysing departments' plans and performance against priority gender development indicators and targets, and facilitating the evaluation of key gender policies and programmes, and making recommendations for improvement.
- Position the department as an effective information and knowledge hub on the socioeconomic empowerment of women and gender equality by developing a centralised national gender knowledge and information system to enable stakeholders to contribute to and access gender knowledge and information over the medium term.
- Enhance public participation on the socioeconomic empowerment of women through annual outreach initiatives to promote social cohesion and nation building.

- Enable the fulfilment of commitments to and effective participation in international multilateral forums on women's empowerment and gender equality through instituting timeous reporting and convening consultative workshops with relevant stakeholders on an annual basis.

Subprogrammes

- *Management: Policy Coordination and Knowledge Management* provides overall strategic leadership and management to the programme.
- *Research, Policy Analysis and Knowledge Management* promotes the development of gender sensitive research and knowledge and conducts policy analysis to intervene in transformation for the socioeconomic empowerment of women and gender equality.
- *International Relations* promotes international relations and engagements on women and ensures South Africa's compliance with international treaties on women.
- *Stakeholder Coordination and Outreach* conducts outreach initiatives, which promote the socioeconomic empowerment of women and gender equality.
- *Monitoring and Evaluation* monitors and evaluates progress on the socioeconomic empowerment of women in line with national laws, and regional, continental and international treaties and commitments.

Expenditure trends and estimates

Table 13.11 Policy, Stakeholder Coordination and Knowledge Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management: Policy Coordination and Knowledge Management	–	4.3	5.4	2.7	–	14.1%	4.3	4.5	4.2	16.5%	9.7%
Research, Policy Analysis and Knowledge Management	7.7	4.3	4.1	5.4	-10.8%	24.5%	7.5	7.9	7.8	12.5%	17.6%
International Relations	–	–	–	–	–	–	11.7	12.4	12.5	–	22.6%
Stakeholder Coordination and Outreach	7.3	8.6	13.3	9.7	9.6%	44.5%	14.2	15.0	15.3	16.7%	33.5%
Monitoring and Evaluation	3.7	3.2	4.0	3.9	1.7%	16.9%	7.2	7.6	8.4	29.3%	16.6%
Total	18.7	20.3	26.7	21.7	5.0%	100.0%	44.9	47.4	48.2	30.6%	100.0%
Change to 2017 Budget estimate				(4.0)			(0.1)	(0.3)	(0.4)		
Economic classification											
Current payments	18.1	20.0	26.6	20.9	4.9%	98.0%	44.1	46.6	47.4	31.4%	98.1%
Compensation of employees	13.8	10.5	14.3	13.7	-0.3%	59.9%	23.3	24.7	26.5	24.6%	54.4%
Goods and services ¹	4.3	9.6	12.3	7.2	19.1%	38.1%	20.8	21.9	20.9	42.7%	43.7%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.0	0.3	0.4	0.2	263.4%	1.0%	0.7	0.7	0.8	58.4%	1.4%
<i>Computer services</i>	–	0.0	–	–	–	–	1.3	1.1	1.3	–	2.3%
<i>Consultants: Business and advisory services</i>	–	0.1	0.0	0.6	–	0.8%	0.6	0.6	0.7	5.6%	1.5%
<i>Rental and hiring</i>	–	0.1	0.1	–	–	0.2%	0.6	0.6	0.6	–	1.1%
<i>Travel and subsistence</i>	1.3	3.6	8.9	3.8	43.6%	20.1%	12.7	12.9	12.6	48.5%	25.9%
<i>Venues and facilities</i>	0.2	1.6	0.5	0.9	56.8%	3.7%	3.0	3.1	1.9	28.7%	5.5%
Transfers and subsidies¹	0.1	0.0	0.0	0.1	-15.5%	0.2%	–	–	–	-100.0%	–
Households	0.1	0.0	0.0	0.1	-15.5%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	0.5	0.2	0.1	0.7	11.6%	1.8%	0.8	0.8	0.8	5.7%	1.9%
Machinery and equipment	0.5	0.2	0.1	0.7	11.6%	1.8%	0.8	0.8	0.8	5.7%	1.9%
Total	18.7	20.3	26.7	21.7	5.0%	100.0%	44.9	47.4	48.2	30.6%	100.0%
Proportion of total programme expenditure to vote expenditure	10.5%	10.8%	13.7%	10.5%	–	–	19.5%	19.4%	18.6%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity

Comprehensive coverage of the following entity is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Commission for Gender Equality** promotes respect for gender equality, and engages in advocacy and education initiatives to raise awareness and challenge patriarchal stereotypes. It seeks to protect and enforce gender rights by investigating complaints by members of the public and sanctioning appropriate remedies in line with legislation. The commission's total budget for 2018/19 is R80.7 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
Refurbishment	Refurbishment	Complete	0.0	–	0.0	–	–	–	–	–
Refurbishment	Refurbishment	On hold	0.1	–	–	–	–	–	–	–
Total			0.1	–	0.0	–	–	–	–	–

Vote 14

Basic Education

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	450.5	438.6	0.4	11.4	483.7	514.1
Curriculum Policy, Support and Monitoring	1 905.0	1 345.0	556.1	3.9	2 010.1	2 137.9
Teachers, Education Human Resources and Institutional Development	1 290.5	99.1	1 190.9	0.4	1 366.2	1 442.9
Planning, Information and Assessment	11 971.3	489.0	10 160.6	1 321.8	12 246.6	13 071.8
Educational Enrichment Services	7 105.1	59.3	7 045.4	0.4	7 508.7	8 037.1
Total expenditure estimates	22 722.4	2 431.2	18 953.4	1 337.9	23 615.3	25 203.8

Executive authority Minister of Basic Education
 Accounting officer Director General of Basic Education
 Website address www.education.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Develop, maintain and support a South African school education system for the 21st century.

Mandate

The Department of Basic Education derives its mandate from the following legislation:

- the National Education Policy Act (1996), which inscribed into law the policies, the legislative and monitoring responsibilities of the Minister of Basic Education, and the formal relations between national and provincial authorities
- the South African Schools Act (1996), which promotes access to education, promotes quality and democratic governance in the schooling system, and makes schooling compulsory for children aged 7 to 15, to ensure that all learners have access to quality education without discrimination
- the Employment of Educators Act (1998), which regulates the professional, moral and ethical responsibilities of educators, as well as the competency requirements for teachers.

Selected performance indicators

Table 14.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of learners obtaining subject passes towards a national senior certificate through the Second Chance programme per year	Curriculum Policy, Support and Monitoring	Outcome 1: Quality basic education	-1	-1	5 635 ²	20 000	25 000	30 000	35 000
Number of underperforming schools monitored on the implementation of the early grade reading assessment per year	Curriculum Policy, Support and Monitoring		-1	-1	20	50	75	100	125

Table 14.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of public schools with home language workbooks for learners in grades 1 to 6 per year	Curriculum Policy, Support and Monitoring	Outcome 1: Quality basic education	98.6% (17 380/ 18 000)	100% (17 930)	100% (17 778)	100% (16 032)	100%	100%	100%
Percentage of public schools with mathematics workbooks for learners in grades 1 to 9 per year	Curriculum Policy, Support and Monitoring		98.6% (17 380/ 18 000)	100% (23 680)	100% (23 542)	100% (23 372)	100%	100%	100%
Number of Funza Lushaka bursaries awarded to students enrolled for initial teacher education per year	Teachers, Education Human Resources and Institutional Development		13 000	13 980	14 343	15 134	13 500	13 000	12 500
Number of new schools built and completed through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment		57	51	16 ³	115	50	17	15
Number of schools provided with sanitation facilities through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment		371	412	9 ³	257	286	- ⁴	- ⁴
Number of schools provided with water through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment		381	605	10 ³	344	325	- ⁴	- ⁴
Number of schools provided with electricity through the accelerated school infrastructure delivery initiative per year	Planning, Information and Assessment		292	295	0 ³	134	- ⁴	- ⁴	- ⁴
Number of schools provided with nutritious meals on each school day per year	Educational Enrichment Services		20 727	20 029	20 300	20 619	19 800	20 000	20 000

1. No historical data available.

2. The projected was piloted in 2016/17. As a result, the number of learners is much lower in this year than the following year, when the scope of the project was increased.

3. The delay in completing projects in this year was mainly due to delays in finalising the closure and merging of schools at which projects had to be undertaken, and delays in replacing underperforming contractors.

4. Project completed.

Expenditure analysis

The Department of Basic Education's Schooling 2025 action plan and vision is in line with the proposals for basic education set out in the National Development Plan (NDP) and outcome 1 (quality basic education) of government's 2014-2019 medium-term strategic framework. Over the medium term, the department will continue to focus on accelerating delivery and improving school infrastructure; enhancing teaching and learning by ensuring access to high quality learner and teacher support materials; improving grade 12 completion rates; providing educational opportunities to learners with severe to profound intellectual disabilities; increasing the supply of quality teachers; monitoring performance; and providing nutritious meals to learners in schools through the national school nutrition programme.

Providing school infrastructure

Over the medium term, R7.3 billion from the unallocated portion of the *education infrastructure grant* is reallocated to the *school infrastructure backlogs grant* to complete remaining infrastructure projects to eliminate backlogs and replace unsafe school structures. This allocation is, however, reduced by R3.6 billion over the MTEF period as part of Cabinet approved budget reductions. The *school infrastructure backlogs grant* is thus allocated R3.8 billion over the MTEF period. The original project list for this grant was revised in 2016/17 due to learners moving between schools, and because 61 small schools were not closed or merged with other schools because of their remote locations. The department plans to reconstruct these small schools at a cost of R485 million in 2017/18 and 2018/19 using modular structures, which are quicker to build and easy to dismantle and re-assemble elsewhere in the event of changes in enrolment. To replace 50 inappropriate and unsafe schools with newly built schools, and provide water to 325 schools and sanitation to 286 schools, R1.5 billion is allocated in 2018/19.

The *education infrastructure grant*, which provides co-funding for the ongoing infrastructure programme in provinces, including the maintenance of existing infrastructure and the building of new infrastructure, is

reduced by R10.9 billion (R7.3 billion shifted to the *school infrastructure backlogs* grant and R3.6 billion as part of Cabinet approved reductions) to R31.7 billion over the medium term. The department expects that these reductions will lead to delays in completing outstanding projects.

Enhancing teaching and learning

Ensuring access to high quality learning and teaching support materials, and ensuring they are used effectively, is critical to improving curriculum delivery. Over the medium term, the department will continue to focus on providing well designed print and digital content to teachers and learners; expanding access to and improving the use of ICT at schools; and providing teachers with essential tools and support.

The department expects to print 183 million workbooks over the MTEF period for grades R to 9 in life skills, languages and mathematics, which will be distributed to more than 23 000 public schools each year. This will be funded through the *Curriculum and Quality Enhancement Programmes* subprogramme in the *Curriculum Policy, Support and Monitoring* programme, at a projected cost of R3.5 billion over the medium term.

Interventions in the foundation phase have the most significant impact on learning outcomes in the long term. The department will provide an early grade reading assessment tool to assist teachers in measuring, at different intervals, the reading progress made by learners in grades 1 to 3. It will also provide toolkits (teacher guides and learner assessment charts) and teacher training and support material, and monitor and evaluate the effectiveness of the tool in a sample of schools nationally. The early grade reading assessment is expected to be expanded incrementally over the medium term, from 1 000 schools in 2016/17 to 5 000 schools in 2018/19 and 8 000 schools in 2019/20, in all official languages. R39 million has been allocated over the MTEF period for the implementation of the early grade reading assessment tool in the *Curriculum Implementation and Monitoring* subprogramme in the *Curriculum Policy, Support and Monitoring* programme.

South African learners continue to perform poorly in international assessments, particularly in mathematics, science and technology. In response to this, over the medium term, the department aims to increase learner participation and success rates in these subjects by providing ICT equipment, laboratories and related apparatus, workshops and equipment, teacher development, and learner and teacher support materials to 1 000 schools. These objectives will be funded through an allocation of R1.2 billion over the medium term to the *maths, science and technology grant* in the *Curriculum and Quality Enhancement Programmes* subprogramme in the *Curriculum Policy, Support and Monitoring* programme. This allocation has been reduced by R50.5 million over the MTEF period as part of Cabinet approved budget reductions, which is expected to result in fewer resources being provided to the targeted schools over the period. The sector will implement interventions and efficiency measures, such as training more teachers at a time to ensure that learner participation rates and performance continue to be enhanced despite these reductions.

The department collaborates with ICT businesses such as Vodacom and Microsoft, and international organisations such as the United Nations International Children's Emergency Fund, to provide professional development for educators. To procure and provide offline e-library solutions to 100 schools and upgrade the Thutong education portal, which offers support for teachers and learners in various subjects, the department plans to spend R51.2 million over the MTEF period.

Improving matric completion rates

The Second Chance programme intends to increase the number of young people obtaining a matric qualification. In 2018/19, 25 000 learners are expected to enrol in the programme, which will offer support in 11 key subjects such as mathematics and science, as well as all home languages. Face-to-face classes will be extended to 80 venues across South Africa with 2 teachers per subject, per venue. The plan over the long term is to make the programme virtual through broadcast and video lessons developed by universities and the department.

Support will also be provided at 40 broadcast centres nationally, which will transmit lessons on the OpenView satellite platform to about 1 million households. All content will also be available to candidates on DVD. Online support will be provided on the department's website and Facebook page, and offline support at 82 sites

nationally, at an estimated cost of R7 million over the medium term. Learners will be able to access support at community libraries, Vodacom centres and teacher centres across South Africa. Learner and teacher support materials will be printed and distributed to sites and learners on demand at an estimated cost of R30 million over the MTEF period. The Second Chance programme is allocated R261.1 million in *the Curriculum Policy, Support and Monitoring* programme over the MTEF period. The Cabinet approved budget reduction of R117 million for the Second Chance programme over the period is expected to result in slower expansion of the programme to include all priority subject areas and districts.

Increasing the supply of quality teachers

The department aims to improve the supply of newly qualified teachers by providing 39 000 Funza Lushaka bursaries to prospective teachers in priority subject areas such as mathematics, science and technology. R3.7 billion has been allocated for Funza Lushaka bursaries over the medium term. The decrease in the number of bursaries awarded in 2018/19 is due to the increase in university fees of up to 8 per cent for the 2018 academic year, which is not in line with funding for the bursary increasing by 5.8 per cent in 2018/19. If this trend continues, the number of students supported through the bursary is expected to decrease from 15 134 in 2017/18 to 12 500 in 2020/21. Funding for these bursaries is provided through the National Student Financial Aid Scheme, which is funded through the *Education Human Resources Development* subprogramme in the *Teachers, Education Human Resources and Institutional Development* programme.

Providing educational opportunities to learners with intellectual disabilities

The need to improve the provision of quality education and support to learners with profound disabilities who are not in schools, and ensure that these learners are incrementally included in schools, resulted in the introduction of the *learners with profound intellectual disabilities grant* in 2017/18. Over the medium term, the department will focus on providing access to quality, publicly funded education and support to learners of school-going age with severe to profound intellectual disabilities who are not enrolled in school and whose education is not publicly funded through the grant. Over the MTEF period, the sector will make use of this grant to appoint an estimated 155 outreach teams and provincial coordinators, procure the necessary tools of trade for these appointees, develop a database and data management system, and audit 285 care centres. The provincial coordinators and outreach teams will strengthen the capacity of district-based support teams.

The *learners with profound intellectual disabilities grant* will fund the training of education officials, provincial coordinators, outreach team members and caregivers in an estimated 320 care centres, and teachers in 79 selected schools that have enrolled learners with severe to profound intellectual disabilities. The grant has an allocation of R649.1 million over the MTEF period in the *Curriculum Policy, Support and Monitoring* programme.

Monitoring performance

The department aims to ensure that the education sector assesses the quality of teaching and learning, and provides remedial action in identified areas to improve learning outcomes in numeracy and literacy. The annual national assessments, and the department's diagnostic of teaching and learning in the foundation and intermediate phases of schooling, have been discontinued and will be replaced by the national integrated assessment framework in 2018. The framework aims to address the shortcomings of previous assessments with 3 complementary tiers of assessment (systemic evaluation, diagnostic assessment and summative assessment). Over the medium term, the department will focus on systemic evaluation, which will be conducted with a sample of learners in grades 3, 6 and 9 for a three-year cycle, and will monitor learner performance and report on the quality of learning outcomes. The allocation to fund these activities is expected to increase at an average annual rate of 39.6 per cent, from R81.2 million in 2017/18 to R220.7 million in 2020/21, in the *Planning, Information and Assessment* programme.

In 2019/20, the department plans to conduct the school monitoring survey, a national survey in public schools that monitors progress towards the achievement of key goals and indicators in Action Plan 2019. This plan details the direction the basic education sector will take to achieve the goals set out in the NDP and outcome 1 (quality basic education) of government's 2014-2019 medium-term strategic framework. The survey, for which

R23 million is allocated in 2019/20 in the *Curriculum Policy, Support and Monitoring* programme, will provide the sector with updated information on the indicators and delivery agreement of the plan.

Feeding learners

The department's *national school nutrition programme* will continue to contribute to the NDP's priority of eliminating poverty and supporting food security. Over the *medium* term, the department plans to provide meals to 19 800 schools, feeding about 9 million learners each year in quintile 1 to 3 schools. These objectives will be funded by a projected R21.7 billion allocated over the MTEF period through the *national school nutrition programme grant* to provinces in the *Educational Enrichment Services* programme.

Expenditure trends

Table 14.2 Vote expenditure trends by programme and economic classification

Programmes																																				
1. Administration																																				
2. Curriculum Policy, Support and Monitoring																																				
3. Teachers, Education Human Resources and Institutional Development																																				
4. Planning, Information and Assessment																																				
5. Educational Enrichment Services																																				
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Annual Outcome/budget			Average: Annual Outcome/adjusted appropriation					
R million	2014/15			2015/16			2016/17			2017/18			2014/15			2015/16			2016/17			2017/18			2014/15			2015/16			2016/17			2017/18		
Programme 1	347.4	351.4	380.8	357.7	360.3	386.5	377.9	388.4	418.3	416.3	426.6	426.6	107.5%	105.6%																						
Programme 2	1 954.9	1 895.9	1 685.2	1 877.8	1 844.9	1 797.7	1 936.1	1 902.2	1 826.7	1 802.0	1 783.0	1 783.0	93.7%	95.5%																						
Programme 3	1 268.2	1 281.2	1 314.5	1 171.5	1 163.4	1 163.5	1 163.7	1 160.0	1 177.4	1 215.1	1 252.1	1 252.1	101.8%	101.0%																						
Programme 4	10 379.4	10 420.4	10 428.9	12 129.7	11 974.0	11 511.9	12 500.2	12 621.4	11 720.0	13 248.3	12 801.9	12 232.7	95.1%	96.0%																						
Programme 5	5 730.2	5 740.9	5 719.5	5 974.5	5 943.8	5 936.5	6 291.7	6 341.4	6 333.7	6 727.0	6 730.0	6 730.0	100.0%	99.9%																						
Total	19 680.1	19 689.9	19 528.9	21 511.1	21 286.4	20 796.1	22 269.6	22 413.5	21 476.1	23 408.6	22 993.6	22 424.3	97.0%	97.5%																						
Change to 2017 Budget estimate	(415.0)																																			
Economic classification																																				
Current payments	2 480.2	2 440.3	2 410.7	2 431.9	2 528.7	2 589.3	2 548.5	2 580.7	2 561.4	2 446.6	2 451.5	2 451.5	101.1%	100.1%																						
Compensation of employees	414.7	414.4	412.7	440.9	439.9	439.5	472.1	471.2	454.4	476.7	477.1	477.1	98.8%	98.9%																						
Goods and services	2 016.5	1 976.9	1 949.0	1 943.4	2 041.2	2 102.3	2 030.0	2 063.2	2 060.7	1 921.3	1 925.8	1 925.8	101.6%	100.4%																						
Interest and rent on land	49.0	49.0	49.0	47.5	47.5	47.5	46.3	46.3	46.3	48.6	48.6	48.6	100.0%	100.0%																						
Transfers and subsidies	14 267.4	14 714.1	14 686.7	17 033.9	16 810.1	16 818.6	17 465.0	17 839.1	17 845.8	18 502.8	18 503.8	18 503.8	100.9%	100.0%																						
Provinces and municipalities	13 169.5	13 577.0	13 549.8	15 856.5	15 631.8	15 631.8	16 213.0	16 586.2	16 579.6	17 154.3	17 154.3	17 154.3	100.8%	99.9%																						
Departmental agencies and accounts	1 055.0	1 055.0	108.0	1 104.0	1 104.0	113.3	118.9	118.9	123.8	134.8	134.8	134.8	–	–																						
Foreign governments and international organisations	12.8	12.8	16.7	13.3	13.3	21.0	17.3	17.3	19.2	18.5	18.5	18.5	121.7%	121.7%																						
Non-profit institutions	30.1	69.1	63.1	60.1	60.1	60.1	72.2	72.2	76.2	99.5	99.5	99.5	114.1%	99.3%																						
Households	–	0.3	949.2	–	1.0	992.4	1 043.6	1 044.5	1 047.0	1 095.8	1 096.8	1 096.8	191.0%	190.7%																						
Payments for capital assets	2 932.5	2 535.4	2 426.5	2 045.4	1 947.6	1 387.7	2 256.1	1 993.6	1 063.5	2 459.2	2 038.3	1 469.0	65.5%	74.5%																						
Buildings and other fixed structures	2 924.1	2 526.4	2 421.4	2 038.5	1 940.5	1 382.5	2 249.4	1 987.0	1 056.8	2 444.0	2 029.0	1 459.7	65.5%	74.5%																						
Machinery and equipment	8.4	9.0	5.0	6.7	7.0	5.2	6.6	6.6	6.7	12.9	7.0	7.0	69.3%	81.3%																						
Software and other intangible assets	0.1	0.1	0.1	0.1	0.1	–	0.1	0.0	–	2.3	2.3	2.3	88.7%	94.0%																						
Payments for financial assets	–	–	5.0	–	–	0.5	–	–	5.4	–	–	–	–	–																						
Total	19 680.1	19 689.9	19 528.9	21 511.1	21 286.4	20 796.1	22 269.6	22 413.5	21 476.1	23 408.6	22 993.6	22 424.3	97.0%	97.5%																						

Expenditure estimates

Table 14.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Curriculum Policy, Support and Monitoring									
3. Teachers, Education Human Resources and Institutional Development									
4. Planning, Information and Assessment									
5. Educational Enrichment Services									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Programme 1	426.6	6.7%	1.9%	450.5	483.7	514.1	6.4%	2.0%	
Programme 2	1 783.0	-2.0%	8.4%	1 905.0	2 010.1	2 137.9	6.2%	8.3%	
Programme 3	1 252.1	-0.8%	5.8%	1 290.5	1 366.2	1 442.9	4.8%	5.7%	
Programme 4	12 232.7	5.5%	54.5%	11 971.3	12 246.6	13 071.8	2.2%	52.7%	
Programme 5	6 730.0	5.4%	29.3%	7 105.1	7 508.7	8 037.1	6.1%	31.3%	
Total	22 424.3	4.4%	100.0%	22 722.4	23 615.3	25 203.8	4.0%	100.0%	
Change to 2017				(2 072.9)	(2 580.6)	(2 738.3)			
Budget estimate									
Economic classification									
Current payments	2 451.5	0.2%	11.9%	2 431.2	2 539.4	2 663.5	2.8%	10.7%	
Compensation of employees	477.1	4.8%	2.1%	504.6	543.1	583.8	7.0%	2.2%	
Goods and services	1 925.8	-0.9%	9.5%	1 875.1	1 942.0	2 022.4	1.6%	8.3%	
Interest and rent on land	48.6	-0.2%	0.2%	51.5	54.3	57.3	5.6%	0.2%	
Transfers and subsidies	18 503.8	7.9%	80.6%	18 953.4	19 886.7	21 690.5	5.4%	84.1%	
Provinces and municipalities	17 154.3	8.1%	74.7%	17 519.0	18 368.9	20 089.3	5.4%	77.8%	
Departmental agencies and accounts	134.8	-49.6%	0.6%	145.0	156.2	164.8	6.9%	0.6%	
Foreign governments and international organisations	18.5	13.1%	0.1%	19.1	20.1	21.1	4.6%	0.1%	
Non-profit institutions	99.5	12.9%	0.4%	111.0	117.3	123.7	7.5%	0.5%	
Households	1 096.8	1 380.5%	4.9%	1 159.3	1 224.3	1 291.6	5.6%	5.1%	
Payments for capital assets	1 469.0	-16.6%	7.5%	1 337.9	1 189.2	849.9	-16.7%	5.2%	
Buildings and other fixed structures	1 459.7	-16.7%	7.5%	1 329.1	1 178.3	838.1	-16.9%	5.1%	
Machinery and equipment	7.0	-7.9%	0.0%	5.3	5.5	6.2	-4.2%	0.0%	
Software and other intangible assets	2.3	194.4%	0.0%	3.5	5.3	5.6	35.4%	0.0%	
Total	22 424.3	4.4%	100.0%	22 722.4	23 615.3	25 203.8	4.0%	100.0%	

Expenditure trends and estimates for significant spending items

Table 14.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
National school nutrition programme	5 461 915	5 685 381	6 059 655	6 426 313	5.6%	28.1%	6 802 079	7 185 715	7 695 901	6.2%	29.9%
Education infrastructure grant	7 326 584	9 354 443	9 933 282	10 045 562	11.1%	43.5%	9 917 734	10 314 159	11 466 632	4.5%	44.4%
School infrastructure backlogs grant	2 543 153	1 622 420	1 315 835	2 179 733	-5.0%	9.1%	1 472 726	1 328 097	970 316	-23.6%	6.3%
National Student Financial Aid Scheme	947 499	991 084	1 043 611	1 095 792	5.0%	4.8%	1 159 348	1 224 271	1 291 606	5.6%	5.1%
Total	16 279 151	17 653 328	18 352 383	19 747 400	16.7%	85.5%	19 351 887	20 052 242	21 424 455	-7.3%	85.7%

Goods and services expenditure trends and estimates

Table 14.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	12 737	33 525	24 576	10 191	-7.2%	1.0%	3 141	3 410	3 613	-29.2%	0.3%
Advertising	18 547	2 032	18 280	18 265	-0.5%	0.7%	12 871	17 415	17 992	-0.5%	0.9%
Minor assets	911	426	801	2 372	37.6%	0.1%	3 663	4 969	7 095	44.1%	0.2%
Audit costs: External	16 802	17 062	20 513	25 253	14.5%	1.0%	25 130	25 835	27 291	2.6%	1.3%
Bursaries: Employees	287	392	364	450	16.2%	-	497	502	530	5.6%	-
Catering: Departmental activities	26 162	18 839	27 743	26 181	-	1.2%	22 654	26 666	26 729	0.7%	1.3%
Communication	5 909	4 755	9 334	14 965	36.3%	0.4%	12 750	13 180	15 539	1.3%	0.7%
Computer services	66 026	65 653	74 785	71 588	2.7%	3.5%	77 740	83 549	86 792	6.6%	4.1%
Consultants: Business and advisory services	97 615	123 576	171 664	137 153	12.0%	6.6%	131 839	136 191	120 097	-4.3%	6.8%
Legal services	2 517	1 964	2 475	2 127	-5.5%	0.1%	1 433	1 842	1 943	-3.0%	0.1%
Contractors	6 941	348	1 858	4 936	-10.7%	0.2%	1 405	1 465	1 543	-32.1%	0.1%
Agency and support/outsourced services	54 697	60 478	31 764	69 803	8.5%	2.7%	39 045	43 711	46 146	-12.9%	2.6%
Entertainment	-	-	-	-	-	-	227	240	253	-	-
Fleet services (including government motor transport)	1 688	1 778	2 335	997	-16.1%	0.1%	955	998	1 054	1.9%	0.1%
Inventory: Clothing material and accessories	-	-	34	-	-	-	43	45	47	-	-
Inventory: Farming supplies	167	-	-	45	-35.4%	-	48	51	54	6.3%	-
Inventory: Food and food supplies	3	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	849 733	968 726	981 781	1 035 750	6.8%	47.7%	1 093 574	1 152 669	1 215 709	5.5%	57.9%
Inventory: Materials and supplies	39	-	-	40	0.8%	-	44	46	49	7.0%	-
Inventory: Other supplies	36 870	107 260	73 032	20 285	-18.1%	3.0%	6 361	10 002	9 435	-22.5%	0.6%
Consumable supplies	4 115	1 953	1 254	1 047	-36.6%	0.1%	1 373	1 640	1 740	18.4%	0.1%
Consumables: Stationery, printing and office supplies	44 779	48 308	58 767	57 607	8.8%	2.6%	92 689	57 200	65 802	4.5%	3.5%
Operating leases	6 533	11 950	1 203	2 569	-26.7%	0.3%	4 521	4 648	4 791	23.1%	0.2%
Rental and hiring	9 456	3 485	6 146	5 769	-15.2%	0.3%	4 846	2 364	2 409	-25.3%	0.2%
Property payments	93 115	102 277	119 012	125 172	10.4%	5.5%	135 470	143 584	151 501	6.6%	7.2%
Travel and subsistence	122 845	93 089	117 634	170 598	11.6%	6.3%	165 904	177 462	183 472	2.5%	9.0%
Training and development	9 911	1 883	938	28 614	42.4%	0.5%	2 529	2 588	2 738	-54.3%	0.5%
Operating payments	442 187	416 481	304 414	68 125	-46.4%	15.3%	25 594	19 332	16 020	-38.3%	1.7%
Venues and facilities	18 405	16 076	10 004	25 883	12.0%	0.9%	8 771	10 393	11 967	-22.7%	0.7%
Total	1 948 997	2 102 316	2 060 711	1 925 785	-0.4%	100.0%	1 875 117	1 941 997	2 022 351	1.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 14.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Households											
Social benefits											
Current	1 692	1 341	3 362	1 000	-16.1%	-	-	-	-	-100.0%	-
Employee social benefits	1 692	1 341	1 489	1 000	-16.1%	-	-	-	-	-100.0%	-
Claims against the state	-	-	1 873	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	108 031	113 307	123 848	134 760	7.6%	0.7%	144 960	156 170	164 760	6.9%	0.8%
Education, Training and Development Practices Sector	177	602	170	405	31.8%	-	417	429	453	3.8%	-
Education and Training Authority	-	-	5 000	9 743	-	-	16 000	20 000	21 100	29.4%	0.1%
South African Council for Educators	107 354	112 705	118 678	124 612	5.1%	0.7%	128 543	135 741	143 207	4.7%	0.7%
Umalusi Council for Quality Assurance in General and Further Education and Training	500	-	-	-	-100.0%	-	-	-	-	-	-
Human Sciences Research Council	-	-	-	-	-	-	-	-	-	-	-

Table 14.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Non-profit institutions											
Current	63 053	60 055	76 178	99 474	16.4%	0.4%	111 049	117 279	123 730	7.5%	0.6%
National Education Collaboration Trust	63 000	60 000	76 120	99 413	16.4%	0.4%	110 984	117 210	123 657	7.5%	0.6%
Childline South Africa	53	55	58	61	4.8%	-	65	69	73	6.2%	-
Households											
Other transfers to households											
Current	947 499	991 090	1 043 611	1 095 792	5.0%	6.0%	1 159 348	1 224 271	1 291 606	5.6%	6.0%
Claims against the state	-	6	-	-	-	-	-	-	-	-	-
National Student Financial Aid Scheme	947 499	991 084	1 043 611	1 095 792	5.0%	6.0%	1 159 348	1 224 271	1 291 606	5.6%	6.0%
Foreign governments and international organisations											
Current	16 654	20 998	19 196	18 472	3.5%	0.1%	19 052	20 111	21 116	4.6%	0.1%
Guidance, Counselling and Youth Development Centre for Africa	124	157	131	170	11.1%	-	178	186	196	4.9%	-
United Nations Educational, Scientific and Cultural Organisation	13 815	17 553	15 587	14 585	1.8%	0.1%	15 431	16 295	17 091	5.4%	0.1%
Association for the Development of Education in Africa	115	153	130	146	8.3%	-	148	150	158	2.7%	-
Southern and Eastern Africa Consortium for Monitoring Educational Quality	2 600	3 135	3 348	3 571	11.2%	-	3 295	3 480	3 671	0.9%	-
Provinces and municipalities											
Provincial revenue funds											
Current	5 887 053	5 960 386	6 283 842	6 743 621	4.6%	36.7%	7 230 785	7 663 451	8 209 409	6.8%	37.8%
Learners with profound intellectual disabilities grant	-	-	-	72 000	-	0.1%	185 471	220 785	242 864	50.0%	0.9%
Occupational specific dispensation for education sector therapists grant	213 000	66 275	-	-	-100.0%	0.4%	-	-	-	-	-
National school nutrition programme grant	5 461 915	5 685 381	6 059 655	6 426 313	5.6%	34.8%	6 802 079	7 185 715	7 695 901	6.2%	35.6%
HIV and AIDS (life skills education) grant	212 138	208 730	224 187	245 308	5.0%	1.3%	243 235	256 951	270 644	3.3%	1.3%
Capital	7 662 743	9 671 385	10 295 726	10 410 707	10.8%	56.1%	10 288 217	10 705 461	11 879 891	4.5%	54.8%
Maths, science and technology grant	336 159	316 942	362 444	365 145	2.8%	2.0%	370 483	391 302	413 259	4.2%	1.9%
Education infrastructure grant	7 326 584	9 354 443	9 933 282	10 045 562	11.1%	54.0%	9 917 734	10 314 159	11 466 632	4.5%	52.8%
Total	14 686 725	16 818 562	17 845 763	18 503 826	8.0%	100.0%	18 953 411	19 886 743	21 690 512	5.4%	100.0%

Personnel information

Table 14.7 Vote personnel numbers and cost by salary level and programme¹

Programmes													Number						
1. Administration													Average growth rate (%)	Average: Salary level/Total (%)					
2. Curriculum Policy, Support and Monitoring																			
3. Teachers, Education Human Resources and Institutional Development																			
4. Planning, Information and Assessment																			
5. Educational Enrichment Services																			
Number of posts estimated for 31 March 2018	Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment									Number							
			Actual			Revised estimate			Medium-term expenditure estimate			2017/18 - 2020/21	2017/18 - 2020/21						
			2016/17			2017/18			2018/19			2019/20			2020/21				
			Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit		
Basic Education	798	100	740	454.4	0.6	706	477.1	0.7	692	504.6	0.7	693	543.1	0.8	689	583.8	0.8	-0.8%	100.0%
Salary level	798	100	740	454.4	0.6	706	477.1	0.7	692	504.6	0.7	693	543.1	0.8	689	583.8	0.8	-0.8%	100.0%
1 - 6	209	-	201	49.4	0.2	202	54.1	0.3	199	57.5	0.3	200	62.4	0.3	197	66.3	0.3	-0.8%	28.7%
7 - 10	285	-	253	115.1	0.5	232	115.5	0.5	230	123.2	0.5	228	131.8	0.6	227	141.6	0.6	-0.7%	33.0%
11 - 12	208	-	208	166.7	0.8	193	168.4	0.9	183	170.9	0.9	184	186.0	1.0	183	199.8	1.1	-1.8%	26.7%
13 - 16	94	-	76	82.7	1.1	77	88.5	1.1	78	95.6	1.2	79	103.2	1.3	80	112.2	1.4	1.3%	11.3%
Other	2	100	2	40.5	20.2	2	50.6	25.3	2	57.3	28.6	2	59.6	29.8	2	63.8	31.9	-	0.3%
Programme	798	100	740	454.4	0.6	706	477.1	0.7	692	504.6	0.7	693	543.1	0.8	689	583.8	0.8	-0.8%	100.0%
Programme 1	301	29	296	151.2	0.5	290	159.5	0.6	286	167.4	0.6	287	180.5	0.6	286	194.0	0.7	-0.5%	41.3%
Programme 2	95	13	93	72.0	0.8	97	87.2	0.9	91	91.1	1.0	93	99.5	1.1	92	107.0	1.2	-1.7%	13.4%
Programme 3	152	14	128	71.4	0.6	109	68.4	0.6	106	72.2	0.7	103	75.3	0.7	103	80.9	0.8	-1.9%	15.1%
Programme 4	182	33	168	126.1	0.8	153	124.3	0.8	152	133.2	0.9	153	142.8	0.9	151	153.4	1.0	-0.4%	21.9%
Programme 5	68	11	55	33.6	0.6	57	37.8	0.7	57	40.7	0.7	57	45.1	0.8	57	48.5	0.9	-	8.2%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 14.8 Departmental receipts by economic classification

R thousand	Audited outcome				Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21		
Departmental receipts	57 572	18 254	15 521	15 189	15 189	-35.9%	100.0%	13 769	14 882	15 997	1.7%	100.0%	
Sales of goods and services produced by department	4 629	2 686	2 339	2 778	2 778	-15.7%	11.7%	2 554	2 667	2 782	-	18.0%	
Sales by market establishments	105	107	105	135	135	8.7%	0.4%	132	135	140	1.2%	0.9%	
of which:													
Market establishment: Rental parking: Covered and open	105	107	105	135	135	8.7%	0.4%	132	135	140	1.2%	0.9%	
Administrative fees	4 423	-	2 120	2 501	2 501	-17.3%	8.5%	2 300	2 400	2 500	-	16.2%	
of which:													
Services rendered: Exam certificates	1 874	-	2 119	2 500	2 500	10.1%	6.1%	2 300	2 400	2 500	-	16.2%	
Academic services: Course material	1 782	-	-	-	-	-100.0%	1.7%	-	-	-	-	-	
Sales: Tender documents	767	-	-	1	1	-89.1%	0.7%	-	-	-	-100.0%	-	
Sales: Entrance fees	-	-	1	-	-	-	-	-	-	-	-	-	
Other sales	101	2 579	114	142	142	12.0%	2.8%	122	132	142	-	0.9%	
of which:													
Services rendered: Commission on insurance and garnishees	99	2 579	112	122	122	7.2%	2.7%	120	130	140	4.7%	0.9%	
Replacement of security cards	2	-	2	20	20	115.4%	-	2	2	2	-53.6%	-	
Sales of scrap, waste, arms and other used current goods	43	-	150	149	149	51.3%	0.3%	200	200	200	10.3%	1.3%	
of which:													
Waste paper	43	-	150	149	149	51.3%	0.3%	200	200	200	10.3%	1.3%	
Interest, dividends and rent on land	13 355	10 121	10 397	11 926	11 926	-3.7%	43.0%	11 000	12 000	13 000	2.9%	80.1%	
Interest	13 355	10 121	10 397	11 926	11 926	-3.7%	43.0%	11 000	12 000	13 000	2.9%	80.1%	
Sales of capital assets	301	22	-	190	190	-14.2%	0.5%	15	15	15	-57.1%	0.4%	
Transactions in financial assets and liabilities	39 244	5 425	2 635	146	146	-84.5%	44.5%	-	-	-	-100.0%	0.2%	
Total	57 572	18 254	15 521	15 189	15 189	-35.9%	100.0%	13 769	14 882	15 997	1.7%	100.0%	

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 14.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million												
Ministry	27.4	28.2	31.4	28.1	0.8%	7.1%	30.8	32.4	34.6	7.3%	6.7%	
Department Management	81.2	65.1	79.9	80.7	-0.2%	19.0%	74.1	79.7	85.4	1.9%	17.1%	
Corporate Services	54.1	55.7	63.9	63.7	5.6%	14.7%	68.0	76.1	81.1	8.4%	15.4%	
Office of the Chief Financial Officer	55.8	64.2	62.7	63.2	4.2%	15.3%	72.3	77.7	83.1	9.6%	15.8%	
Internal Audit	5.6	8.1	5.8	7.3	9.1%	1.7%	7.8	8.6	9.3	8.3%	1.8%	
Office Accommodation	156.7	165.2	174.6	183.7	5.4%	42.2%	197.5	209.2	220.7	6.3%	43.3%	
Total	380.8	386.5	418.3	426.6	3.9%	100.0%	450.5	483.7	514.1	6.4%	100.0%	
Change to 2017 Budget estimate				10.3			(1.0)	(1.0)	7.3			
Economic classification												
Current payments	363.8	367.3	404.3	414.9	4.5%	96.2%	438.6	471.2	500.9	6.5%	97.4%	
Compensation of employees	125.1	143.8	151.2	159.5	8.4%	35.9%	167.4	180.5	194.0	6.7%	37.4%	
Goods and services ¹	189.8	176.1	206.7	206.7	2.9%	48.3%	219.8	236.4	249.6	6.5%	48.7%	
of which:												
Audit costs: External	16.8	17.1	16.0	15.5	-2.8%	4.1%	21.1	22.8	24.3	16.2%	4.5%	
Communication	2.4	2.7	3.0	2.5	0.6%	0.7%	2.6	2.8	3.0	6.2%	0.6%	
Computer services	22.1	17.4	21.6	19.4	-4.2%	5.0%	20.9	24.4	25.7	9.8%	4.8%	
Consumables: Stationery, printing and office supplies	2.7	2.3	2.5	3.0	3.6%	0.7%	3.2	3.4	3.6	6.0%	0.7%	
Property payments	93.1	102.2	119.0	125.2	10.4%	27.3%	135.5	143.6	151.5	6.6%	29.6%	
Travel and subsistence	16.4	14.5	15.1	18.4	3.9%	4.0%	19.1	20.3	21.4	5.2%	4.2%	
Interest and rent on land	49.0	47.5	46.3	48.6	-0.2%	11.9%	51.5	54.3	57.3	5.6%	11.3%	

Table 14.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Transfers and subsidies¹	0.6	1.0	2.4	0.5	-6.5%	0.3%	0.4	0.4	0.5	-4.6%	0.1%
Departmental agencies and accounts	0.2	0.6	0.2	0.4	31.8%	0.1%	0.4	0.4	0.5	3.8%	0.1%
Households	0.5	0.4	2.2	0.1	-36.7%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	16.3	18.0	11.6	11.2	-11.8%	3.5%	11.4	12.1	12.8	4.6%	2.5%
Buildings and other fixed structures	13.5	14.2	7.2	7.6	-17.5%	2.6%	8.0	8.5	8.9	5.6%	1.8%
Machinery and equipment	2.9	3.8	4.4	3.4	5.5%	0.9%	3.1	3.3	3.5	1.6%	0.7%
Software and other intangible assets	–	–	–	0.3	–	–	0.3	0.3	0.4	11.0%	0.1%
Payments for financial assets	–	0.1	0.1	–	–	–	–	–	–	–	–
Total	380.8	386.5	418.3	426.6	3.9%	100.0%	450.5	483.7	514.1	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.9%	1.9%	1.9%	1.9%	–	–	2.0%	2.0%	2.0%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Curriculum Policy, Support and Monitoring

Programme purpose

Develop curriculum and assessment policies, and monitor and support their implementation.

Objectives

- Increase the number of learners who complete grade 12 by providing the Second Chance matric programme to learners who failed to meet the national senior certificate requirements annually.
- Improve the learning and teaching of critical foundational skills by developing, printing and distributing 2 volumes of grades 1 to 6 literacy/languages, grades 1 to 3 life skills (quintiles 1 to 3), grades 1 to 9 numeracy/mathematics, grades 1 to 6 English first additional language, and grade R workbooks to all learners in public schools each year.
- Improve learners' reading proficiency levels in the foundation phase in underperforming rural and township schools nationally using the early grade reading assessment tool to assess learners' reading levels. This will include learners' phonic knowledge, word recognition, and fluency and comprehension skills in the early grades each year.
- Fast-track the rollout and implementation of ICT in schools by providing teacher training, ICT devices, digital content, software, connectivity, IT support to schools, and online learner and teacher support material annually.
- Increase learner participation and success rates in mathematics, science and technology by providing ICT equipment, machinery, subject-specific resources and teacher development to schools each year over the medium term by:
 - supporting 300 teachers in ICT integration training
 - supplying 300 schools with subject-specific computer hardware
 - supplying 300 schools with subject-related software in accordance with the minimum specifications
 - repairing, maintaining or replacing workshop equipment and machinery for technology subjects at 200 technical schools
 - providing 200 schools with funds for the maintenance of equipment and machinery
 - providing 1 000 schools with laboratory equipment, apparatus and consumables, including manipulatives for mathematics
 - supporting 50 000 learners in co-curricular services related to mathematics, science and technology
 - supporting 1 500 teachers and subject advisers in curriculum assessment policy statement training

- supporting 1 000 teachers in structured teacher development programmes specific to mathematics, science and technology.

Subprogrammes

- *Programme Management: Curriculum Policy, Support and Monitoring* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.
- *Curriculum Implementation and Monitoring* supports and monitors the implementation of the national strategy for learner attainment framework, to monitor the quality of teaching and improve the quality of mathematics, science, technology and languages in all public schools from grades R to 12.
- *Kha Ri Gude Literacy Project* caters for illiterate learners who are 15 and older in all official languages, in all provinces. The subprogramme also caters for the disabled.
- *Curriculum and Quality Enhancement Programmes* supports programmes that enhance curriculum outcomes in the basic education system, and increases participation and success in mathematics, science and technology through structured programmes.

Expenditure trends and estimates

Table 14.10 Curriculum Policy, Support and Monitoring expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management: Curriculum Policy, Support and Monitoring	3.0	2.4	3.4	3.8	8.4%	0.2%	3.5	3.8	4.1	2.8%	0.2%
Curriculum Implementation and Monitoring	72.6	40.4	81.3	221.2	45.0%	5.9%	328.7	384.1	417.3	23.6%	17.2%
Kha Ri Gude Literacy Project	387.0	467.2	359.0	87.3	-39.1%	18.3%	7.6	7.9	8.4	-54.2%	1.4%
Curriculum and Quality Enhancement Programmes	1 222.7	1 287.7	1 383.0	1 470.8	6.4%	75.6%	1 565.2	1 614.2	1 708.2	5.1%	81.1%
Total	1 685.2	1 797.7	1 826.7	1 783.0	1.9%	100.0%	1 905.0	2 010.1	2 137.9	6.2%	100.0%
Change to 2017 Budget estimate				(18.9)			(50.3)	(101.9)	(102.3)		
Economic classification											
Current payments	1 348.2	1 479.8	1 463.4	1 342.2	-0.1%	79.4%	1 345.0	1 392.0	1 475.2	3.2%	70.9%
Compensation of employees	73.2	76.1	72.0	87.2	6.0%	4.3%	91.1	99.5	107.0	7.1%	4.9%
Goods and services ¹	1 275.1	1 403.7	1 391.4	1 255.1	-0.5%	75.1%	1 254.0	1 292.5	1 368.2	2.9%	66.0%
<i>of which:</i>											
Advertising	0.0	0.4	10.6	10.0	772.8%	0.3%	6.2	10.2	10.2	0.7%	0.5%
Agency and support/outsourced services	4.7	5.5	8.5	15.6	49.1%	0.5%	29.5	33.5	35.6	31.7%	1.5%
Inventory: Learner and teacher support material	849.2	968.7	981.5	1 035.5	6.8%	54.1%	1 091.9	1 151.0	1 213.9	5.4%	57.3%
Consumables: Stationery, printing and office supplies	33.9	23.1	52.5	27.4	-6.9%	1.9%	60.9	32.1	40.7	14.2%	2.1%
Travel and subsistence	23.0	10.3	10.6	29.7	8.8%	1.0%	16.8	15.9	17.6	-16.0%	1.0%
Operating payments	316.4	349.1	296.8	65.0	-41.0%	14.5%	17.7	11.7	7.2	-51.9%	1.3%
Transfers and subsidies¹	336.4	317.2	362.8	437.8	9.2%	20.5%	556.1	612.3	656.3	14.5%	28.9%
Provinces and municipalities	336.2	316.9	362.4	437.1	9.2%	20.5%	556.0	612.1	656.1	14.5%	28.9%
Foreign governments and international organisations	0.1	0.2	0.1	0.2	11.1%	–	0.2	0.2	0.2	4.9%	–
Households	0.1	0.1	0.2	0.5	89.5%	–	–	–	–	-100.0%	–
Payments for capital assets	0.6	0.7	0.4	3.0	68.5%	0.1%	3.9	5.8	6.4	28.8%	0.2%
Machinery and equipment	0.6	0.7	0.4	1.0	17.0%	–	0.7	0.8	1.1	4.7%	–
Software and other intangible assets	0.0	–	–	2.0	506.7%	–	3.2	5.0	5.3	37.9%	0.2%
Total	1 685.2	1 797.7	1 826.7	1 783.0	1.9%	100.0%	1 905.0	2 010.1	2 137.9	6.2%	100.0%
Proportion of total programme expenditure to vote expenditure	8.6%	8.6%	8.5%	7.8%	–	–	8.4%	8.5%	8.5%	–	–

Table 14.10 Curriculum Policy, Support and Monitoring expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	–	–	–	72.0	–	1.0%	185.5	220.8	242.9	50.0%	9.2%
Learners with profound intellectual disabilities grant	–	–	–	72.0	–	1.0%	185.5	220.8	242.9	50.0%	9.2%
Capital	336.2	316.9	362.4	365.1	2.8%	19.5%	370.5	391.3	413.3	4.2%	19.7%
Maths, science and technology grant	336.2	316.9	362.4	365.1	2.8%	19.5%	370.5	391.3	413.3	4.2%	19.7%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Teachers, Education Human Resources and Institutional Development

Programme purpose

Promote quality teaching and institutional performance through the effective supply, development and utilisation of human resources.

Objectives

- Ensure the adequate supply of qualified recruits in the system by securing posts for Funza Lushaka bursary holders, by June of the year after qualifying, in each year over the medium term.
- Improve the quality of teaching and learning by ensuring an adequate supply of young and qualified teachers through awarding 13 500 Funza Lushaka bursaries to prospective teachers in 2018/19.
- Improve the quality of teaching and learning by monitoring and supporting the implementation of the educator post provisioning policy in all provincial education departments annually.
- Enhance accountability by monitoring and supporting the implementation of educator performance management systems and school evaluations annually.

Subprogrammes

- *Programme Management: Teachers, Education Human Resources and Institutional Development* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.
- *Education Human Resources Management* is responsible for the planning, provisioning and monitoring of education human resources; the oversight and strengthening of educator performance management systems and school evaluations; and education labour relations and conditions of service.
- *Education Human Resources Development* oversees and translates the integrated strategic planning framework for teacher education and development into a wide range of teacher training programmes, collaborative professional development activities, and agreements with partners and relevant service providers. The subprogramme also coordinates activities with the national institute for curriculum and professional development to promote best practice in classroom teaching and teacher development.
- *Curriculum and Professional Development Unit* manages and develops an innovative and effective teacher development and curriculum implementation system. This entails the creation of teacher development platforms, and the evaluation and impact assessment of teacher knowledge testing tools for determining teacher needs in content and pedagogical knowledge.

Expenditure trends and estimates

Table 14.11 Teachers, Education Human Resources and Institutional Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management: Teachers, Education Human Resources and Institutional Development	1.5	2.5	2.4	3.1	27.9%	0.2%	3.1	3.4	3.6	5.5%	0.2%
Education Human Resources Management	285.5	137.2	75.8	60.1	-40.5%	11.4%	66.7	69.6	74.1	7.3%	5.1%
Education Human Resources Development	1 004.0	1 012.1	1 089.9	1 173.7	5.3%	87.2%	1 205.7	1 276.6	1 347.3	4.7%	93.5%
Curriculum and Professional Development Unit	23.5	11.7	9.2	15.2	-13.5%	1.2%	15.0	16.7	17.8	5.3%	1.2%
Total	1 314.5	1 163.5	1 177.4	1 252.1	-1.6%	100.0%	1 290.5	1 366.2	1 442.9	4.8%	100.0%
Change to 2017 Budget estimate				37.0			-	-	(0.4)		
Economic classification											
Current payments	139.0	87.9	112.3	131.0	-2.0%	9.6%	99.1	105.1	112.5	-5.0%	8.4%
Compensation of employees	62.1	69.0	71.4	68.4	3.3%	5.5%	72.2	75.3	80.9	5.8%	5.5%
Goods and services ¹	77.0	18.9	40.9	62.7	-6.6%	4.1%	27.0	29.8	31.6	-20.4%	2.8%
of which:											
Catering: Departmental activities	6.3	4.0	1.0	1.5	-38.2%	0.3%	2.1	2.2	2.3	15.3%	0.2%
Computer services	0.2	0.3	0.3	1.6	116.9%	-	1.6	1.6	1.7	2.5%	0.1%
Agency and support/outsourced services	7.6	2.6	3.9	1.4	-43.4%	0.3%	1.2	1.3	1.4	1.1%	0.1%
Consumables: Stationery, printing and office supplies	3.2	0.8	0.6	1.2	-28.1%	0.1%	1.0	1.0	1.1	-2.5%	0.1%
Travel and subsistence	32.2	8.9	19.8	27.4	-5.2%	1.8%	17.3	19.8	20.9	-8.6%	1.6%
Venues and facilities	5.2	0.2	3.5	0.7	-48.3%	0.2%	1.6	1.8	1.8	36.8%	0.1%
Transfers and subsidies¹	1 175.0	1 075.3	1 064.7	1 120.3	-1.6%	90.4%	1 190.9	1 260.7	1 330.0	5.9%	91.6%
Provinces and municipalities	213.0	66.3	-	-	-100.0%	5.7%	-	-	-	-	-
Departmental agencies and accounts	-	-	5.0	9.7	-	0.3%	16.0	20.0	21.1	29.4%	1.2%
Foreign governments and international organisations	13.9	17.7	15.7	14.7	1.9%	1.3%	15.6	16.4	17.2	5.4%	1.2%
Households	948.1	991.3	1 044.0	1 095.8	4.9%	83.1%	1 159.3	1 224.3	1 291.6	5.6%	89.2%
Payments for capital assets	0.4	0.3	0.2	0.8	27.2%	-	0.4	0.4	0.4	-19.6%	-
Machinery and equipment	0.4	0.3	0.2	0.8	27.2%	-	0.4	0.4	0.4	-19.6%	-
Payments for financial assets	-	0.1	0.2	-	-	-	-	-	-	-	-
Total	1 314.5	1 163.5	1 177.4	1 252.1	-1.6%	100.0%	1 290.5	1 366.2	1 442.9	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	6.7%	5.6%	5.5%	5.4%	-	-	5.7%	5.8%	5.7%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	947.5	991.1	1 043.6	1 095.8	5.0%	83.1%	1 159.3	1 224.3	1 291.6	5.6%	89.2%
National Student Financial Aid Scheme	947.5	991.1	1 043.6	1 095.8	5.0%	83.1%	1 159.3	1 224.3	1 291.6	5.6%	89.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	5.0	9.7	-	0.3%	16.0	20.0	21.1	29.4%	1.2%
South African Council for Educators	-	-	5.0	9.7	-	0.3%	16.0	20.0	21.1	29.4%	1.2%
Foreign governments and international organisations											
Current	13.9	17.7	15.7	14.7	1.9%	1.3%	15.6	16.4	17.2	5.4%	1.2%
United Nations Educational, Scientific and Cultural Organisation	13.8	17.6	15.6	14.6	1.8%	1.3%	15.4	16.3	17.1	5.4%	1.2%
Association for the Development of Education in Africa	0.1	0.2	0.1	0.1	8.3%	-	0.1	0.2	0.2	2.7%	-
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	213.0	66.3	-	-	-100.0%	5.7%	-	-	-	-	-
Occupational specific dispensation for education sector therapists grant	213.0	66.3	-	-	-100.0%	5.7%	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Planning, Information and Assessment

Programme purpose

Promote quality and effective service delivery in the basic education system through planning, implementation and assessment.

Objectives

- Improve the delivery of school infrastructure over the medium term by providing oversight and support to provinces through quarterly reporting on schools' furniture needs and deliveries, the national education infrastructure management system, and the *education infrastructure grant*.
- Contribute to improved teaching and learning through improving and upgrading infrastructure by 2018/19, by:
 - building 50 schools to replace unsafe structures
 - providing water to 325 schools
 - providing sanitation to 286 schools.
- Track improvements in the quality of teaching and learning by providing standardised national assessments for grade 3, 6 and 9 learners, and the administration of a credible public examination in grade 12 each year.
- Strengthen the capacity of district offices to support schools through quarterly provincial visits that monitor, evaluate and make recommendations on curriculum oversight, institutional management and governance support provided to human resource management operations.

Subprogrammes

- *Programme Management: Planning, Information and Assessment* delegates administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.
- *Financial Planning, Information and Management Systems* develops systems and procedures to support and maintain integrated education management systems based on learner record information. This is done to monitor and report on the implementation of education information policy in the basic education sector. This subprogramme also focuses on cross-cutting aspects such as resource planning, financial support, and the development and monitoring of national funding norms and standards with the provincial education departments.
- *School Infrastructure* uses funding from the *school infrastructure backlogs grant* to eradicate infrastructure backlogs. This includes replacing school buildings constructed from inappropriate materials such as mud, and providing water and sanitation to schools that do not have these facilities. The *education infrastructure grant* provides co-funding for the ongoing infrastructure programme in provinces to allow for the provision of infrastructure requirements. This includes the maintenance of existing infrastructure and the construction of new infrastructure, where required, to progressively meet the minimum norms and standards for school infrastructure.
- *National Assessments and Public Examinations* provides standardised national assessments for grade 3, 6 and 9 learners, and the regulation and standardisation of assessments through the implementation of an integrated assessment framework for grades 4 to 11; and administers credible public examinations in grade 12. This provides reliable data on learner performance to support the improvement of the quality of basic education.
- *National Education Evaluation and Development Unit* facilitates school improvement through systematic evaluation. The unit evaluates how district offices, provincial departments and the national department monitor and support schools, school governing bodies and teachers. This entails identifying critical factors that inhibit or advance the attainment of sector goals and school improvement, and making focused recommendations for addressing problem areas that undermine school improvement and the attainment of sector goals.

- *Planning and Delivery Oversight Unit* assists the department in meeting objectives by monitoring the planning and delivery of selected priorities, and assisting provinces with this. The unit works with provinces to ensure that provincial initiatives are aligned with national priorities, and provides institutional support for their effective delivery.

Expenditure trends and estimates

Table 14.12 Planning, Information and Assessment expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management: Planning, Information and Assessment	2.9	3.1	3.0	3.2	3.1%	–	3.4	3.6	3.8	6.5%	–
Financial Planning, Information and Management Systems	47.1	39.7	47.1	39.2	-6.0%	0.4%	40.2	43.1	45.1	4.8%	0.3%
School Infrastructure	9 878.1	10 985.3	11 258.0	12 232.0	7.4%	95.5%	11 398.6	11 650.9	12 446.2	0.6%	95.3%
National Assessments and Public Examinations	378.3	377.1	289.2	383.5	0.5%	3.1%	371.7	381.2	399.2	1.3%	3.1%
National Education Evaluation and Development Unit	26.3	25.6	26.2	20.9	-7.4%	0.2%	21.3	22.8	24.4	5.3%	0.2%
Planning and Delivery Oversight Unit	96.2	81.1	96.6	123.2	8.6%	0.9%	136.2	145.0	153.2	7.5%	1.1%
Total	10 428.9	11 511.9	11 720.0	12 801.9	7.1%	100.0%	11 971.3	12 246.6	13 071.8	0.7%	100.0%
Change to 2017 Budget estimate				(446.4)			(2 005.3)	(2 460.6)	(2 624.2)		
Economic classification											
Current payments	514.8	612.4	531.9	505.4	-0.6%	4.7%	489.0	505.6	504.9	–	4.0%
Compensation of employees	120.4	119.8	126.1	124.3	1.0%	1.1%	133.2	142.8	153.4	7.3%	1.1%
Goods and services ¹	394.3	492.7	405.8	381.2	-1.1%	3.6%	355.8	362.8	351.4	-2.7%	2.9%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	7.5	7.7	12.8	11.9	16.5%	0.1%	12.7	15.0	15.7	9.6%	0.1%
<i>Computer services</i>	43.6	47.9	50.7	44.2	0.4%	0.4%	50.7	53.0	54.0	6.9%	0.4%
<i>Consultants: Business and advisory services</i>	73.6	120.3	167.7	133.3	21.9%	1.1%	130.0	134.3	118.2	-3.9%	1.0%
<i>Agency and support/outsourced services</i>	37.6	48.3	16.9	52.3	11.7%	0.3%	7.3	7.8	8.0	-46.6%	0.2%
<i>Consumables: Stationery, printing and office supplies</i>	3.0	21.5	2.5	24.3	100.5%	0.1%	25.8	18.5	18.1	-9.5%	0.2%
<i>Travel and subsistence</i>	45.1	53.2	64.4	83.7	22.9%	0.5%	100.1	107.8	109.2	9.3%	0.8%
Transfers and subsidies¹	7 500.4	9 530.8	10 131.9	10 273.6	11.1%	80.6%	10 160.6	10 570.6	11 737.2	4.5%	85.3%
Provinces and municipalities	7 326.6	9 354.4	9 933.3	10 045.6	11.1%	78.9%	9 917.7	10 314.2	11 466.6	4.5%	83.3%
Departmental agencies and accounts	107.9	112.7	118.7	124.6	4.9%	1.0%	128.5	135.7	143.2	4.7%	1.1%
Foreign governments and international organisations	2.6	3.1	3.3	3.6	11.2%	–	3.3	3.5	3.7	0.9%	–
Non-profit institutions	63.0	60.0	76.1	99.4	16.4%	0.6%	111.0	117.2	123.7	7.5%	0.9%
Households	0.4	0.5	0.5	0.4	5.2%	–	–	–	–	-100.0%	–
Payments for capital assets	2 408.7	1 368.6	1 051.1	2 022.9	-5.7%	14.7%	1 321.8	1 170.4	829.8	-25.7%	10.7%
Buildings and other fixed structures	2 407.9	1 368.3	1 049.5	2 021.4	-5.7%	14.7%	1 321.0	1 169.8	829.2	-25.7%	10.7%
Machinery and equipment	0.8	0.3	1.5	1.5	22.0%	–	0.7	0.6	0.6	-25.8%	–
Payments for financial assets	5.0	0.0	5.1	–	-100.0%	–	–	–	–	–	–
Total	10 428.9	11 511.9	11 720.0	12 801.9	7.1%	100.0%	11 971.3	12 246.6	13 071.8	0.7%	100.0%
Proportion of total programme expenditure to vote expenditure	53.4%	55.4%	54.6%	55.7%	–	–	52.7%	51.9%	51.9%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	107.4	112.7	118.7	124.6	5.1%	1.0%	128.5	135.7	143.2	4.7%	1.1%
Umalusi Council for Quality Assurance in General and Further Education and Training	107.4	112.7	118.7	124.6	5.1%	1.0%	128.5	135.7	143.2	4.7%	1.1%
Foreign governments and international organisations											
Current	2.6	3.1	3.3	3.6	11.2%	–	3.3	3.5	3.7	0.9%	–
Southern and Eastern Africa Consortium for Monitoring Educational Quality	2.6	3.1	3.3	3.6	11.2%	–	3.3	3.5	3.7	0.9%	–
Non-profit institutions											
Current	63.0	60.0	76.1	99.4	16.4%	0.6%	111.0	117.2	123.7	7.5%	0.9%
National Education Collaboration Trust	63.0	60.0	76.1	99.4	16.4%	0.6%	111.0	117.2	123.7	7.5%	0.9%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Capital	7 326.6	9 354.4	9 933.3	10 045.6	11.1%	78.9%	9 917.7	10 314.2	11 466.6	4.5%	83.3%
Education infrastructure grant	7 326.6	9 354.4	9 933.3	10 045.6	11.1%	78.9%	9 917.7	10 314.2	11 466.6	4.5%	83.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Educational Enrichment Services

Programme purpose

Monitor and support provinces to implement care and support programmes for learning and teaching.

Objectives

- Reduce barriers to learning through the implementation of school sport, safety and social cohesion programmes each year over the medium term to ensure the holistic development of learners, enhance their learning experience, and maximise their school performance.
- Improve learner health and wellness through the implementation of school health programmes, including the provision of nutritious meals, to all learners in quintiles 1 to 3 primary, secondary and identified special schools annually.

Subprogrammes

- *Programme Management: Educational Enrichment Services* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.
- *Partnerships in Education* partners with stakeholders in support of education in an attempt to make education a societal issue; and manages policy, programmes and systems aimed at creating a safe and cohesive learning environment. The goal is to promote holistic learner development through facilitating sports and enrichment programmes in schools; and promote social cohesion, an understanding of human rights, gender equity, non-racism, non-sexism, and democratic and constitutional values in education in public schools and school communities.
- *Care and Support in Schools* manages policies, the provision of meals and the promotion of learner access to public services. This includes interventions that are aimed at encouraging healthy habits and alleviating poverty.

Expenditure trends and estimates

Table 14.13 Educational Enrichment Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management: Educational Enrichment Services	2.4	2.2	3.1	3.1	8.6%	–	3.3	3.6	3.9	7.6%	–
Partnerships in Education	20.5	17.7	22.0	27.5	10.3%	0.4%	27.1	30.3	32.4	5.6%	0.4%
Care and Support in Schools	5 696.6	5 916.6	6 308.6	6 699.4	5.6%	99.6%	7 074.7	7 474.7	8 000.9	6.1%	99.6%
Total	5 719.5	5 936.5	6 333.7	6 730.0	5.6%	100.0%	7 105.1	7 508.7	8 037.1	6.1%	100.0%
Change to 2017 Budget estimate				3.0			(16.3)	(17.1)	(18.8)		
Economic classification											
Current payments	44.9	41.9	49.5	58.0	8.9%	0.8%	59.3	65.6	70.1	6.5%	0.9%
Compensation of employees	32.0	30.8	33.6	37.8	5.7%	0.5%	40.7	45.1	48.5	8.7%	0.6%
Goods and services ¹	12.9	11.1	15.9	20.2	16.2%	0.2%	18.7	20.4	21.6	2.2%	0.3%
<i>of which:</i>											
Administrative fees	0.4	0.3	0.3	0.3	-11.7%	–	0.4	0.4	0.4	14.0%	–
Catering: Departmental activities	0.7	0.6	2.5	3.2	66.8%	–	1.0	1.1	1.1	-29.5%	–
Communication	0.3	0.3	0.2	0.3	6.6%	–	0.4	0.4	0.5	12.1%	–
Inventory: Learner and teacher support material	–	–	0.3	0.3	–	–	1.6	1.7	1.8	80.5%	–
Consumables: Stationery, printing and office supplies	2.0	0.5	0.8	1.7	-4.3%	–	1.8	2.2	2.4	11.3%	–
Travel and subsistence	6.2	6.2	7.7	11.4	22.8%	0.1%	12.5	13.7	14.4	8.1%	0.2%

Table 14.13 Educational Enrichment Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18					2017/18 - 2020/21	
Transfers and subsidies¹	5 674.3	5 894.2	6 284.0	6 671.7	5.5%	99.2%	7 045.4	7 442.7	7 966.6	6.1%	99.1%
Provinces and municipalities	5 674.1	5 894.1	6 283.8	6 671.6	5.5%	99.2%	7 045.3	7 442.7	7 966.5	6.1%	99.1%
Non-profit institutions	0.1	0.1	0.1	0.1	4.8%	–	0.1	0.1	0.1	6.2%	–
Households	0.2	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.4	0.1	0.2	0.3	-3.3%	–	0.4	0.4	0.5	11.1%	–
Machinery and equipment	0.3	0.1	0.2	0.3	1.6%	–	0.4	0.4	0.5	11.1%	–
Software and other intangible assets	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	–	0.2	0.0	–	–	–	–	–	–	–	–
Total	5 719.5	5 936.5	6 333.7	6 730.0	5.6%	100.0%	7 105.1	7 508.7	8 037.1	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	29.3%	28.5%	29.5%	29.3%	–	–	31.3%	31.8%	31.9%	–	–
Details of selected transfers and subsidies											
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	5 674.1	5 894.1	6 283.8	6 671.6	5.5%	99.2%	7 045.3	7 442.7	7 966.5	6.1%	99.1%
National school nutrition programme grant	5 461.9	5 685.4	6 059.7	6 426.3	5.6%	95.6%	6 802.1	7 185.7	7 695.9	6.2%	95.7%
HIV and AIDS (life skills education) grant	212.1	208.7	224.2	245.3	5.0%	3.6%	243.2	257.0	270.6	3.3%	3.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **South African Council for Educators** aims to enhance the status of the teaching profession through registering educators appropriately, managing professional development and promoting a code of ethics for all educators. The council's total budget for 2018/19 is R99.2 million.
- The **Umalusi Council for Quality Assurance in General and Further Education and Training** sets and maintains standards in general and further education and training through the development and management of the general and further education and training qualifications sub-framework. The council's total budget for 2018/19 is R180.4 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate			
				2014/15	2015/16		2016/17	2018/19	2019/20	2020/21
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
School infrastructure backlogs grant	Replace 510 schools with inappropriate infrastructure, of which 395 are mud schools; provide water to 1 120 schools, sanitation to 741 schools and electricity to 916 schools	Various	13 911.7	2 407.9	1 368.3	1 049.5	2 021.4	1 321.0	1 169.8	829.2
Infrastructure transfers to other spheres, agencies and departments										
Education infrastructure grant	Build new schools and additional educational spaces such as libraries, laboratories and administration blocks; provide basic services such as water, sanitation and electricity; upgrade and rehabilitate existing school infrastructure; maintain new and existing schools	Various	132 782.4	7 326.6	9 354.4	9 933.3	10 045.6	9 917.7	10 314.2	11 466.6
Maths, science and technology grant	31 new workshops built, 228 existing workshops refurbished, equipment delivered and installed at 300 workshops, and 4 590 technology teachers trained	Various	2 569.8	336.2	316.9	362.4	365.1	370.5	391.3	413.3
Total			149 263.8	10 070.6	11 039.7	11 345.3	12 432.1	11 609.3	11 875.3	12 709.0

Vote 15

Higher Education and Training

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	432.3	427.8	–	4.5	462.1	493.7
Planning, Policy and Strategy	80.2	76.0	3.7	0.4	86.1	93.9
University Education	59 147.1	79.1	59 067.6	0.4	73 295.7	80 666.2
Technical and Vocational Education and Training	10 739.7	6 436.5	4 302.7	0.5	12 982.5	14 585.1
Skills Development	262.6	127.8	133.8	1.0	279.8	297.0
Community Education and Training	2 358.8	2 244.2	112.7	1.9	2 532.8	2 714.7
Subtotal	73 020.6	9 391.5	63 620.5	8.6	89 639.1	98 850.7
Direct charge against the National Revenue Fund						
Sector Education and Training Authorities	13 543.5	–	13 543.5	–	14 639.6	15 855.6
National Skills Fund	3 385.9	–	3 385.9	–	3 659.9	3 963.9
Total expenditure estimates	89 950.0	9 391.5	80 549.9	8.6	107 938.5	118 670.1
Executive authority	Minister of Higher Education and Training					
Accounting officer	Director General of Higher Education and Training					
Website address	www.dhet.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Develop and support a quality higher and vocational education sector. Promote access to higher education, vocational education, and skills development training opportunities.

Mandate

The Department of Higher Education and Training derives its mandate from:

- the Higher Education Act (1997), which provides for a unified national system of higher education
- the National Student Financial Aid Scheme Act (1999), which provides for the granting of loans and bursaries to eligible students attending public higher education and training institutions, and the subsequent administration of such loans and bursaries
- the Continuing Education and Training Colleges Act (2006), which provides for the regulation of continuing education and training, the establishment of governance structures for and the funding of public technical and vocational education and training (TVET) colleges and community education and training colleges, the registration of private colleges, and the promotion of quality in continuing education and training
- the Skills Development Levies Act (1999), which provides for the imposition of skills development levies
- the Skills Development Act (2008), which enables the creation of the National Skills Agency; the establishment of the Quality Council for Trades and Occupations; and the regulation of apprenticeships, learnerships and other matters relating to skills development
- the National Qualifications Framework Act (2008), which provides for the national qualifications framework, the South African Qualifications Authority and quality councils, for the issuing and quality assurance of qualifications required on the sub-frameworks of the national qualifications framework.

Selected performance indicators

Table 15.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of students enrolled in higher education institutions per year ¹	University Education	Outcome 5: A skilled and capable workforce to support an inclusive growth path	969 155	985 212	1 035 000 ²	1 041 000	1 062 000	1 080 000	1 100 000
Number of doctoral graduates from universities per year	University Education		2 051	2 258	2 530	2 300	2 700	2 800	2 960
Number of postgraduate graduates per year	University Education		50 773	49 863	51 051	54 000	55 000	57 000	58 600
Number of first-year students in foundation programmes per year	University Education		17 960	19 212	20 942	34 000	37 000	39 000	24 500 ²
Number of graduates in initial teacher education from universities per year	University Education		16 808	19 124	20 698	19 400	18 600	19 600	23 300
Number of headcount enrolments in TVET colleges per year ¹	Technical and Vocational Education and Training		702 383	737 880	753 013 ³	710 535	710 535	710 535	710 535
Number of qualifying students in TVET colleges receiving financial assistance per year	Technical and Vocational Education and Training		228 642	298 457	225 557	230 086	234 669	239 362	244 150
Percentage of public TVET college examination centres conducting national examinations and assessments evaluated	Technical and Vocational Education and Training		- ⁴	87% (1 079/1 240)	- ⁵	100%	100%	100%	100%
Number of monitoring and evaluation reports on TVET colleges approved per year	Technical and Vocational Education and Training		- ⁴	2	2	2	2	2	2
Number of new artisans registered for training each year	Skills Development		28 301	28 640	30 814	31 750	32 750	33 750	34 750
Number of artisan learners qualified each year	Skills Development		14 389	16 114	21 188	22 110	23 110	24 000	25 000
Number of work-based learning opportunities created per year	Skills Development		110 164	118 582	148 517	130 000	135 000	140 000	140 000
Number of headcount enrolments in community education and training colleges per year ¹	Community Education and Training		275 268	283 602	- ⁵	320 000	330 000	340 000	350 000
Percentage of certification rate per year in the general education and training certificate	Community Education and Training		- ⁴	- ⁴	- ⁵	38%	40%	45%	47%

1. Corrections have been attributed to the delay in reporting on the number of enrolments at universities headcount enrolment numbers, and to past TVET enrolment numbers revised in line with official statistics.

2. Decrease due to a decision taken by the previous minister that the department will no longer fund the University of South Africa for its foundation provision programme because the university does not have any extended curriculum programmes approved by the department.

3. Not yet verified.

4. No historical data available.

5. Audited data not yet available.

Expenditure analysis

The National Development Plan (NDP) and outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework envisage that, by 2030, South Africans should have access to post-school education and training of the highest quality, leading to significant improvements in what learners know and can do on completion of their education or training. In line with this, the department will, over the medium term, focus on supporting the post-school education and training system by expanding access to universities and TVET colleges and improving their performance, improving the development of artisans, and strengthening the management and governance of community education and training colleges.

Cabinet approved budget reductions of R28.2 million in the department's *Administration* programme over the medium term will be accommodated through cost containment measures on various goods and services items such as minor assets, outsourced services, travel and subsistence, computer services, and operating payments.

Expanding access to universities and increasing student financial aid

Expanding the higher education system to produce mid- to high-level skills is an ongoing pursuit. The number of students enrolled in higher education institutions is projected to reach 1.1 million in 2020/21, moving towards the NDP's target of 1.6 million enrolments by 2030. Transfers and subsidies to universities for operations and capital projects account for the bulk of the department's spending, increasing from R31.6 billion in 2017/18 to a projected R45.1 billion in 2020/21, at an average annual rate of 12.6 per cent. This increase is due an additional R11.3 billion that government has allocated to university subsidies over the medium term following the president's response to the commission of inquiry into higher education and training. This allocation is expected to cover the 8 per cent tuition fee increase in the 2018 academic year for undergraduate students from families with a combined annual income of between R350 000 and R600 000, and ensure that university operating costs are adequately covered. These transfers are made in the *University Education* programme, and include transfers for student financial aid.

Allocations to the National Student Financial Aid Scheme are set to increase at an average annual rate of 51.6 per cent, from R10.1 billion in 2017/18 to R35.3 billion in 2020/21. This significant increase is due to an additional allocation of R43.4 billion for the scheme over the MTEF period for the gradual phasing in of fee free higher education and training for the poor and working class. The provision of fully subsidised fee free higher education and training will be extended to all current and future undergraduate university and TVET college students from poor and working class families with a combined annual income of up to R350 000. This will begin in 2018 with students in their first year of study, and extend to second, third and fourth year students in subsequent years. These students will have their full cost of study (tuition fees, prescribed study material, meals, accommodation and/or transport) fully subsidised by government. This additional funding will increase the number of undergraduate university students to be supported by the scheme from 230 469 in 2017/18 to an estimated 1 123 212 over the medium term, and the number of TVET college students from 230 068 in 2017/18 to 1 137 204 over the same period. Also included in this additional allocation to the scheme is R105 million over the MTEF period towards the administration costs of the new bursary arrangements.

Expanding access to and improving the performance of TVET colleges

The NDP mandates the department to expand access to skills programmes that address the labour market's need for intermediate skills that include a practical component. Over the medium term, the department will continue to focus on expanding skills training, work opportunities and work placements for artisans. Funding constraints and a focus on improving the quality of teaching and learning at public TVET colleges is expected to result in the number of enrolments remaining constant at 710 535 per year over the medium term.

Transfers and subsidies to TVET colleges, made in the *Technical and Vocational Education and Training* programme, are expected to increase at an average annual rate of 66 per cent, from R1.5 billion in 2017/18 to R6.8 billion in 2020/21. Driving this significant increase is R4.4 billion over the same period for the introduction of TVET infrastructure baseline funding to refurbish campus buildings, purchase workshop equipment and maintain facilities. Due to additional allocations of R12.5 billion over the medium term, transfers and subsidies to TVET college are set to increase government funding from the current 54 per cent of total TVET programme costs to the 80 per cent by 2022/23 prescribed by the national norms and standards for funding TVET colleges. Included in these subsidies are additional allocations approved by Cabinet of R400 million in 2019/20 and R422 million in 2020/21 for the operationalisation of the 3 new TVET college campuses; and R161.9 million in 2019/20 and R290.1 million in 2020/21 for the TVET college examination services function.

In addition to these subsidies, the improved performance of TVET colleges will also be supported through partnerships with sector education and training authorities and funding from the National Skills Fund for initiatives such as infrastructure development and the provision of bursaries. This combined support is expected to contribute to an increase in the number of artisan learners qualifying from 22 110 in 2017/18 to 25 000 in 2020/21. In its efforts to improve the skills of lecturers and the performance of students, the department will develop and implement a teaching and learning support plan for TVET colleges, and ensure that all public TVET college examination centres conducting national examinations and assessments are evaluated each year over the MTEF period.

Spending on compensation of employees accounts for an estimated 58.4 per cent (R6.3 billion) of the *Technical and Vocational Education and Training* programme's budget of R10.7 billion in 2018/19, increasing at an average annual rate of 7.6 per cent over the medium term. This programme accounts for 51 per cent (more than 16 000) of all departmental personnel.

Developing artisans

Over the medium term, the department also aims to improve the public skills development system by managing the performance of service level agreements with sector education and training authorities more effectively, and by providing funding to trade institutions and quality assurance institutions for occupational qualifications. These institutions play a pivotal role in ensuring that the increasing number of qualified artisans and the creation of more work-based learning opportunities for university and TVET college students meet the requisite quality standards. In line with the NDP's objective of increasing the number of skilled individuals in the country, the number of qualified artisans is projected to increase from 22 110 in 2017/18 to 25 000 in 2020/21, and the number of work-based learning opportunities created from 130 000 to 140 000 over the same period.

The skills development levy is transferred directly to sector education and training authorities and the National Skills Fund, and is projected to increase at an average annual rate of 7.9 per cent, from R15.8 billion in 2017/18 to R19.8 billion in 2020/21. Sector education and training authorities offer skills programmes, learnerships, internships and apprenticeships, whereas the National Skills Fund provides funding for various skills development projects and bursaries for universities and TVET college programmes. An estimated 4 200 learners and 4 200 workers are expected to benefit from the fund over the medium term. Allocations for strengthening the monitoring and evaluation of service level agreements with sector education and training authorities and other relevant institutions are in the *Skills Development* programme, which has a total budget of R839.4 million over the medium term.

Strengthening the management and governance of community education and training colleges

Community education and training colleges also fall within the realm of higher education, and primarily target youths and adults who did not complete or attend school. In line with the NDP's vision, the department will aim to expand the sub-sector. It is projected that enrolments at these institutions will increase steadily from 320 000 learners in 2017/18 to 350 000 learners in 2020/21.

In contributing to improved governance and performance, previously developed regulations and policies for community education and training colleges will be implemented over the medium term, and annual oversight reports will be produced to monitor and evaluate their performance. Expenditure in the *Community Education and Training* programme is expected to increase at an average annual rate of 7.3 per cent, from R2.2 billion in 2017/18 to R2.7 billion in 2020/21. Expenditure on compensation of employees accounts for a projected 92.6 per cent of the programme's budget, increasing at an average annual rate of 7.5 per cent, from R2.2 billion in 2018/19 to R2.5 billion in 2020/21. About 46 per cent of the department's personnel, mainly community education and training educators, are in this programme, in 3 276 community learning centres throughout the country.

Expenditure trends

Table 15.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Planning, Policy and Strategy														
3. University Education														
4. Technical and Vocational Education and Training														
5. Skills Development														
6. Community Education and Training														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	217.1	285.7	234.1	318.3	359.5	346.8	373.7	372.7	372.7	403.4	400.4	400.4	103.2%	95.5%
Programme 2	48.8	91.7	45.7	54.8	58.3	52.0	71.5	71.6	56.8	73.3	68.3	68.3	89.7%	76.9%
Programme 3	30 448.0	30 443.7	30 484.2	32 844.3	32 847.4	32 898.6	39 531.6	39 532.5	39 515.7	41 943.5	41 931.7	41 931.7	100.0%	100.1%
Programme 4	6 311.2	6 208.2	6 304.5	6 604.2	6 642.4	6 604.8	6 917.2	6 960.2	7 030.0	7 408.2	7 460.2	7 460.2	100.6%	100.5%
Programme 5	110.6	106.3	132.0	204.5	112.6	216.7	224.5	181.4	180.6	244.3	249.4	249.4	99.3%	119.9%
Programme 6	1 852.8	1 852.8	1 853.1	1 911.5	1 859.9	1 824.4	2 069.7	2 069.8	1 981.7	2 234.9	2 197.7	2 197.7	97.4%	98.5%
Subtotal	38 988.5	38 988.5	39 053.5	41 937.8	41 880.1	41 943.4	49 188.3	49 188.3	49 137.6	52 307.6	52 307.6	52 307.6	100.0%	100.0%
Direct charge against the National Revenue Fund	13 440.0	13 200.0	13 838.8	14 690.0	15 156.4	15 156.4	17 639.6	15 462.2	15 233.0	16 641.5	15 770.6	15 770.6	96.1%	100.7%
Sector education and training authorities	10 752.6	10 560.6	11 071.0	11 752.7	12 125.9	12 125.9	14 112.5	12 370.5	12 199.9	13 313.2	12 616.4	12 616.4	96.2%	100.7%
National Skills Fund	2 687.4	2 639.4	2 767.8	2 937.3	3 030.5	3 030.5	3 527.1	3 091.7	3 033.1	3 328.3	3 154.1	3 154.1	96.0%	100.6%
Total	52 428.5	52 188.5	52 892.3	56 627.8	57 036.6	57 099.8	66 827.9	64 650.4	64 370.6	68 949.1	68 078.2	68 078.2	99.0%	100.2%
Change to 2017 Budget estimate	(870.9)													
Economic classification														
Current payments	5 363.7	5 272.9	7 408.1	7 801.2	7 696.2	7 531.3	8 215.2	7 948.3	7 883.2	8 845.8	8 669.6	8 669.6	104.2%	106.4%
Compensation of employees	5 179.7	5 033.6	7 139.8	7 308.2	7 317.2	7 166.4	7 839.9	7 573.7	7 516.6	8 425.4	8 282.3	8 282.3	104.7%	106.7%
Goods and services	184.0	239.4	268.3	493.0	379.0	364.9	375.3	374.6	366.6	420.4	387.3	387.3	94.2%	100.5%
Transfers and subsidies	47 061.1	46 910.5	45 478.5	48 814.3	49 330.0	49 506.4	58 605.0	56 694.5	56 477.4	60 094.2	59 399.0	59 399.0	98.3%	99.3%
Departmental agencies and accounts	19 699.9	19 459.9	20 124.5	21 363.8	21 768.3	21 839.4	29 255.7	27 077.9	26 819.2	27 043.3	26 172.4	26 172.4	-	-
Higher education institutions	24 155.1	24 155.1	24 195.3	26 243.2	26 243.2	26 297.1	27 964.8	27 964.8	27 964.6	31 606.8	31 580.5	31 580.5	100.1%	100.1%
Foreign governments and international organisations	2.9	2.9	3.0	3.2	3.2	2.6	3.3	2.9	2.6	3.5	3.5	3.5	90.9%	94.0%
Non-profit institutions	3 203.2	3 193.2	1 155.5	1 204.1	1 315.0	1 362.0	1 381.2	1 641.2	1 673.0	1 440.6	1 634.6	1 634.6	80.6%	74.8%
Households	-	99.3	0.2	-	0.4	5.3	-	7.6	18.0	-	8.1	8.1	-	27.4%
Payments for capital assets	3.7	5.1	5.7	12.3	10.4	10.2	7.7	7.7	9.9	9.1	9.6	9.6	107.6%	108.2%
Machinery and equipment	3.7	5.1	5.7	12.3	10.4	10.1	7.7	7.7	9.9	9.1	7.8	7.8	101.9%	108.2%
Software and other intangible assets	-	-	-	-	-	0.1	-	-	0.1	-	1.7	1.7	-	109.9%
Payments for financial assets	-	-	0.0	-	-	51.9	-	-	0.1	-	-	-	-	-
Total	52 428.5	52 188.5	52 892.3	56 627.8	57 036.6	57 099.8	66 827.9	64 650.4	64 370.6	68 949.1	68 078.2	68 078.2	99.0%	100.2%

Expenditure estimates

Table 15.3 Vote expenditure estimates by programme and economic classification

Programmes												
1. Administration												
2. Planning, Policy and Strategy												
3. University Education												
4. Technical and Vocational Education and Training												
5. Skills Development												
6. Community Education and Training												
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)				
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21					
Programme 1	400.4	11.9%	0.6%	432.3	462.1	493.7	7.2%	0.5%				
Programme 2	68.3	-9.4%	0.1%	80.2	86.1	93.9	11.2%	0.1%				
Programme 3	41 931.7	11.3%	59.7%	59 147.1	73 295.7	80 666.2	24.4%	66.3%				
Programme 4	7 460.2	6.3%	11.3%	10 739.7	12 982.5	14 585.1	25.0%	11.9%				
Programme 5	249.4	32.9%	0.3%	262.6	279.8	297.0	6.0%	0.3%				
Programme 6	2 197.7	5.9%	3.2%	2 358.8	2 532.8	2 714.7	7.3%	2.5%				
Subtotal	52 307.6	10.3%	75.3%	73 020.6	89 639.1	98 850.7	23.6%	81.6%				

Table 15.3 Vote expenditure estimates by programme and economic classification

Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2019/20	2020/21		
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Direct charge against the National Revenue Fund	15 770.6	6.1%	24.7%	16 929.4	18 299.5	19 819.5	7.9%	18.4%
Sector education and training authorities	12 616.4	6.1%	19.8%	13 543.5	14 639.6	15 855.6	7.9%	14.7%
National Skills Fund	3 154.1	6.1%	4.9%	3 385.9	3 659.9	3 963.9	7.9%	3.7%
Total	68 078.2	9.3%	100.0%	89 950.0	107 938.5	118 670.1	20.3%	100.0%
Change to 2017 Budget estimate				12 348.9	25 318.2	29 531.0		
Economic classification								
Current payments	8 669.6	18.0%	13.0%	9 391.5	10 370.7	11 133.7	8.7%	10.3%
Compensation of employees	8 282.3	18.1%	12.4%	8 957.0	9 637.7	10 360.5	7.7%	9.7%
Goods and services	387.3	17.4%	0.6%	434.5	733.0	773.2	25.9%	0.6%
Transfers and subsidies	59 399.0	8.2%	87.0%	80 549.9	97 558.5	107 526.5	21.9%	89.7%
Departmental agencies and accounts	26 172.4	10.4%	39.2%	37 533.0	49 413.2	55 440.8	28.4%	43.8%
Higher education institutions	31 580.5	9.3%	45.4%	38 559.0	42 237.9	45 102.2	12.6%	40.9%
Foreign governments and international organisations	3.5	6.2%	0.0%	3.7	3.9	4.1	5.6%	0.0%
Non-profit institutions	1 634.6	-20.0%	2.4%	4 454.2	5 903.5	6 979.4	62.2%	4.9%
Households	8.1	-56.7%	0.0%	-	-	-	-100.0%	0.0%
Payments for capital assets	9.6	23.6%	0.0%	8.6	9.3	9.9	1.2%	0.0%
Machinery and equipment	7.8	15.7%	0.0%	8.5	9.1	9.8	7.8%	0.0%
Software and other intangible assets	1.7	-	0.0%	0.2	0.2	0.1	-61.3%	0.0%
Total	68 078.2	9.3%	100.0%	89 950.0	107 938.5	118 670.1	20.3%	100.0%

Expenditure trends and estimates for significant spending items

Table 15.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Subsidies: Community education and training colleges	-	91 758	98 053	103 898	-	0.2%	109 924	116 080	122 464	5.6%	0.1%
Subsidies: Technical and vocational education and training colleges	1 148 072	1 262 521	1 566 747	1 495 749	9.2%	3.0%	4 287 538	5 768 665	6 837 112	66.0%	5.9%
Subsidies: Higher education institutions	24 195 293	26 297 074	27 964 560	31 606 841	9.3%	60.3%	38 597 859	42 237 891	45 102 225	12.6%	50.2%
National Student Financial Aid Scheme	6 138 832	6 448 551	11 392 674	10 143 091	18.2%	18.7%	20 334 391	30 829 474	35 321 406	51.6%	30.8%
Compensation of employees: Technical and vocational education and training	1 774 703	1 712 348	1 850 581	2 029 783	4.6%	4.0%	2 183 023	2 347 452	2 519 480	7.5%	2.9%
Sector education and training authorities	5 097 809	5 119 809	5 289 339	5 822 490	4.5%	11.7%	6 276 197	6 753 374	7 263 108	7.6%	8.3%
Sector education and training authorities ¹	11 071 025	12 125 894	12 199 864	12 616 443	4.5%	-	13 543 507	14 639 578	15 855 564	7.9%	-
National Skills Fund ¹	2 767 773	3 030 539	3 033 145	3 154 111	4.5%	-	3 385 876	3 659 894	3 963 890	7.9%	-
Total	52 193 507	56 088 494	63 394 963	66 972 406	54.8%	97.9%	88 718 315	106 352 408	116 985 249	166.7%	98.2%

1. This item is a direct charge against the National Revenue Fund, and is spent in terms of a statute and is not budgeted for in any programme of the vote. Hence it is shown as a separate item and is not included in the vote's appropriated total.

Goods and services expenditure trends and estimates

Table 15.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Administrative fees	231	1 024	1 084	1 127	69.6%	0.2%	1 338	114 535	1 504	10.1%	5.1%
Advertising	2 705	3 175	5 105	3 592	9.9%	1.1%	4 238	4 437	4 687	9.3%	0.7%
Minor assets	667	2 725	1 867	5 269	99.2%	0.8%	2 152	2 221	2 405	-23.0%	0.5%
Audit costs: External	8 101	9 525	11 181	15 245	23.5%	3.2%	19 924	21 288	22 684	14.2%	3.4%

Table 15.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Bursaries: Employees	376	2 529	272	308	-6.4%	0.3%	799	843	875	41.6%	0.1%
Catering: Departmental activities	1 501	2 138	3 551	1 247	-6.0%	0.6%	4 864	5 410	6 087	69.6%	0.8%
Communication	13 454	8 264	8 761	11 577	-4.9%	3.0%	13 243	18 819	19 485	19.0%	2.7%
Computer services	38 193	65 030	85 136	47 733	7.7%	17.0%	53 987	76 610	89 418	23.3%	11.5%
Consultants: Business and advisory services	1 729	4 026	3 284	15 297	106.8%	1.8%	8 436	8 890	9 326	-15.2%	1.8%
Legal services	3 236	1 972	9 405	5 287	17.8%	1.4%	5 029	5 303	5 598	1.9%	0.9%
Contractors	1 338	12 075	2 167	390	-33.7%	1.2%	302	341	358	-2.8%	0.1%
Agency and support/outsourced services	4 432	17 061	14 597	2 316	-19.5%	2.8%	906	940	986	-24.8%	0.2%
Entertainment	62	52	38	106	19.6%	-	113	119	126	5.9%	-
Fleet services (including government motor transport)	974	1 287	1 111	1 268	9.2%	0.3%	2 254	1 947	2 025	16.9%	0.3%
Inventory: Clothing material and accessories	100	-	-	125	7.7%	-	370	192	211	19.1%	-
Inventory: Farming supplies	33	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Food and food supplies	366	-	74	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	11	-	-	413	234.9%	-	212	272	285	-11.6%	0.1%
Inventory: Materials and supplies	2 991	-	2 080	2 821	-1.9%	0.6%	4 189	4 019	4 213	14.3%	0.7%
Inventory: Medical supplies	-	-	-	-	-	-	20	25	23	-	-
Inventory: Other supplies	2	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	2 164	6 345	3 032	4 004	22.8%	1.1%	4 887	11 369	11 068	40.3%	1.3%
Consumables: Stationery, printing and office supplies	13 931	35 931	30 391	63 317	65.6%	10.3%	46 516	57 732	60 589	-1.5%	9.8%
Operating leases	10 640	3 347	5 256	9 287	-4.4%	2.1%	13 421	24 188	29 920	47.7%	3.3%
Rental and hiring	112	1 220	101	3 855	225.3%	0.4%	3 765	3 895	4 062	1.8%	0.7%
Property payments	36 891	70 070	59 100	60 736	18.1%	16.3%	69 230	72 867	76 509	8.0%	12.0%
Transport provided: Departmental activity	82	1 234	5 329	3 550	251.1%	0.7%	2 459	2 765	3 499	-0.5%	0.5%
Travel and subsistence	106 493	88 619	84 373	91 252	-5.0%	26.7%	109 029	216 537	325 315	52.8%	31.9%
Training and development	5 515	2 446	2 536	16 231	43.3%	1.9%	48 089	50 890	53 343	48.7%	7.2%
Operating payments	4 971	14 651	15 636	12 437	35.8%	3.4%	12 990	24 716	35 161	41.4%	3.7%
Venues and facilities	7 044	10 158	11 100	8 547	6.7%	2.7%	1 765	1 854	3 466	-26.0%	0.7%
Total	268 345	364 904	366 567	387 337	13.0%	100.0%	434 527	733 024	773 228	25.9%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 15.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	221	5 316	17 968	7 996	230.7%	-	-	-	-	-100.0%	-
Employee social benefits	221	5 316	17 968	7 987	230.6%	-	-	-	-	-100.0%	-
Education, Training and Development Practices Sector Education and Training Authority	-	-	-	9	-	-	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	20 124 503	21 839 389	26 819 212	26 172 369	9.2%	45.0%	37 532 974	49 413 225	55 440 766	28.4%	48.9%
Employee social benefits	-	357	593	-	-	-	-	-	-	-	-
Public Service Sector Education and Training Authority	26 009	93 843	55 737	103 760	58.6%	0.1%	106 425	112 304	118 516	4.5%	0.1%
Education, Training and Development Practices Sector Education and Training Authority	-	22 781	16 238	15 158	-	-	17 949	18 957	19 991	9.7%	-
National Student Financial Aid Scheme	6 138 832	6 448 551	11 392 674	10 143 091	18.2%	16.2%	20 334 391	30 829 474	35 321 406	51.6%	28.0%
Council on Higher Education	42 689	40 819	40 928	47 946	3.9%	0.1%	50 727	53 568	56 514	5.6%	0.1%
South African Qualifications Authority	55 008	54 757	56 895	64 940	5.7%	0.1%	66 719	70 473	74 349	4.6%	0.1%
Quality Council for Trades and Occupations	23 167	21 848	23 138	26 920	5.1%	-	27 380	28 977	30 535	4.3%	-
Sector education and training authorities	11 071 025	12 125 894	12 199 864	12 616 443	4.5%	22.8%	13 543 507	14 639 578	15 855 565	7.9%	16.4%
National Skills Fund	2 767 773	3 030 539	3 033 145	3 154 111	4.5%	5.7%	3 385 876	3 659 894	3 963 890	7.9%	4.1%

Table 15.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Non-profit institutions											
Current	1 155 492	1 362 040	1 672 972	1 634 551	12.3%	2.8%	4 454 218	5 903 526	6 979 389	62.2%	5.5%
Universities South Africa	7 420	7 761	8 172	8 581	5.0%	-	17 919	18 781	19 813	32.2%	-
Technical and Vocational Education and Training colleges	1 148 072	1 262 521	1 566 747	1 495 749	9.2%	2.6%	4 287 538	5 768 665	6 837 112	66.0%	5.3%
Community Education and Training colleges	-	91 758	98 053	103 898	-	0.1%	109 924	116 080	122 464	5.6%	0.1%
National Institute for the Humanities and Social Sciences	-	-	-	26 323	-	-	38 837	-	-	-100.0%	-
Households											
Other transfers to households											
Current	-	-	-	75	-	-	-	-	-	-100.0%	-
Employee social benefits	-	-	-	75	-	-	-	-	-	-100.0%	-
Foreign governments and international organisations											
Current	2 983	2 588	2 648	3 489	5.4%	-	3 691	3 898	4 112	5.6%	-
India-Brazil-South Africa Trilateral Commission	551	-	-	553	0.1%	-	585	618	652	5.6%	-
Commonwealth of Learning	2 432	2 588	2 648	2 936	6.5%	-	3 106	3 280	3 460	5.6%	-
Higher education institutions											
Current	21 482 293	22 991 096	24 563 055	28 056 486	9.3%	46.0%	34 866 933	38 351 285	41 018 870	13.5%	41.2%
University subsidies	21 323 293	22 790 082	24 272 626	27 695 750	9.1%	45.6%	34 311 340	37 671 160	40 225 237	13.2%	40.5%
University of Mpumalanga	102 345	58 111	186 585	212 611	27.6%	0.3%	324 398	375 841	440 498	27.5%	0.4%
Sol Plaatje University	56 655	142 903	103 844	148 125	37.8%	0.2%	231 195	304 284	353 135	33.6%	0.3%
Capital	2 713 000	3 305 978	3 401 505	3 524 032	9.1%	6.1%	3 692 089	3 886 606	4 083 355	5.0%	4.4%
University subsidies	2 213 000	1 985 978	2 348 505	2 545 550	4.8%	4.3%	2 691 547	2 842 241	2 981 550	5.4%	3.2%
University of the Witwatersrand:	500 000	1 320 000	-	-	-100.0%	0.9%	-	-	-	-	-
University of Mpumalanga and Sol Plaatje University	-	-	673 920	624 552	-	0.6%	638 508	665 948	700 570	3.9%	0.8%
University of Mpumalanga	-	-	379 080	353 930	-	0.3%	362 034	378 417	401 235	4.3%	0.4%
Sol Plaatje University	-	-	-	-	-	-	-	-	-	-	-
Total	45 478 492	49 506 407	56 477 360	59 398 998	9.3%	100.0%	80 549 905	97 558 540	107 526 492	21.9%	100.0%

Personnel information

Table 15.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Planning, Policy and Strategy																			
3. University Education																			
4. Technical and Vocational Education and Training																			
5. Skills Development																			
6. Community Education and Training																			
	Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2017/18 - 2020/21	Average: Salary level/Total (%)			
			2016/17		2017/18		2018/19		2019/20		2020/21								
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Higher Education and Training	36 898	151	32 711	7 516.6	0.2	33 391	8 282.3	0.2	33 458	8 957.0	0.3	33 464	9 637.7	0.3	33 357	0 360.5	0.3	-0.0%	100.0%
Salary level																			
1 - 6	9 666	-	9 168	1 900.4	0.2	9 561	2 156.8	0.2	9 579	2 330.6	0.2	9 579	2 516.8	0.3	9 480	2 687.8	0.3	-0.3%	28.6%
7 - 10	9 353	1	9 149	3 414.4	0.4	9 332	3 780.6	0.4	9 346	4 084.9	0.4	9 346	4 411.3	0.5	9 346	4 763.9	0.5	0.0%	28.0%
11 - 12	628	-	559	408.3	0.7	613	501.6	0.8	624	550.8	0.9	624	594.9	1.0	624	642.4	1.0	0.6%	1.9%
13 - 16	189	-	149	158.0	1.1	175	199.7	1.1	187	228.0	1.2	187	243.9	1.3	187	260.9	1.4	2.2%	0.6%
Other	17 062	150	13 686	1 635.4	0.1	13 710	1 643.6	0.1	13 722	1 762.7	0.1	13 728	1 870.8	0.1	13 720	2 005.5	0.1	0.0%	41.1%
Programme	36 898	151	32 711	7 516.6	0.2	33 391	8 282.3	0.2	33 458	8 957.0	0.3	33 464	9 637.7	0.3	33 357	0 360.5	0.3	-0.0%	100.0%
Programme 1	535	74	495	196.8	0.4	528	219.2	0.4	552	248.0	0.4	553	267.4	0.5	545	287.5	0.5	1.1%	1.6%
Programme 2	93	22	85	44.4	0.5	106	54.8	0.5	125	65.9	0.5	127	71.0	0.6	127	76.5	0.6	6.2%	0.4%
Programme 3	102	5	77	45.9	0.6	83	53.4	0.6	101	72.1	0.7	104	77.9	0.7	104	83.9	0.8	7.8%	0.3%
Programme 4	17 127	33	16 552	5 289.3	0.3	17 077	5 822.5	0.3	17 077	6 276.2	0.4	17 077	6 753.4	0.4	16 978	7 263.1	0.4	-0.2%	51.0%
Programme 5	292	13	250	89.6	0.4	266	102.7	0.4	272	111.7	0.4	272	120.5	0.4	272	130.1	0.5	0.7%	0.8%
Programme 6	18 749	4	15 252	1 850.6	0.1	15 331	2 029.8	0.1	15 331	2 183.0	0.1	15 331	2 347.5	0.2	15 331	2 519.5	0.2	-	45.9%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 15.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
R thousand	11 594	15 444	25 549	29 065	29 065	35.8%	100.0%	15 864	16 217	16 324	-17.5%	100.0%
Departmental receipts	5 634	8 983	10 218	10 251	10 251	22.1%	43.0%	11 290	11 851	12 138	5.8%	58.8%
Sales of goods and services produced by department												
Sales of market establishments of which:	404	3 534	4 459	4 042	4 042	115.5%	15.2%	4 780	5 019	5 270	9.2%	24.7%
Academic services: Temporary accommodation	223	218	212	214	214	-1.4%	1.1%	307	322	338	16.5%	1.5%
Sale of assets less than R5 000	–	–	–	13	13	–	–	14	15	16	7.2%	0.1%
Commission	181	3 316	4 247	3 815	3 815	176.2%	14.2%	4 459	4 682	4 916	8.8%	23.1%
Administrative fees of which:	4 465	4 657	4 989	5 381	5 381	6.4%	23.9%	5 567	5 846	5 838	2.8%	29.2%
Exams	1 557	2 338	2 438	1 365	1 365	-4.3%	9.4%	2 560	2 688	2 522	22.7%	11.8%
Trade test fee	2 767	2 270	2 119	2 752	2 752	-0.2%	12.1%	2 744	2 881	3 025	3.2%	14.7%
Universities	90	49	48	476	476	74.2%	0.8%	50	53	56	-51.0%	0.8%
Further education and training	3	–	12	788	788	540.4%	1.0%	213	224	235	-33.2%	1.9%
Sports and club facilities/ Sale of tender documents	48	–	372	–	–	-100.0%	0.5%	–	–	–	–	–
Other sales of which:	765	792	770	828	828	2.7%	3.9%	943	986	1 030	7.5%	4.9%
Boarding fees	134	122	67	124	124	-2.6%	0.5%	151	159	167	10.4%	0.8%
Parking	21	67	100	98	98	67.1%	0.4%	100	100	100	0.7%	0.5%
Sale of meals and refreshments	201	195	183	186	186	-2.6%	0.9%	192	202	212	4.5%	1.0%
Rental	409	408	420	420	420	0.9%	2.0%	500	525	551	9.5%	2.6%
Sales of scrap, waste, arms and other used current goods of which:	17	15	44	158	158	110.3%	0.3%	37	39	41	-36.2%	0.4%
Waste paper	17	15	44	158	158	110.3%	0.3%	37	39	41	-36.2%	0.4%
Interest, dividends and rent on land	3 343	3 791	3 433	4 426	4 426	9.8%	18.4%	3 124	2 843	2 587	-16.4%	16.8%
Interest	3 343	3 791	3 433	4 426	4 426	9.8%	18.4%	3 124	2 843	2 587	-16.4%	16.8%
Sales of capital assets	15	172	–	–	–	-100.0%	0.2%	–	–	–	–	–
Transactions in financial assets and liabilities	2 585	2 483	11 854	14 230	14 230	76.6%	38.2%	1 413	1 484	1 558	-52.2%	24.1%
Total	11 594	15 444	25 549	29 065	29 065	35.8%	100.0%	15 864	16 217	16 324	-17.5%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 15.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	32.4	39.7	39.6	34.9	2.5%	10.8%	38.9	41.4	45.8	9.5%	9.0%
Ministry	32.4	39.7	39.6	34.9	2.5%	10.8%	38.9	41.4	45.8	9.5%	9.0%
Department Management	38.4	51.2	56.3	45.8	6.0%	14.2%	52.0	55.8	59.8	9.3%	11.9%
Corporate Services	80.2	126.4	143.1	162.4	26.5%	37.8%	168.7	180.6	192.4	5.8%	39.4%
Office of the Chief Financial Officer	40.5	55.7	66.4	83.7	27.4%	18.2%	91.2	98.1	104.9	7.8%	21.1%
Internal Audit	6.1	6.7	9.0	9.9	17.6%	2.3%	13.6	14.5	15.5	16.3%	3.0%
Office Accommodation	36.5	67.2	58.3	63.7	20.4%	16.7%	67.9	71.7	75.3	5.7%	15.6%
Total	234.1	346.8	372.7	400.4	19.6%	100.0%	432.3	462.1	493.7	7.2%	100.0%
Change to 2017 Budget estimate				(3.0)			(8.7)	(9.4)	(9.1)		

Table 15.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Current payments	230.6	338.1	366.8	394.9	19.6%	98.3%	427.8	457.4	488.7	7.4%	98.9%
Compensation of employees	121.9	161.7	196.8	219.2	21.6%	51.7%	248.0	267.4	287.5	9.5%	57.1%
Goods and services ¹	108.7	176.5	170.0	175.7	17.4%	46.6%	179.7	190.0	201.1	4.6%	41.7%
<i>of which:</i>											
<i>Audit costs: External</i>	8.1	9.5	11.2	15.2	23.5%	3.3%	15.4	16.3	17.2	4.1%	3.6%
<i>Computer services</i>	22.4	30.6	25.4	33.1	13.9%	8.2%	37.3	39.1	40.9	7.4%	8.4%
<i>Consultants: Business and advisory services</i>	1.1	1.2	0.7	13.0	126.8%	1.2%	7.4	7.8	8.2	-14.2%	2.0%
<i>Consumables: Stationery, printing and office supplies</i>	3.4	5.8	5.8	6.3	23.6%	1.6%	6.9	7.2	7.7	6.5%	1.6%
<i>Property payments</i>	36.1	67.7	58.8	60.4	18.7%	16.5%	68.3	71.9	75.5	7.7%	15.4%
<i>Travel and subsistence</i>	19.0	18.0	20.5	14.5	-8.6%	5.3%	17.6	18.1	19.1	9.6%	3.9%
Transfers and subsidies¹	0.1	0.2	0.9	0.2	17.0%	0.1%	-	-	-	-100.0%	-
Departmental agencies and accounts	-	0.2	0.4	-	-	-	-	-	-	-	-
Households	0.1	0.1	0.5	0.2	17.0%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	3.4	8.2	5.0	5.3	16.3%	1.6%	4.5	4.8	5.0	-1.9%	1.1%
Machinery and equipment	3.4	8.1	5.0	3.6	2.1%	1.5%	4.3	4.6	4.9	11.0%	1.0%
Software and other intangible assets	-	0.1	0.1	1.7	-	0.1%	0.2	0.2	0.1	-61.3%	0.1%
Payments for financial assets	-	0.3	-	-	-	-	-	-	-	-	-
Total	234.1	346.8	372.7	400.4	19.6%	100.0%	432.3	462.1	493.7	7.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.6%	0.8%	0.8%	0.8%	-	-	0.6%	0.5%	0.5%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Planning, Policy and Strategy

Programme purpose

Provide strategic direction in the development, implementation and monitoring of departmental policies and in the human resource development strategy for South Africa.

Objectives

- Ensure a sound post-school education and training system through the development of a new and the revision of an existing piece of legislation, policy and regulation by March 2021.
- Ensure effective oversight of the implementation of the post-school education and training system by producing 4 oversight reports on articulation, open learning, international relations, and macro trends on post-school education and training over the medium term.
- Improve access to quality teaching and learning in the post-school education and training system by implementing approved appropriate teaching and learning support plans over the medium term.
- Promote the success of students within the post-school education and training system by developing a student support plan by March 2019 and ensuring its implementation over the medium term.
- Ensure effective policy development and planning by providing management information and statistics on the performance of post-school education and training annually.

Subprogrammes

- *Programme Management: Planning, Policy and Strategy* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions in the programme.
- *Human Resource Development, Strategic Planning and Coordination* provides strategic direction in the development, implementation and monitoring of departmental policies; and coordinates activities in relation to the national human resource development strategy.
- *Planning, Information, Monitoring and Evaluation Coordination* monitors and evaluates the policy outputs of the department; coordinates research in the fields of higher education and training; and ensures that

education policies, plans and legislation are developed into systems through monitoring their implementation on an ongoing basis.

- *International Relations* develops and promotes international relations; supports the United Nations Educational, Scientific and Cultural Organisation in the higher education sub-system; and manages, monitors and reports on international donor grant funding.
- *Legal and Legislative Services* manages the legal and legislative services of the department, universities, colleges, sector education and training authorities, and the National Skills Fund.
- *Social Inclusion in Education* promotes access to higher education and participation by all learners in training programmes; manages the development, evaluation and maintenance of policy, programmes and systems for learners with special needs; and monitors the implementation of these policies.

Expenditure trends and estimates

Table 15.10 Planning, Policy and Strategy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
R million											
Programme Management: Planning, Policy and Strategy	2.9	3.2	2.2	2.7	-2.4%	5.0%	3.4	3.6	3.9	12.3%	4.1%
Human Resource Development, Strategic Planning and Coordination	11.6	14.8	15.8	17.8	15.4%	26.9%	20.8	22.2	23.7	10.0%	25.7%
Planning, Information, Monitoring and Evaluation Coordination	6.9	10.7	9.9	13.4	24.9%	18.3%	16.3	17.9	19.2	12.8%	20.3%
International Relations	10.8	11.2	12.0	13.3	7.4%	21.2%	14.5	15.5	18.1	10.8%	18.7%
Legal and Legislative Services	9.4	7.5	11.9	14.9	16.7%	19.6%	18.8	20.1	21.6	13.2%	23.0%
Social Inclusion in Education	4.2	4.6	5.1	6.2	14.1%	9.0%	6.4	6.9	7.4	6.2%	8.1%
Total	45.7	52.0	56.8	68.3	14.3%	100.0%	80.2	86.1	93.9	11.2%	100.0%
Change to 2017 Budget estimate				(5.0)			0.5	0.4	2.0		
Economic classification											
Current payments	42.5	49.1	53.7	64.2	14.8%	94.0%	76.0	81.9	89.4	11.7%	94.9%
Compensation of employees	34.6	42.5	44.4	54.8	16.5%	79.1%	65.9	71.0	76.5	11.7%	81.6%
Goods and services ¹	7.8	6.7	9.3	9.4	6.3%	14.9%	10.2	10.8	12.9	11.2%	13.2%
of which:											
Communication	0.8	0.8	0.7	0.7	-4.5%	1.3%	0.7	0.8	0.9	9.7%	0.9%
Computer services	0.1	0.1	0.0	0.3	46.2%	0.3%	0.5	0.5	0.5	17.0%	0.5%
Legal services	3.2	1.0	3.7	4.0	7.0%	5.3%	4.5	4.7	5.0	7.8%	5.5%
Consumables: Stationery, printing and office supplies	0.2	0.9	0.7	0.9	57.5%	1.2%	0.8	1.0	1.0	2.2%	1.1%
Travel and subsistence	2.1	2.8	3.0	2.5	6.6%	4.6%	2.7	2.9	4.3	20.4%	3.8%
Operating payments	0.2	0.2	0.4	0.1	-18.9%	0.4%	0.4	0.4	0.5	61.0%	0.4%
Transfers and subsidies¹	3.0	2.6	2.7	3.5	5.6%	5.3%	3.7	3.9	4.1	5.4%	4.6%
Foreign governments and international organisations	3.0	2.6	2.6	3.5	5.4%	5.3%	3.7	3.9	4.1	5.6%	4.6%
Households	0.0	0.0	0.1	0.0	175.9%	-	-	-	-	-100.0%	-
Payments for capital assets	0.2	0.3	0.4	0.6	33.5%	0.7%	0.4	0.3	0.4	-13.9%	0.5%
Machinery and equipment	0.2	0.2	0.4	0.6	33.5%	0.7%	0.4	0.3	0.4	-13.9%	0.5%
Total	45.7	52.0	56.8	68.3	14.3%	100.0%	80.2	86.1	93.9	11.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.1%	0.1%	0.1%	0.1%	-	-	0.1%	0.1%	0.1%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	3.0	2.6	2.6	3.5	5.4%	5.3%	3.7	3.9	4.1	5.6%	4.6%
India-Brazil-South Africa Trilateral Commission	0.6	-	-	0.6	0.1%	0.5%	0.6	0.6	0.7	5.6%	0.7%
Commonwealth of Learning	2.4	2.6	2.6	2.9	6.5%	4.8%	3.1	3.3	3.5	5.6%	3.9%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: University Education

Programme purpose

Develop and coordinate policy and regulatory frameworks for an effective and efficient university education system. Provide financial and other support to universities, the National Student Financial Aid Scheme and national institutes for higher education.

Objectives

- Ensure a sound post-school education and training system through the implementation of approved legislation, regulations and policies for university education over the medium term.
- Ensure the implementation of previously approved integrated plans for improved collaboration within the post-school education and training sub-systems by March 2021.
- Ensure effectual monitoring and evaluation of the university education sector by producing 14 annual oversight reports on:
 - the higher education and training HIV and AIDS programme
 - the financial health of universities
 - the effective use of the infrastructure and efficiency grants earmarked for universities, the foundation provision grant, and research outputs
 - ministerial enrolment targets, institutional governance, the international scholarships programme, the compliance of public higher education institutions with regulations, and student leadership capacity
 - academic forums and think-tank partnerships within the Brazil-Russia-India-China-South Africa (BRICS) group of countries, the university capacity development programme, and the teaching and learning development capacity improvement plan.
- Provide teaching and learning support services by implementing previously developed teaching and learning support plans for university education, aimed at improving access to quality teaching and learning in higher education institutions, by March 2021.
- Provide student support services for higher education institutions through the implementation of the student support services plan for university education by March 2021, to promote the success of students within the post-school education and training system.
- Ensure effective policy development and planning by providing management information and statistics on the performance of higher education institutions annually.
- Ensure a strong university education stakeholder network through the operationalisation of the BRICS think-tank and participative academic forum by March 2021 in support of the effective collaboration of stakeholders within the post-school education and training system.

Subprogrammes

- *Programme Management: University Education* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions for the programme.
- *University Planning and Institutional Funding* manages planning and funding for the public higher education sector.
- *Institutional Governance and Management Support* monitors and supports institutional governance management, and provides sector liaison services.
- *Higher Education Policy Development and Research* develops higher education policy, supports research and regulates the private higher education system.
- *Teaching and Learning Development* promotes, develops, monitors and evaluates the implementation of qualification policies, programmes and systems for the development of high quality teaching across all education sectors, including pre-schooling, schooling and post-schooling; and ensures effective teaching and learning development in universities.
- *University Subsidies* transfers payments to universities annually.

Expenditure trends and estimates

Table 15.11 University Education expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management: University Education	2.0	3.9	4.3	4.6	32.7%	–	6.4	6.7	7.3	16.7%	–
University Planning and Institutional Funding	12.7	14.5	14.3	11.7	-2.7%	–	17.4	18.4	19.8	19.3%	–
Institutional Governance and Management Support	6 246.7	6 555.3	11 503.5	10 273.4	18.0%	23.9%	20 471.6	30 975.0	35 475.4	51.1%	38.1%
Higher Education Policy Development and Research	17.0	17.6	19.0	22.0	8.9%	0.1%	33.4	35.4	37.7	19.7%	0.1%
Teaching and Learning Development	10.5	10.2	10.0	13.2	7.9%	–	20.5	22.3	23.8	21.8%	–
University Subsidies	24 195.3	26 297.1	27 964.6	31 606.8	9.3%	76.0%	38 597.9	42 237.9	45 102.2	12.6%	61.8%
Total	30 484.2	32 898.6	39 515.7	41 931.7	11.2%	100.0%	59 147.1	73 295.7	80 666.2	24.4%	100.0%
Change to 2017 Budget estimate				(11.8)			9 648.5	20 951.3	24 172.9		
Economic classification	44.6	49.4	52.1	60.0	10.3%	0.1%	79.1	85.1	91.5	15.1%	0.1%
Current payments											
Compensation of employees	39.1	43.5	45.9	53.4	11.0%	0.1%	72.1	77.9	83.9	16.2%	0.1%
Goods and services ¹	5.5	5.9	6.2	6.6	5.7%	–	6.9	7.2	7.6	5.2%	–
<i>of which:</i>											
Communication	0.5	0.6	0.6	0.4	-6.8%	–	0.6	0.6	0.6	12.6%	–
Computer services	0.2	0.3	0.1	0.8	60.2%	–	0.8	0.8	0.9	4.9%	–
Consumables: Stationery, printing and office supplies	0.2	0.5	0.4	0.7	38.0%	–	0.6	0.7	0.7	2.0%	–
Travel and subsistence	3.7	3.7	4.2	3.2	-4.7%	–	3.4	3.7	4.0	8.4%	–
Operating payments	0.3	0.2	0.2	0.2	-8.6%	–	0.2	0.2	0.2	1.2%	–
Venues and facilities	0.1	0.3	0.3	0.5	95.3%	–	0.4	0.4	0.4	-6.9%	–
Transfers and subsidies¹	30 439.2	32 849.0	39 463.3	41 871.4	11.2%	99.9%	59 067.6	73 210.2	80 574.3	24.4%	99.9%
Departmental agencies and accounts	6 236.5	6 544.2	11 490.5	10 256.0	18.0%	23.8%	20 451.8	30 953.5	35 452.3	51.2%	38.1%
Higher education institutions	24 195.3	26 297.1	27 964.6	31 580.5	9.3%	76.0%	38 559.0	42 237.9	45 102.2	12.6%	61.7%
Non-profit institutions	7.4	7.8	8.2	34.9	67.6%	–	56.8	18.8	19.8	-17.2%	0.1%
Households	–	0.0	0.1	–	–	–	–	–	–	–	–
Payments for capital assets	0.3	0.2	0.3	0.4	9.4%	–	0.4	0.4	0.4	5.7%	–
Machinery and equipment	0.3	0.2	0.3	0.4	9.4%	–	0.4	0.4	0.4	5.7%	–
Total	30 484.2	32 898.6	39 515.7	41 931.7	11.2%	100.0%	59 147.1	73 295.7	80 666.2	24.4%	100.0%
Proportion of total programme expenditure to vote expenditure	78.1%	78.4%	80.4%	80.2%	–	–	81.0%	81.8%	81.6%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 236.5	6 544.1	11 490.5	10 256.0	18.0%	23.8%	20 451.8	30 953.5	35 452.3	51.2%	38.1%
National Student Financial Aid Scheme	6 138.8	6 448.6	11 392.7	10 143.1	18.2%	23.6%	20 334.4	30 829.5	35 321.4	51.6%	37.9%
Council on Higher Education	42.7	40.8	40.9	47.9	3.9%	0.1%	50.7	53.6	56.5	5.6%	0.1%
South African Qualifications Authority	55.0	54.8	56.9	64.9	5.7%	0.2%	66.7	70.5	74.3	4.6%	0.1%
Non-profit institutions	7.4	7.8	8.2	34.9	67.6%	–	56.8	18.8	19.8	-17.2%	0.1%
Current											
Universities South Africa	7.4	7.8	8.2	8.6	5.0%	–	17.9	18.8	19.8	32.2%	–
National Institute for the Humanities and Social Sciences	–	–	–	26.3	–	–	38.8	–	–	-100.0%	–
Higher education institutions	21 482.3	22 991.1	24 563.1	28 056.5	9.3%	67.0%	34 866.9	38 351.3	41 018.9	13.5%	55.8%
Current											
University subsidies	21 323.3	22 790.1	24 272.6	27 695.8	9.1%	66.3%	34 311.3	37 671.2	40 225.2	13.2%	54.9%
University of Mpumalanga	102.3	58.1	186.6	212.6	27.6%	0.4%	324.4	375.8	440.5	27.5%	0.5%
Sol Plaatje University	56.7	142.9	103.8	148.1	37.8%	0.3%	231.2	304.3	353.1	33.6%	0.4%
Capital	2 713.0	3 306.0	3 401.5	3 524.0	9.1%	8.9%	3 692.1	3 886.6	4 083.4	5.0%	6.0%
University subsidies	2 213.0	1 986.0	2 348.5	2 545.6	4.8%	6.3%	2 691.5	2 842.2	2 981.6	5.4%	4.3%
University of the Witwatersrand: University of Mpumalanga and Sol Plaatje University	500.0	1 320.0	–	–	-100.0%	1.3%	–	–	–	–	–
University of Mpumalanga	–	–	673.9	624.6	–	0.9%	638.5	665.9	700.6	3.9%	1.0%
Sol Plaatje University	–	–	379.1	353.9	–	0.5%	362.0	378.4	401.2	4.3%	0.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Technical and Vocational Education and Training

Programme purpose

Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for technical and vocational education and training.

Objectives

- Ensure a sound post-school education and training system through the implementation of TVET legislation, regulations and policies by March 2021.
- Ensure effectual monitoring and evaluation of the TVET sector by producing 28 annual oversight reports over the medium term on:
 - the conduct of public TVET college examination centres during national examinations and assessments
 - the eradication of certification backlogs
 - the implementation of the IT examination services system
 - the performance of students in colleges
 - the compliance of sampled TVET colleges to recommended governance standards
 - the implementation of teaching and learning support plans in colleges, and of the student support services plan.
- Provide TVET teaching and learning support plans aimed at improving access to quality teaching and learning in TVET colleges by implementing previously developed TVET teaching and learning support plans by March 2021.
- Implement the student support services plan in support of an improved post-school education and training system by March 2021.
- Develop a rollout plan for the construction of 9 TVET college campuses by March 2018, and implement the plan to ensure optimal geographic spread by March 2021.
- Ensure a strong TVET stakeholder network by operationalising the South African Institute for Vocational and Continuing Education and Training unit over the medium term in support of effective collaboration between stakeholders in the post-school education and training system.

Subprogrammes

- *Programme Management: Technical and Vocational Education and Training* manages the delegated administrative and financial responsibilities of the programme, and coordinates all monitoring and evaluation functions.
- *Technical and Vocational Education and Training System Planning and Institutional Support* provides support to management and councils, monitors and evaluates the performance of the TVET system against set indicators, develops regulatory frameworks for the system, manages and monitors the procurement and distribution of learning and teaching support materials, provides leadership for TVET colleges to enter into partnerships for the use of infrastructure and funding resources, and maps out the institutional landscape for the rollout of the TVET college system.
- *Programmes and Qualifications* manages and coordinates curriculum development processes, ensures the development of quality learning and teaching materials, monitors and supports the implementation of curriculum statements and assessment regulations, monitors and supports the development of lecturers, and provides leadership for TVET colleges to diversify their programmes, qualifications and curricula.
- *National Examination and Assessment* administers and manages the conduct of national assessments in TVET and community education and training colleges.
- *Financial Planning* sets up financial management systems; develops the financial management capacity of TVET colleges; manages and determines the fair distribution of funding to TVET colleges in accordance with norms and standards; monitors compliance with supply chain management policy; and ensures the timely submission of audited performance information, annual financial statements, and quarterly and annual reports.

Expenditure trends and estimates

Table 15.12 Technical and Vocational Education and Training expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15	2017/18	2018/19	2019/20	2020/21	2017/18
R million											
Programme Management: Technical and Vocational Education and Training	9.1	6.2	4.6	5.6	-15.1%	0.1%	3.6	3.8	4.1	-9.7%	-
Technical and Vocational Education and Training System Planning and Institutional Support	6 104.5	6 144.2	6 572.1	7 080.0	5.1%	94.5%	10 396.4	12 453.6	13 903.2	25.2%	95.8%
Programmes and Qualifications	10.1	11.5	10.9	9.5	-2.0%	0.2%	13.6	14.6	15.7	18.1%	0.1%
National Examination and Assessment	178.1	439.1	437.5	355.5	25.9%	5.1%	315.6	499.1	650.0	22.3%	4.0%
Financial Planning	2.7	3.8	4.9	9.7	52.2%	0.1%	10.5	11.3	12.2	8.0%	0.1%
Total	6 304.5	6 604.8	7 030.0	7 460.2	5.8%	100.0%	10 739.7	12 982.5	14 585.1	25.0%	100.0%
Change to 2017 Budget estimate				51.9			2 710.4	4 378.0	5 372.2		
Economic classification											
Current payments	5 155.5	5 263.2	5 434.7	5 944.4	4.9%	79.6%	6 436.5	7 197.1	7 730.2	9.2%	59.7%
Compensation of employees	5 097.8	5 119.8	5 289.3	5 822.5	4.5%	77.8%	6 276.2	6 753.4	7 263.1	7.6%	57.1%
Goods and services ¹	57.7	143.4	145.4	121.9	28.3%	1.7%	160.3	443.7	467.1	56.5%	2.6%
of which:											
Administrative fees	0.0	0.0	0.0	-	-100.0%	-	0.0	113.1	0.0	-	0.2%
Computer services	15.5	34.0	59.6	13.6	-4.3%	0.4%	15.4	36.3	47.1	51.4%	0.2%
Consumables: Stationery, printing and office supplies	8.4	26.4	19.9	23.3	40.8%	0.3%	11.2	21.7	22.3	-1.5%	0.2%
Travel and subsistence	21.5	53.9	41.5	63.6	43.4%	0.7%	73.1	178.4	285.1	64.9%	1.3%
Training and development	-	0.0	-	-	-	-	35.0	37.0	38.8	-	0.2%
Operating payments	3.1	11.3	11.2	8.7	41.1%	0.1%	9.3	19.8	30.3	51.6%	0.1%
Transfers and subsidies¹	1 148.2	1 289.2	1 593.6	1 515.2	9.7%	20.2%	4 302.7	5 784.7	6 854.0	65.4%	40.3%
Departmental agencies and accounts	-	22.8	13.8	14.4	-	0.2%	15.2	16.0	16.9	5.6%	0.1%
Non-profit institutions	1 148.1	1 262.5	1 566.7	1 495.7	9.2%	20.0%	4 287.5	5 768.7	6 837.1	66.0%	40.2%
Households	0.1	3.9	13.1	5.0	242.8%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.8	1.1	1.5	0.7	-6.1%	-	0.5	0.7	0.9	11.6%	-
Machinery and equipment	0.8	1.1	1.5	0.7	-6.1%	-	0.5	0.7	0.9	11.6%	-
Payments for financial assets	-	51.3	0.1	-	-	0.2%	-	-	-	-	-
Total	6 304.5	6 604.8	7 030.0	7 460.2	5.8%	100.0%	10 739.7	12 982.5	14 585.1	25.0%	100.0%
Proportion of total programme expenditure to vote expenditure	16.1%	15.7%	14.3%	14.3%	-	-	14.7%	14.5%	14.8%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	-	3.4	13.0	5.0	-	0.1%	-	-	-	-100.0%	-
Employee social benefits	-	3.4	13.0	5.0	-	0.1%	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	22.8	13.7	14.4	-	0.2%	15.2	16.0	16.9	5.6%	0.1%
Education, Training and Development Practices Sector Education and Training Authority	-	22.8	13.7	14.4	-	0.2%	15.2	16.0	16.9	5.6%	0.1%
Non-profit institutions											
Current	1 148.1	1 262.5	1 566.7	1 495.7	9.2%	20.0%	4 287.5	5 768.7	6 837.1	66.0%	40.2%
Technical and vocational education and training colleges	1 148.1	1 262.5	1 566.7	1 495.7	9.2%	20.0%	4 287.5	5 768.7	6 837.1	66.0%	40.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Skills Development

Programme purpose

Promote and monitor the national skills development strategy. Develop skills development policies and regulatory frameworks for an effective skills development system.

Objectives

- Ensure a sound post-school education and training system through the implementation of previously developed legislation, regulations and policies for skills development by March 2021.

- Ensure the effectual monitoring and evaluation of the skills development sector by developing and approving 5 monitoring reports per year over the medium term on the national skills development strategy, and good governance standards by sector education and training authorities.
- Ensure effective artisan development assessment services in support of an improved post-school education and training system over the medium term by providing dates for trade tests to all qualifying applicants, and conducting trade tests within 60 days of application.
- Implement security infrastructure at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments to improve the development of artisans by March 2021.
- Develop and approve a national artisan development information management system in support of sector education and training authority performance monitoring to improve the development of artisans by March 2019.

Subprogrammes

- *Programme Management: Skills Development* manages delegated administrative and financial responsibilities for the programme, and coordinates all monitoring and evaluation functions.
- *SETA Coordination* supports, monitors and reports on the implementation of the national skills development strategy at sectoral level by establishing and managing the performance of service level agreements with sector education and training authorities, and conducting trade tests at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments.
- *National Skills Development Services* manages projects identified in the national skills development strategy, and advises the minister on the national skills development policy and strategy.
- *Quality Development and Promotion* transfers funds to the Quality Council for Trades and Occupations as a contribution to its operations.

Expenditure trends and estimates

Table 15.13 Skills Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Programme Management: Skills Development	1.4	2.6	1.6	2.8	25.0%	1.1%	3.6	3.8	4.1	14.0%	1.3%
SETA Coordination	101.1	182.7	148.0	207.2	27.0%	82.0%	221.4	236.1	250.8	6.6%	84.1%
National Skills Development Services	6.4	9.0	7.9	12.5	25.3%	4.6%	10.2	10.9	11.6	-2.4%	4.2%
Quality Development and Promotion	23.2	22.5	23.1	26.9	5.1%	12.3%	27.4	29.0	30.5	4.3%	10.5%
Total	132.0	216.7	180.6	249.4	23.6%	100.0%	262.6	279.8	297.0	6.0%	100.0%
Change to 2017				5.1			(4.2)	(4.5)	(5.4)		
Budget estimate											
Economic classification	82.4	100.2	100.6	117.8	12.7%	51.5%	127.8	137.5	146.9	7.6%	48.7%
Current payments											
Compensation of employees	71.6	86.6	89.6	102.7	12.8%	45.0%	111.7	120.5	130.1	8.2%	42.7%
Goods and services ¹	10.8	13.6	11.1	15.1	12.0%	6.5%	16.1	17.0	16.8	3.7%	6.0%
of which:											
Communication	1.2	1.3	1.5	1.1	-4.0%	0.7%	1.7	1.6	1.7	17.2%	0.6%
Inventory: Materials and supplies	3.0	–	2.1	2.7	-3.2%	1.0%	4.0	3.9	4.1	14.8%	1.4%
Consumable supplies	0.7	4.7	1.6	1.5	26.3%	1.1%	2.2	2.7	2.2	14.4%	0.8%
Operating leases	0.6	0.7	0.6	0.9	12.6%	0.3%	0.9	0.9	1.0	4.4%	0.3%
Property payments	0.8	0.6	0.3	0.4	-24.6%	0.3%	0.9	0.9	1.0	41.0%	0.3%
Travel and subsistence	2.2	2.3	1.9	2.2	0.8%	1.1%	2.9	3.0	3.2	12.1%	1.0%
Transfers and subsidies¹	49.2	115.8	79.1	130.7	38.5%	48.1%	133.8	141.3	149.1	4.5%	51.0%
Departmental agencies and accounts	49.2	115.8	78.9	130.7	38.5%	48.1%	133.8	141.3	149.1	4.5%	51.0%
Households	–	0.1	0.2	0.1	–	–	–	–	–	-100.0%	–
Payments for capital assets	0.4	0.4	0.9	0.8	24.4%	0.3%	1.0	1.0	1.1	8.9%	0.4%
Machinery and equipment	0.4	0.4	0.9	0.8	24.4%	0.3%	1.0	1.0	1.1	8.9%	0.4%
Payments for financial assets	0.0	0.3	0.0	–	-100.0%	–	–	–	–	–	–
Total	132.0	216.7	180.6	249.4	23.6%	100.0%	262.6	279.8	297.0	6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.5%	0.4%	0.5%	–	–	0.4%	0.3%	0.3%	–	–

Table 15.13 Skills Development expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome			2017/18				2014/15 - 2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	49.2	115.7	78.9	130.7	38.5%	48.1%	133.8	141.3	149.1	4.5%	51.0%
Public Service Sector Education and Training Authority	26.0	93.8	55.7	103.8	58.6%	35.9%	106.4	112.3	118.5	4.5%	40.5%
Quality Council for Trades and Occupations	23.2	21.8	23.1	26.9	5.1%	12.2%	27.4	29.0	30.5	4.3%	10.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Community Education and Training

Programme purpose

Plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for community education and training.

Objectives

- Ensure a sound post-school education and training system through the implementation of previously developed legislation, regulations and policies for community education and training colleges by March 2021.
- Ensure effective monitoring and evaluation of the skills development sector by producing 8 annual reports over the medium term on:
 - the implementation of the teaching and learning support framework
 - the performance of the community education and training college sector
 - college partnerships
 - the maintenance of college infrastructure.
- Provide teaching and support to the community education and training sector to improve access to quality teaching and learning in colleges by March 2021.
- Operationalise 9 community education and training colleges to ensure optimal geographic spread by March 2021.

Subprogrammes

- *Programme Management: Community Education and Training* manages the delegated administrative and financial responsibilities of the programme, and coordinates the monitoring and evaluation function.
- *Community Education and Training Colleges Systems Planning, Institutional Development and Support* provides support to management and councils; monitors and evaluates the performance of the community education and training system; develops regulatory frameworks for the system; manages and monitors the procurement and distribution of learning and teaching support materials; provides leadership for community education and training colleges to enter into partnerships for the use of infrastructure for college site-hosting centres, and funds these partnerships; maps an institutional landscape for the rollout of the community education and training system; and is responsible for the planning and development of community education and training infrastructure.
- *Financial Planning* sets up financial management systems; develops the financial management capacity of community education and training colleges; manages and determines the fair distribution of funding to community education and training colleges in accordance with norms and standards; monitors compliance with supply chain management policy; and ensures the timely submission of audited performance information, annual financial statements, and quarterly and annual reports.
- *Education and Training and Development Support* manages and coordinates curriculum development

processes; ensures the development of quality learning and teaching materials; monitors and supports the implementation of curriculum statements and assessment regulations; monitors and supports the development of lecturers; provides leadership for community education and training colleges to diversify their programmes, qualifications and curricula; and provides leadership for colleges to form partnerships and linkages for programme diversification.

Expenditure trends and estimates

Table 15.14 Community Education and Training expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average Expenditure/ Total (%)	
	2014/15	2015/16	2016/17		2014/15	2017/18	2018/19	2019/20	2020/21	2017/18	2020/21
R million											
Programme Management: Community Education and Training	–	–	1.5	1.9	–	–	5.2	5.4	5.6	42.6%	0.2%
Community Education and Training Colleges	1 847.2	1 653.2	1 849.5	2 025.9	3.1%	93.9%	2 160.6	2 323.4	2 493.8	7.2%	91.8%
Systems Planning, Institutional Development and Support											
Financial Planning	–	157.2	129.0	166.2	–	5.8%	176.4	186.2	196.1	5.7%	7.4%
Education and Training and Development Support	5.9	14.0	1.8	3.7	-14.7%	0.3%	16.6	17.8	19.1	73.6%	0.6%
Total	1 853.1	1 824.4	1 981.7	2 197.7	5.9%	100.0%	2 358.8	2 532.8	2 714.7	7.3%	100.0%
Change to 2017				(37.2)			2.4	2.5	(1.7)		
Budget estimate											
Economic classification											
Current payments	1 852.5	1 731.3	1 875.2	2 088.4	4.1%	96.1%	2 244.2	2 411.8	2 587.1	7.4%	95.2%
Compensation of employees	1 774.7	1 712.3	1 850.6	2 029.8	4.6%	93.8%	2 183.0	2 347.5	2 519.5	7.5%	92.6%
Goods and services ¹	77.8	18.9	24.7	58.6	-9.0%	2.3%	61.2	64.4	67.6	4.9%	2.6%
of which:											
Audit costs: External	–	–	–	–	–	–	4.5	5.0	5.5	–	0.2%
Catering: Departmental activities	0.0	0.7	0.8	0.1	68.1%	–	2.7	3.2	3.7	302.5%	0.1%
Consumables: Stationery, printing and office supplies	1.0	1.8	3.0	30.7	210.8%	0.5%	26.3	26.2	28.2	-2.8%	1.1%
Rental and hiring	–	0.5	–	3.5	–	–	3.5	3.5	3.7	2.4%	0.1%
Travel and subsistence	58.1	7.9	13.3	5.3	-55.0%	1.1%	9.3	10.4	9.6	21.9%	0.4%
Training and development	4.0	0.0	–	12.3	45.3%	0.2%	9.0	9.5	9.9	-6.8%	0.4%
Transfers and subsidies¹	–	93.1	104.7	107.5	–	3.9%	112.7	119.0	125.5	5.3%	4.7%
Departmental agencies and accounts	–	–	2.5	0.8	–	–	2.8	2.9	3.1	57.1%	0.1%
Non-profit institutions	–	91.8	98.1	103.9	–	3.7%	109.9	116.1	122.5	5.6%	4.6%
Households	–	1.3	4.1	2.8	–	0.1%	–	–	–	-100.0%	–
Payments for capital assets	0.6	0.0	1.7	1.8	47.5%	0.1%	1.9	2.0	2.1	5.3%	0.1%
Machinery and equipment	0.6	0.0	1.7	1.8	47.5%	0.1%	1.9	2.0	2.1	5.3%	0.1%
Total	1 853.1	1 824.4	1 981.7	2 197.7	5.9%	100.0%	2 358.8	2 532.8	2 714.7	7.3%	100.0%
Proportion of total programme expenditure to vote expenditure	4.7%	4.3%	4.0%	4.2%	–	–	3.2%	2.8%	2.7%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	2.5	0.8	–	–	2.8	2.9	3.1	57.1%	0.1%
Education, Training and Development Practices	–	–	2.5	0.8	–	–	2.8	2.9	3.1	57.1%	0.1%
Sector Education and Training Authority											
Non-profit institutions											
Current	–	91.8	98.1	103.9	–	3.7%	109.9	116.1	122.5	5.6%	4.6%
Community education and training colleges	–	91.8	98.1	103.9	–	3.7%	109.9	116.1	122.5	5.6%	4.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

National Skills Fund

Mandate

The National Skills Fund was established in 1999 in terms of section 27 of the Skills Development Act (1998). The fund focuses on national priority projects identified in the national skills development strategy; projects related to the achievement of the purposes of the act, as determined by the Director General of the Department of Higher Education and Training; and any activity undertaken by the Minister of Higher Education and Training to achieve a national standard of good practice in skills development.

Selected performance indicators

Table 15.15 National Skills Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of learners who completed their education and training towards priority occupations per year	Grant disbursement	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- ¹	- ¹	3 267	7 000	7 500	7 500	7 500
Number of small, medium and micro enterprises and cooperatives that benefitted from the fund's skills development initiatives per year	Grant disbursement		- ¹	- ¹	2 158	150	200	250	300
Number of learners who acquired skills through funded community-based skills development initiatives per year	Grant disbursement		- ¹	- ¹	3 289	1 400	1 400	1 400	1 400
Number of workers to be educated through workers' education initiatives per year	Grant disbursement		- ¹	- ¹	0 ²	840	1 120	1 400	1 680

1. No historical data available.

2. No funding available due to other pressures in the entity's post-school education and training function.

Expenditure analysis

Over the medium term, the National Skills Fund will continue to fund initiatives that develop skills, such as those of artisans, considered national priorities. Through this, the fund aims to contribute to reducing the skills gap and creating greater opportunities for out-of-school youth in need of skills interventions. It will also support initiatives aimed at enhancing quality in the post-school education and training system. Through its work, the fund aims to fulfil objectives of the NDP and outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework.

The fund will focus, over the MTEF period, on learner education and training; the provision of financial support to small, medium and micro enterprises and cooperatives; the development of skills infrastructure; and research on skills development. The fund aims to assist 4 200 learners in acquiring skills through community-based initiatives such as entrepreneurial development; and educate 4 200 workers through initiatives such as the provision of bursaries, and occupational training and skills development programmes. Spending on these initiatives is through transfers and subsidies, mainly to private skills development providers and higher education and training institutions, and accounts for 96 per cent (R15.1 billion) of the fund's total projected expenditure over the medium term. This spending is set to decrease from R10.2 billion in 2017/18 to R3.7 billion in 2020/21 in line with the expected decrease in income from the skills development levy, which is the fund's primary source of revenue. The South African Revenue Service collects the levy from employers and transfers these collections to the entity as a direct charge against the National Revenue Fund. The expected decrease in spending is in line with the service's revision of earmarked tax on employers whose payroll is higher than R500 000 per year. The fund will mitigate the impact of this decrease by using income generated from investments.

The fund has implemented a new organisational structure to improve its capabilities in planning, monitoring and evaluation, and financial management. In line with this, 50 additional personnel are set to be employed

¹ This section has been compiled with the latest available information from the entities concerned.

over the medium term, increasing the number of personnel in the fund from 79 to 129 over the MTEF period. As a result, spending on compensation of employees is projected to increase at an average annual rate of 23 per cent, from R61 million in 2017/18 to R113.6 million in 2020/21.

Programmes/Objectives/Activities

Table 15.16 The National Skills Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	127.6	146.5	167.5	193.0	14.8%	3.1%	341.3	295.3	300.7	15.9%	5.1%
Grant disbursement	2 925.1	4 357.2	5 015.8	10 125.4	51.3%	96.9%	6 108.2	5 154.8	3 625.0	-29.0%	94.9%
Total	3 052.7	4 503.7	5 183.4	10 318.4	50.1%	100.0%	6 449.5	5 450.2	3 925.7	-27.5%	100.0%

Statements of historical financial performance and position

Table 15.17 The National Skills Fund statements of historical financial performance and position

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/ Budget (%) 2014/15 - 2017/18
	2014/15	2015/16	2014/15	2015/16	2016/17	2017/18	2017/18	2018/19	
Revenue									
Non-tax revenue	419.5	3 128.1	961.4	1 102.8	408.8	822.8	306.1	548.9	267.3%
Other non-tax revenue	419.5	3 128.1	961.4	1 102.8	408.8	822.8	306.1	548.9	267.3%
Transfers received	3 247.9	2 750.6	3 159.3	3 033.1	3 179.4	3 051.0	3 328.3	3 154.1	92.8%
Total revenue	3 667.4	5 878.7	4 120.7	4 135.9	3 588.2	3 873.8	3 634.4	3 703.0	117.2%
Expenses									
Current expenses	110.5	95.8	170.3	97.9	235.5	119.1	238.7	142.7	60.3%
Compensation of employees	53.2	29.2	57.7	40.5	131.0	45.7	139.8	61.0	46.2%
Goods and services	57.3	63.9	112.5	52.3	95.4	67.2	86.6	74.0	73.1%
Depreciation	-	2.7	-	5.1	9.1	6.2	12.2	7.7	101.8%
Transfers and subsidies	4 487.8	2 956.9	4 538.9	4 405.8	5 279.8	5 064.3	9 565.0	10 175.7	94.7%
Total expenses	4 598.3	3 052.7	4 709.2	4 503.7	5 515.4	5 183.4	9 803.7	10 318.4	93.6%
Surplus/(Deficit)	(931.0)	2 826.0	(589.0)	(368.0)	(1 927.0)	(1 310.0)	(6 169.0)	(6 615.0)	
Statement of financial position									
Carrying value of assets	-	11.8	-	602.0	51.0	544.4	45.5	1 165.4	2 409.4%
of which:									
Acquisition of assets	-	(105.0)	-	(345.7)	(1 772.5)	(152.5)	(759.7)	(789.5)	55.0%
Investments	4 094.7	8 180.7	10 541.7	10 423.3	6 199.6	8 860.5	100.0	3 544.2	148.1%
Receivables and prepayments	-	1 782.4	-	715.2	-	742.2	-	788.3	-
Cash and cash equivalents	-	2 270.5	-	186.1	-	610.2	-	610.2	-
Total assets	4 094.7	12 245.4	10 541.7	11 926.6	6 250.6	10 757.3	145.5	6 108.1	195.1%
Accumulated surplus/(deficit)	-	6 040.8	10 541.7	6 272.3	3 742.1	5 170.1	84.1	2 639.8	140.1%
Capital and reserves	-	5 198.8	-	4 599.5	2 500.0	4 392.1	-	2 199.0	655.6%
Capital reserve fund	-	948.1	-	1 001.4	-	1 113.9	-	1 183.0	-
Trade and other payables	-	50.6	-	45.4	-	61.1	52.3	68.0	430.5%
Provisions	-	7.2	-	3.0	3.2	4.9	3.4	2.1	264.3%
Derivatives financial instruments	-	-	-	5.1	5.4	15.1	5.7	16.1	327.0%
Total equity and liabilities	-	12 245.4	10 541.7	11 926.6	6 250.6	10 757.3	145.5	6 108.1	242.3%

Statements of estimates of financial performance and position

Table 15.18 The National Skills Fund statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21	
				2018/19	2019/20	2020/21			
Revenue									
Non-tax revenue	548.9	-44.0%	29.0%	563.7	578.9	594.6	2.7%	13.9%	
Other non-tax revenue	548.9	-44.0%	29.0%	563.7	578.9	594.6	2.7%	13.9%	
Transfers received	3 154.1	4.7%	71.0%	3 385.9	3 659.9	3 963.9	7.9%	86.1%	
Total revenue	3 703.0	-14.3%	100.0%	3 949.6	4 238.8	4 558.5	7.2%	100.0%	
Expenses									
Current expenses	142.7	14.2%	2.2%	279.3	229.9	235.2	18.1%	4.0%	
Compensation of employees	61.0	27.8%	0.8%	103.4	108.5	113.6	23.0%	1.8%	
Goods and services	74.0	5.0%	1.3%	167.7	112.7	112.5	15.0%	2.1%	
Depreciation	7.7	41.4%	0.1%	8.2	8.7	9.2	6.0%	0.1%	
Transfers and subsidies	10 175.7	51.0%	97.8%	6 170.2	5 220.3	3 690.5	-28.7%	96.0%	
Total expenses	10 318.4	50.1%	100.0%	6 449.5	5 450.2	3 925.7	-27.5%	100.0%	
Surplus/(Deficit)	(6 615.0)			(2 500.0)	(1 211.0)	633.0			

Table 15.18 The National Skills Fund statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Carrying value of assets of which:	1 165.4	362.8%	7.3%	1 711.1	1 036.7	328.6	-34.4%	15.9%
Acquisition of assets	(789.5)	95.9%	-4.5%	(1 149.9)	(1 704.2)	(1 027.4)	9.2%	-17.5%
Investments	3 544.2	-24.3%	73.6%	3 898.6	4 288.5	4 717.3	10.0%	62.0%
Receivables and prepayments	788.3	-23.8%	10.1%	833.2	879.8	928.2	5.6%	12.9%
Cash and cash equivalents	610.2	-35.5%	8.9%	610.2	610.2	610.2	-	9.2%
Total assets	6 108.1	-20.7%	100.0%	7 053.1	6 815.2	6 584.3	2.5%	100.0%
Accumulated surplus/(deficit)	2 639.8	-24.1%	48.3%	2 627.5	2 749.1	2 749.1	1.4%	40.6%
Capital and reserves	2 199.0	-24.9%	39.5%	3 084.0	2 649.4	2 340.6	2.1%	38.5%
Capital reserve fund	1 183.0	7.7%	11.5%	1 250.4	1 320.5	1 393.1	5.6%	19.4%
Trade and other payables	68.0	10.3%	0.6%	71.9	75.9	80.1	5.6%	1.1%
Provisions	2.1	-33.2%	0.0%	2.3	2.4	2.5	5.6%	0.0%
Derivatives financial instruments	16.1	-	0.1%	17.0	17.9	18.9	5.6%	0.3%
Total equity and liabilities	6 108.1	-20.7%	100.0%	7 053.1	6 815.2	6 584.3	2.5%	100.0%

Personnel information

Table 15.19 The National Skills Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
The National Skills Fund		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	129	180	93	45.7	0.5	79	61.0	0.8	129	103.4	0.8	129	108.5	0.8	129	113.6	0.9	23.0%	100.0%
1-6	3	3	-	-	-	1	4.2	4.2	3	9.0	3.0	3	7.7	2.6	3	6.3	2.1	13.8%	2.1%
7-10	60	94	-	-	-	40	15.7	0.4	60	23.6	0.4	60	25.1	0.4	60	26.8	0.4	19.6%	47.5%
11-12	45	60	87	39.2	0.5	26	23.8	0.9	45	44.6	1.0	45	47.5	1.1	45	50.6	1.1	28.7%	34.4%
13-16	21	23	6	6.5	1.1	12	17.3	1.4	21	26.3	1.3	21	28.1	1.3	21	29.9	1.4	19.9%	16.0%

1. Rand million.

National Student Financial Aid Scheme

Mandate

The National Student Financial Aid Scheme was established in terms of the National Student Financial Aid Scheme Act (1999). The scheme is responsible for providing loans and bursaries, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recovering loans, maintaining and analysing a database of funded students, undertaking research for the better use of financial resources, and advising the minister on matters relating to student financial aid. The act will be reviewed in line with the announcement of fee free higher education and training.

Selected performance indicators

Table 15.20 National Student Financial Aid Scheme performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Amount of financial aid raised from new funders for qualifying students per year	Student-centred financial aid	Outcome 5: A skilled and capable workforce to support an inclusive growth path	R69.5m	R18.6m	R104m	R11m	R12.2m	R13.4m	R14.7m
Amount of financial aid raised for qualifying students from current funders per year ¹	Student-centred financial aid		R727m	R2.4bn	RO ²	R13m	R16m	R20m	R40m
Amount of funds recovered from national student financial aid scheme debtors per year	Student-centred financial aid		R248m	R227m	R392m	R588m	25% growth on 2017/18 actual	25% growth on 2018/19 actual	25% growth on 2019/20 actual
Number of students assisted in higher education institutions per year	Student-centred financial aid		186 150	178 961	225 950	230 469	293 925	400 920	428 367
Number of students assisted in TVET colleges per year	Student-centred financial aid		228 642	235 988	225 557	230 068	290 184	377 050	469 970

Table 15.20 National Student Financial Aid Scheme performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of students in the student-centred model per year paid tuition and residence fees within 30 days	Student-centred financial aid	Outcome 5: A skilled and capable workforce to support an inclusive growth path	– ³	98.5% (60 166/ 61 083)	99.4% (60 285/ 60 649)	70%	80%	90%	98%
Percentage of students in the student-centred model paid allowances within 7 days per year	Student-centred financial aid		– ³	94.1% (27 398/ 29 127)	40.8% (29 127/ 71 390) ⁴	80%	90%	95%	98%

1. Indicator rephrased to non-cumulative measurement and targets amended in line with the scheme's approved 2018 annual performance plan.

2. Several sector education and training authorities and some provincial departments did not renew their funding.

3. No historical data available.

4. Delays experienced due to ICT system configuration issues.

Expenditure analysis

The National Student Financial Aid Scheme aims to support the targets of government's 2014-2019 medium-term strategic framework, specifically outcome 5 (a skilled and capable workforce to support an inclusive growth path), through strategic objectives aligned with the scheme's mandate. The need for increased student funding and improved loan recoveries has taken centre stage in the context of factors such as escalating university fees, student protests, and poor recoveries by scheme. The focus of the scheme over the medium term will continue to be on ensuring access to higher education and training for students who cannot afford to pay for their own studies. The scheme will also continue implementing its funding and recovery strategies, and research plan.

The R37.2 billion that government appropriated to the scheme in the 2017 MTEF period has been supplemented by a further allocation of R43.3 billion over the medium term for the implementation of the recently announced policy of fee free higher education and training for poor and working class students. As a result, expenditure on student bursaries is expected to increase at an average annual rate of 55.7 per cent, from R10.1 billion in 2017/18 to R38.1 billion in 2020/21. This allocation will fund undergraduate university and TVET college students from households with a combined annual income of up to R350 000, starting in 2018 with students in their first year of study, and extending to second, third and fourth year students in subsequent years. For these students, all tuition fees, prescribed study materials, meals, accommodation and/or transport costs will be fully paid for. A projected 1 123 212 undergraduate students in universities and 1 137 204 students in TVET colleges will be supported by this allocation over the medium term. This represents a 23 per cent average annual increase in the number of university students provided with financial aid, and an average annual increase of 74.3 per cent in the number of TVET college students provided with financial aid.

The rollout of the student-centred model and the additional allocations to be administered for university and TVET college students is placing considerable pressure on the scheme's administration budget, particularly its capacity in ICT and human resources. To ease this pressure, an additional R105 million is allocated to the scheme over the medium term. The number of personnel is set to increase from 450 in 2017/18 to 500 in 2018/19, driving an increase in spending on compensation of employees from R156.7 million in 2017/18 to an estimated R210.4 million in 2020/21, at an average annual rate of 10.3 per cent. The new posts have been accommodated through the rationalisation and reprioritisation of existing posts and vacancies in order for the entity to remain within its expenditure ceiling. These new posts are mostly for additional staff required for administering more applications and disbursing funds directly to students instead of to institutions, as part of the student-centred model, which is now in place at all 26 public universities and 50 TVET colleges. In line with this increase, total expenditure on outsourced services is projected to increase from R20.4 million in 2017/18 to R25.5 million in 2020/21, and computer services from R18.6 million to R20.2 million over the same period.

The scheme will continue to implement cost containment measures on non-core items that will not have a negative impact on service delivery. Spending on travel and subsistence is set to decrease from R12.2 million in 2017/18 to R11.7 million in 2020/21, and spending on consultants from R35.4 million in 2017/18 to R17.9 million in 2020/21.

Transfers from the department, which amount to R95.4 billion over the medium term, constitute 94.3 per cent of the scheme's total projected revenue. The scheme also derives revenue through administration fees charged for bursaries administered on behalf of various government departments and public entities,

amounting to an estimated R74 million over the medium term; and interest earned on outstanding student loans and funds held in call accounts prior to disbursement, amounting to an estimated R5 billion over the same period. The scheme's total revenue is expected to increase at an average annual rate of 33.9 per cent, from R16.7 billion in 2017/18 to R40.2 billion in 2020/21.

Programmes/Objectives/Activities

Table 15.21 National Student Financial Aid Scheme expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	123.0	128.6	158.9	207.8	19.1%	1.4%	198.8	212.3	224.6	2.6%	0.9%
Student centered financial aid	10 727.3	8 420.6	10 882.9	13 403.2	7.7%	98.6%	23 314.7	33 806.8	38 371.5	42.0%	99.1%
Total	10 850.3	8 549.2	11 041.9	13 611.0	7.8%	100.0%	23 513.5	34 019.1	38 596.1	41.5%	100.0%

Statements of historical financial performance and position

Table 15.22 National Student Financial Aid Scheme statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2017/18	2014/15 - 2017/18
Revenue									
Non-tax revenue	27.6	871.4	890.7	720.3	783.2	1 174.5	863.4	1 203.3	154.8%
Sale of goods and services other than capital assets	27.6	16.2	16.7	22.3	19.8	20.4	23.5	23.5	94.0%
<i>of which:</i>									
Administrative fees	27.6	16.2	16.7	22.3	19.8	20.4	23.5	23.5	94.0%
Other non-tax revenue	–	855.3	873.9	697.9	763.5	1 154.1	839.8	1 179.8	156.9%
Transfers received	13 435.1	8 881.4	9 226.1	9 543.5	14 311.0	11 929.5	15 640.2	15 542.9	87.2%
Total revenue	13 462.7	9 752.8	10 116.7	10 263.8	15 094.2	13 104.0	16 503.5	16 746.2	90.4%
Expenses									
Current expenses	143.8	4 733.6	197.2	2 129.2	267.5	3 716.6	271.2	3 503.4	1 600.9%
Compensation of employees	84.6	82.3	101.6	95.9	138.7	123.3	152.0	156.7	96.1%
Goods and services	52.1	4 624.6	67.6	2 007.3	99.4	3 579.3	88.7	3 331.2	4 400.5%
Depreciation	7.1	26.7	28.1	26.0	29.3	13.9	30.5	15.5	86.4%
Transfers and subsidies	6 911.9	6 116.7	7 242.4	6 420.0	9 452.9	7 325.3	10 107.6	10 107.6	88.9%
Total expenses	7 055.7	10 850.3	7 439.6	8 549.2	9 720.4	11 041.9	10 378.8	13 611.0	127.3%
Surplus/(Deficit)	6 407.0	(1 098.0)	2 677.0	1 715.0	5 374.0	2 062.0	6 125.0	3 135.0	
Statement of financial position									
Carrying value of assets	10.4	38.3	40.6	22.0	22.8	16.3	23.6	23.6	102.9%
<i>of which:</i>									
Acquisition of assets	(7.1)	(2.8)	(12.7)	(9.7)	(14.0)	(8.2)	(8.9)	(8.9)	69.4%
Investments	670.9	–	–	–	–	–	–	–	–
Loans	7 938.0	6 110.2	6 476.8	7 176.2	10 284.2	9 362.0	12 317.5	12 533.4	95.0%
Receivables and prepayments	516.9	1 262.5	1 373.4	2 036.5	2 029.4	1 846.8	2 079.9	2 079.9	120.4%
Cash and cash equivalents	2 463.1	1 535.9	1 628.0	912.9	1 004.2	3 897.3	1 054.4	4 287.0	172.9%
Total assets	11 599.2	8 946.8	9 518.8	10 147.6	13 340.6	15 122.4	15 475.3	18 923.9	106.4%
Accumulated surplus/(deficit)	1 621.1	(1 097.5)	445.8	1 714.6	1 741.2	2 062.2	1 828.3	2 113.7	85.0%
Capital and reserves	9 782.1	8 472.8	7 375.2	7 375.2	10 485.2	9 089.8	12 479.8	12 644.3	93.7%
Deferred income	183.5	1 265.0	1 340.9	825.9	867.2	3 431.6	910.5	3 603.1	276.4%
Trade and other payables	12.6	241.5	291.2	172.0	180.6	507.0	189.7	532.3	215.5%
Provisions	–	65.0	65.7	59.9	66.3	31.9	67.0	30.3	94.0%
Total equity and liabilities	11 599.2	8 946.8	9 518.8	10 147.6	13 340.6	15 122.4	15 475.3	18 923.9	106.4%

Statements of estimates of financial performance and position

Table 15.23 National Student Financial Aid Scheme statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
Revised estimate	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
R million								
Revenue								
Non-tax revenue	1 203.3	11.4%	8.0%	1 557.7	1 711.9	1 754.6	13.4%	5.7%
Sale of goods and services other than capital assets	23.5	13.4%	0.2%	23.9	24.7	25.4	2.5%	0.1%
of which:								
Administrative fees	23.5	13.4%	0.2%	23.9	24.7	25.4	2.5%	0.1%
Other non-tax revenue	1 179.8	11.3%	7.9%	1 533.7	1 687.1	1 729.3	13.6%	5.6%
Transfers received	15 542.9	20.5%	92.0%	23 160.7	33 790.8	38 424.3	35.2%	94.3%
Total revenue	16 746.2	19.7%	100.0%	24 718.4	35 502.6	40 179.0	33.9%	100.0%
Expenses								
Current expenses	3 503.4	-9.5%	32.0%	621.9	515.9	478.3	-48.5%	7.8%
Compensation of employees	156.7	23.9%	1.0%	181.4	197.4	210.4	10.3%	0.8%
Goods and services	3 331.2	-10.4%	30.7%	424.1	301.2	249.6	-57.8%	7.0%
Depreciation	15.5	-16.5%	0.2%	16.4	17.4	18.3	5.6%	0.1%
Transfers and subsidies	10 107.6	18.2%	68.0%	22 891.6	33 503.2	38 117.8	55.7%	92.2%
Total expenses	13 611.0	7.8%	100.0%	23 513.5	34 019.1	38 596.1	41.5%	100.0%
Surplus/(Deficit)	3 135.0			1 205.0	1 484.0	1 583.0		
Statement of financial position								
Carrying value of assets	23.6	-14.9%	0.2%	24.4	25.2	25.9	3.1%	0.1%
of which:								
Acquisition of assets	(8.9)	46.3%	-0.1%	(8.6)	(6.4)	(5.2)	-16.1%	-0.0%
Loans	12 533.4	27.1%	66.8%	11 812.3	11 055.2	10 260.2	-6.5%	61.4%
Receivables and prepayments	2 079.9	18.1%	14.3%	2 131.5	2 184.5	2 239.1	2.5%	11.6%
Cash and cash equivalents	4 287.0	40.8%	18.6%	4 715.7	5 187.3	5 706.0	10.0%	26.8%
Total assets	18 923.9	28.4%	100.0%	18 684.0	18 452.2	18 231.2	-1.2%	100.0%
Accumulated surplus/(deficit)	2 113.7	-224.4%	7.4%	3 318.6	4 802.1	6 385.0	44.6%	22.5%
Capital and reserves	12 644.3	14.3%	73.6%	10 093.5	7 414.9	5 020.9	-26.5%	47.1%
Deferred income	3 603.1	41.8%	16.0%	4 684.1	5 620.9	6 183.0	19.7%	27.1%
Trade and other payables	532.3	30.1%	2.6%	559.0	586.9	616.3	5.0%	3.1%
Provisions	30.3	-22.5%	0.4%	28.8	27.4	26.0	-5.0%	0.2%
Total equity and liabilities	18 923.9	28.4%	100.0%	18 684.0	18 452.2	18 231.2	-1.2%	100.0%

Personnel information

Table 15.24 National Student Financial Aid Scheme personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
National Student Financial Aid Scheme		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	550	450	401	123.3	0.3	450	156.7	0.3	500	181.4	0.4	500	197.4	0.4	500	210.4	0.4	10.3%	100.0%
1 - 6	153	153	143	11.1	0.1	153	24.7	0.2	163	19.1	0.1	163	23.0	0.1	163	26.8	0.2	2.7%	33.0%
7 - 10	330	230	201	61.3	0.3	230	71.7	0.3	257	84.3	0.3	257	89.1	0.3	257	94.4	0.4	9.6%	51.3%
11 - 12	12	12	12	7.9	0.7	12	8.0	0.7	13	9.1	0.7	13	9.7	0.7	13	10.2	0.8	8.4%	2.6%
13 - 16	50	50	42	37.6	0.9	50	46.1	0.9	62	60.1	1.0	62	66.1	1.1	62	69.1	1.1	14.4%	12.1%
17 - 22	5	5	3	5.5	1.8	5	6.2	1.2	5	8.7	1.7	5	9.5	1.9	5	9.9	2.0	16.9%	1.0%

1. Rand million.

Sector education and training authorities

Mandate

As per the Skills Development Act (1998), sector education and training authorities are mandated to implement national, sector and workplace strategies to develop and improve skills in the South African workforce, provide learnerships that lead to a recognised occupational qualification, and fund skills development.

Selected performance indicators**Table 15.25 Sector education and training authorities performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of unemployed persons entering skills programmes per year	Discretionary grant	Outcome 5: A skilled and capable workforce to support an inclusive growth path	31 978	38 622	31 715	34 252	36 992	39 211	41 563
Number of workers entering skills programmes per year	Mandatory grant		105 305	84 971	78 215	84 472	91 229	96 702	102 504
Number of unemployed persons completing skills programmes per year	Discretionary grant		23 923	35 675	16 074	17 359	18 747	18 401	19 505
Number of workers completing skills programmes per year	Mandatory grant		82 536	91 469	62 388	67 379	72 769	71 422	75 707
Number of unemployed persons entering learnerships per year	Discretionary grant		48 831	67 029	47 554	51 358	55 466	54 439	57 705
Number of workers entering learnerships per year	Mandatory grant		29 099	27 340	33 085	35 731	38 589	37 875	40 147
Number of unemployed persons completing learnerships per year	Discretionary grant		22 206	28 356	24 878	26 868	29 017	28 480	30 231
Number of workers completing learnerships per year	Mandatory grant		18 685	14 957	17 927	19 361	20 909	20 523	21 754
Number of unemployed persons receiving bursaries per year	Discretionary grant		14 683	19 044	11 630	12 560	13 564	13 314	14 113
Number of workers receiving bursaries per year	Mandatory grant		7 624	7 056	8 157	8 809	9 513	9 338	9 898
Number of university students placed in workplaces per year as part of qualification requirements	Discretionary grant		7 590	7 643	20 089	21 696	23 431	22 998	24 377
Number of TVET college students placed in workplaces per year as part of qualification requirements	Discretionary grant		14 400	13 213	11 633	12 563	13 568	13 317	14 116

Expenditure analysis

Over the medium term, the 21 sector education and training authorities will continue to focus on strengthening skills training programmes in the labour market. The authorities place particular emphasis on artisan development, apprenticeships, learnerships, internships, bursaries and partnerships with TVET colleges, universities and employers. Through their work, the authorities contribute to the realisation of outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework.

The number of bursaries awarded by the authorities to unemployed individuals to undertake higher education and training studies is projected to increase from 12 560 in 2017/18 to 14 113 in 2020/21. The number of bursaries awarded to workers is set to increase from 8 809 to 9 898 over the same period.

Sector education and training authorities support university and TVET college students whose qualifications have a practical component by facilitating their placement in workplaces. The number of university students placed in workplaces is expected to increase from 21 969 in 2017/18 to 24 377 in 2020/21, while the number of TVET college students placed is expected to increase from 12 563 to 14 116 over the same period. An estimated 408 201 unemployed people and workers are expected to enter various skills programmes run by the authorities over the medium term. The skills programmes are funded through payments made to employers for training and developing the skills of their workers or of unemployed people, in line with the skills development levy. Employers who contribute to the levy and provide skills development opportunities can claim back some of their contributions from the authorities. The transfer payment of employer claims accounts for an estimated 82.8 per cent (R13.7 billion) of the authorities' total expenditure in 2018/19, increasing to R14.5 billion in 2020/21.

All the authorities, except the Public Service Sector Education and Training Authority, generate revenue from the skills development levy collected by South African Revenue Service and transferred to them as a direct charge against the National Revenue fund. The Public Service Sector Education and Training Authority is set to receive a transfer of R337.2 million over the medium term from the department.

Revenue from the skills development levy for the 20 other authorities is expected to increase at an average annual rate of 7.9 per cent, from R12.6 billion in 2017/18 to R15.9 billion in 2020/21, constituting 96 per cent of their total revenue. Other revenue is mostly generated from interest income, and is estimated at R3.4 billion over the medium term.

Statements of historical financial performance and position

Table 15.26 Sector education and training authorities Consolidation statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
R million	Budget 2014/15	Audited outcome	Budget 2015/16	Audited outcome	Budget 2016/17	Audited outcome	Budget estimate 2017/18	Revised estimate	2014/15 - 2017/18
Revenue									
Non-tax revenue	598.8	1 152.2	879.6	1 234.7	888.9	1 690.5	843.3	1 380.7	170.0%
Other non-tax revenue	598.8	1 152.2	879.6	1 234.7	888.9	1 690.5	843.3	1 380.7	170.0%
Transfers received	10 207.7	11 158.5	10 672.8	11 782.3	12 022.1	13 684.4	12 944.9	13 068.9	108.4%
Total revenue	10 689.7	12 310.7	11 552.4	13 017.0	12 911.0	15 374.9	13 788.3	14 449.6	112.7%
Expenses									
Current expenses	1 573.9	1 522.6	1 897.6	1 779.8	1 999.2	2 063.5	2 062.2	2 374.8	102.8%
Compensation of employees	758.9	763.1	862.3	899.6	940.4	1 067.6	1 038.8	1 251.6	110.6%
Goods and services	775.9	726.9	1 006.4	846.9	1 026.1	956.3	981.9	1 066.6	94.9%
Depreciation	38.9	30.2	28.8	32.8	32.7	39.5	41.5	56.7	112.2%
Interest, dividends and rent on land	0.2	2.4	0.0	0.5	0.0	0.0	0.0	-	1 109.4%
Transfers and subsidies	4 799.4	9 003.2	10 559.5	9 666.5	12 192.3	11 643.5	11 873.8	14 164.3	112.8%
Total expenses	6 373.3	10 525.8	12 457.1	11 446.3	14 191.5	13 707.0	13 936.0	16 539.1	111.2%
Surplus/(Deficit)	4 316.0	1 785.0	(905.0)	1 571.0	(1 280.0)	1 668.0	(148.0)	(2 090.0)	
Statement of financial position									
Carrying value of assets	348.5	223.0	434.6	308.4	571.2	350.9	548.9	554.4	75.5%
<i>of which:</i>									
Acquisition of assets	(36.5)	(68.0)	(57.0)	(150.1)	(35.9)	(73.2)	(51.1)	(245.1)	297.2%
Investments	1 206.0	1 643.3	1 746.5	1 717.7	1 950.0	105.6	1 665.0	-	52.8%
Inventory	2.7	5.2	4.1	6.9	3.8	4.8	3.8	4.0	145.4%
Accrued investment interest	42.1	66.4	33.4	5.2	35.8	85.0	41.9	42.5	129.9%
Receivables and prepayments	123.5	315.2	171.4	326.7	164.4	972.8	178.2	210.0	286.2%
Cash and cash equivalents	5 664.6	12 095.6	8 331.2	13 945.7	8 658.2	17 166.1	8 831.8	12 305.5	176.3%
Total assets	7 387.5	14 348.7	10 721.2	16 310.6	11 383.5	18 685.2	11 269.7	13 116.5	153.2%
Capital reserve fund	-	71.9	66.3	171.4	148.4	197.2	148.4	125.8	156.0%
Borrowings	1.0	-	1.0	-	1.1	-	1.2	1.2	27.2%
Finance lease	1.9	4.3	5.3	2.0	6.7	3.9	4.1	0.6	59.7%
Deferred income	14.7	23.2	5.1	20.2	5.3	12.4	5.8	14.0	225.9%
Trade and other payables	1 282.7	1 263.6	1 032.7	1 091.7	903.5	1 419.5	861.7	1 367.0	126.0%
Provisions	572.0	1 015.0	740.3	699.2	720.9	1 588.1	677.6	720.4	148.4%
Managed funds (e.g. poverty alleviation fund)	0.4	-	-	-	-	-	-	-	-
Derivatives financial instruments	151.3	601.7	293.6	480.5	328.9	416.6	332.1	390.8	170.9%
Total equity and liabilities	2 023.9	2 979.7	2 144.4	2 465.0	2 114.8	3 637.8	2 030.8	2 619.9	140.8%

Statements of estimates of financial performance and position

Table 15.27 Sector education and training authorities consolidation statements of estimates of financial performance and position

Statement of financial performance									Average: Expenditure/ Total (%)
R million	Revised estimate 2017/18	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2018/19	2019/20	2020/21	2017/18 - 2020/21		
Revenue									
Non-tax revenue	1 380.7	6.2%	9.8%	1 330.3	1 381.9	1 503.9	2.9%	9.3%	
Other non-tax revenue	1 380.7	6.2%	9.8%	1 330.3	1 381.9	1 503.9	2.9%	9.3%	
Transfers received	13 068.9	5.4%	90.2%	13 090.8	13 899.8	14 651.4	3.9%	90.7%	
Total revenue	14 449.6	5.5%	100.0%	14 421.1	15 281.7	16 155.3	3.8%	100.0%	
Expenses									
Current expenses	2 374.8	16.0%	14.9%	2 603.3	2 724.2	2 865.4	6.5%	15.8%	
Compensation of employees	1 251.6	17.9%	7.6%	1 412.6	1 492.3	1 568.5	7.8%	8.6%	
Goods and services	1 066.6	13.6%	6.9%	1 122.6	1 164.1	1 228.1	4.8%	6.9%	
Depreciation	56.7	23.3%	0.3%	68.2	67.8	68.7	6.6%	0.4%	
Transfers and subsidies	14 164.3	16.3%	85.1%	13 705.7	13 779.4	14 529.5	0.9%	84.2%	
Total expenses	16 539.1	16.3%	100.0%	16 309.0	16 503.6	17 394.9	1.7%	100.0%	
Surplus/(Deficit)	(2 090.0)			(1 888.0)	(1 222.0)	(1 240.0)			

Table 15.27 Sector education and training authorities consolidation statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Carrying value of assets	554.4	35.5%	2.4%	444.9	453.8	443.0	-7.2%	3.4%
of which:								
Acquisition of assets	(245.1)	53.3%	-0.9%	(79.8)	(79.3)	(71.9)	-33.6%	-0.9%
Inventory	4.0	-8.4%	0.0%	4.3	4.5	4.1	0.5%	0.0%
Accrued investment interest	42.5	-13.8%	0.3%	92.9	110.9	137.9	48.0%	0.7%
Receivables and prepayments	210.0	-12.7%	2.8%	250.3	262.8	264.0	7.9%	1.7%
Cash and cash equivalents	12 305.5	0.6%	88.9%	13 535.8	13 735.0	13 777.7	3.8%	94.2%
Total assets	13 116.5	-2.9%	100.0%	14 328.3	14 566.9	14 626.8	3.7%	100.0%
Capital reserve fund	125.8	20.5%	4.9%	177.8	176.8	175.9	11.8%	6.0%
Borrowings	1.2	-	0.0%	1.2	1.3	1.3	2.8%	0.0%
Finance lease	0.6	-47.5%	0.1%	0.6	0.7	0.7	2.6%	0.0%
Deferred income	14.0	-15.4%	0.6%	14.9	15.7	16.5	5.6%	0.6%
Trade and other payables	1 367.0	2.7%	44.5%	1 579.5	1 622.9	1 589.6	5.2%	56.5%
Provisions	720.4	-10.8%	33.4%	724.3	545.0	552.7	-8.5%	23.3%
Derivatives financial instruments	390.8	-13.4%	16.5%	337.1	358.6	388.6	-0.2%	13.6%
Total equity and liabilities	2 619.9	-4.2%	100.0%	2 835.6	2 721.0	2 725.3	-40.8%	100.0%

Personnel information

Table 15.28 Sector education and training authorities consolidation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
Sector education and training authorities		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	1 908	2 080	1 815	826.9	0.5	1 868	943.8	0.5	1 903	1 063.8	0.6	1 908	1 119.1	0.6	1 912	1 172.7	0.6	7.5%	100.0%
1 – 6	275	309	274	31.4	0.1	270	37.1	0.1	282	45.5	0.2	280	47.3	0.2	283	50.2	0.2	10.6%	14.7%
7 – 10	1 110	1 216	1 066	377.3	0.4	1 076	425.3	0.4	1 088	469.8	0.4	1 094	501.0	0.5	1 091	522.9	0.5	7.1%	57.3%
11 – 12	295	320	269	190.0	0.7	290	218.1	0.8	297	245.8	0.8	295	254.4	0.9	298	267.3	0.9	7.0%	15.5%
13 – 16	221	229	199	211.0	1.1	225	245.2	1.1	229	281.2	1.2	232	294.2	1.3	233	308.8	1.3	8.0%	12.1%
17 – 22	7	7	7	17.2	2.5	7	18.1	2.6	7	21.5	3.1	7	22.2	3.2	7	23.4	3.3	9.0%	0.4%

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Council on Higher Education** is tasked with developing and implementing a system of quality assurance for higher education, including programme accreditation, institutional audits, quality promotion and capacity development. The entity's total budget for 2018/19 is R55.6 million.
- The **Quality Council for Trades and Occupations** oversees the development and maintenance of the occupational qualifications sub-framework in the national qualifications framework, and advises the Minister of Higher Education and Training on all matters of policy concerning occupational standards and qualifications. The entity's total budget for 2018/19 is R114.1 million.
- The **South African Qualifications Authority** oversees the development of the national qualifications framework by formulating and publishing policies and criteria for the registration of organisations. It also oversees the implementation of the framework by ensuring the registration, accreditation and assignment of functions. The entity's total budget for 2018/19 is R138.7 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
R million									
Infrastructure transfers to other spheres, agencies and departments									
Tertiary institutions Infrastructure	Construction of hostels, lecture halls and laboratories	Various	35 184.6	2 200.0	1 981.2	2 343.7	2 541.9	2 688.1	2 838.6
New universities in Mpumalanga and Northern Cape	Construction of hostels, lecture halls and laboratories	Various	12 917.1	500.0	1 320.0	–	–	–	–
University of Mpumalanga	Construction of hostels, lecture halls and laboratories	Various	–	–	–	673.9	624.6	638.5	665.9
Sol Plaatje University	Construction of hostels, lecture halls and laboratories	Various	–	–	–	379.1	353.9	362.0	378.4
Total			48 101.8	2 700.0	3 301.2	3 396.7	3 520.4	3 688.6	3 883.0
									4 082.3

Vote 16

Health

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	550.8	537.3	2.5	11.0	592.5	627.1
National Health Insurance, Health Planning and Systems Enablement	1 671.6	1 462.0	30.0	179.5	2 380.3	3 081.7
HIV and AIDS, Tuberculosis, and Maternal and Child Health	20 719.1	417.2	20 301.5	0.4	22 873.3	25 317.7
Primary Health Care Services	301.7	298.4	3.1	0.2	366.6	431.4
Hospitals, Tertiary Health Services and Human Resource Development	22 124.2	279.3	21 000.9	843.9	23 364.2	24 831.1
Health Regulation and Compliance Management	1 775.5	94.1	1 679.0	2.4	1 876.5	1 980.4
Total expenditure estimates	47 142.9	3 088.4	43 017.0	1 037.5	51 453.4	56 269.3

Executive authority: Minister of Health
 Accounting officer: Director General of Health
 Website address: www.doh.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Provide leadership and coordination of health services to promote the health of all people in South Africa through an accessible, caring and high quality health system, based on the primary health care approach.

Mandate

The Department of Health derives its mandate from the National Health Act (2003), which requires that the department provides a framework for a structured and uniform health system for South Africa. The act sets out the responsibilities of the three levels of government in the provision of health services. The department contributes directly to the realisation of outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium-term strategic framework.

Selected performance indicators

Table 16.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total number of primary health care facilities implementing improved patient administration and web-based information systems	National Health Insurance, Health Planning and Systems Enablement	Outcome 2: A long and healthy life for all South Africans	50	657	1 854	2 450	-1	-1	-1
Total number of health facilities reporting stock availability at national surveillance centre	National Health Insurance, Health Planning and Systems Enablement		600	1 901	3 349	3 261 ²	3 625	3 800	3 942
Total number of patients receiving medicines through the centralised chronic medicine dispensing and distribution system	National Health Insurance, Health Planning and Systems Enablement		200 000	396 567	1 252 000	950 000 ²	2 500 000	2 800 000	3 000 000

Table 16.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Percentage of human papillomavirus vaccination first dose coverage per year	HIV and AIDS, Tuberculosis, and Maternal and Child Health	Outcome 2: A long and healthy life for all South Africans	- ³	85.3% (427 400/ 500 933)	79.3% (420 751/ 530 720)	87	88	90	90%
Total clients remaining on antiretroviral treatment at the end of the year	HIV and AIDS, Tuberculosis, and Maternal and Child Health		3.1 million	3.4 million	3.8 million	4.9 million	5.5 million	5.9 million	6 million
Tuberculosis new client treatment success rate per year ⁴	HIV and AIDS, Tuberculosis, and Maternal and Child Health		82.4% (95 928/ 116 349)	83.3% (80 180/ 95 318)	85.6% (66 230/ 77 371)	86%	87%	88%	89%
Infant polymerase chain reaction test positive around 10 weeks rate per year ⁵	HIV and AIDS, Tuberculosis, and Maternal and Child Health		1.5% (3 801/ 252 269) ⁶	1.5% (2 495/ 169 656) ⁶	1.3% (2 013/ 151 246)	1.35% ²	1.25%	1.2%	1.1%
Total number of functional ward-based primary health care outreach teams	Primary Health Care Services		1 748	2 590	3 275	2 000 ²	3 500	3 600	3 700
Number of additional primary health care facilities in the 52 districts that qualify as ideal clinics per year	Primary Health Care Services		- ³	322	786	1 000	1 200	1 400	1 650
Total number of points of entry assessed against the core capacity requirements of the international health regulations per year	Primary Health Care Services		Port health services transferred from provinces to national	Port health services fully transferred from provinces to national	- ³	- ³	15	20	25
Number of facilities maintained, repaired and/or refurbished in national health insurance districts per year	Hospitals, Tertiary Health Services and Human Resource Development		94	198	67	197	125	120	- ⁷
Percentage of backlog eliminated for blood alcohol tests per year	Hospitals, Tertiary Health Services and Human Resource Development		- ³	- ³	67% (39 928/ 59 697)	100%	100%	- ⁸	- ⁸

- Indicator discontinued as the department plans to implement improved patient administration and web-based information systems in all primary health care facilities by March 2018.
- Target exceeded in 2016/17. However, the target for 2017/18 remains as published in the 2017 Estimates of National Expenditure.
- No historical data available.
- Indicator reported with a time lag of one year.
- Indicator for mother-to-child transmission of HIV showing infants who tested positive for HIV as a proportion of all live births by HIV-positive mothers.
- Indicator has changed from 6 weeks to 10 weeks, in line with the new guidelines on the prevention of mother-to-child transmission. The historical performance is for a rate at 6 weeks after birth.
- By the end of 2019/20, all health facilities in national health insurance pilot districts will have been maintained, repaired and/or refurbished.
- Once the backlog is eliminated, this indicator will be revised to measure turnaround time.

Expenditure analysis

Chapter 10 of the National Development Plan (NDP) sets out health goals, indicators and key actions towards achieving its vision by 2030. These are expressed in terms of outcome 2 (a long and healthy life for all South Africans) of government's medium-term strategic framework, with which the work of the Department of Health is closely aligned. Accordingly, over the MTEF period, the department plans to focus on implementing the second phase of national health insurance; expanding treatment and prevention programmes for HIV and AIDS, and tuberculosis (TB); revitalising public health care facilities; and ensuring accessible specialised tertiary health services.

As provincial health departments are mandated to provide health care services, the national department's role is to formulate policy, and coordinate and support provincial health departments in fulfilling their mandates. In this regard, 86.8 per cent (R133.8 billion) of the department's total budget over the medium term is expected to be transferred to provinces through conditional grants. Two major challenges faced by the sector are weak financial management capacity in provincial departments of health and escalating contingent liabilities due to medical malpractice litigation. To support provinces in these areas, the department has reprioritised R34 million from its goods and services budget over the MTEF period to expand its financial management support programme to provincial health departments. This intervention is to be led by the South African Institute for Chartered Accountants. R22.5 million has been allocated to set up expert medical committees to

support provinces in dealing with medico legal claims.

The South African Health Products Regulatory Authority is expected to be established in 2018/19, after which the department's internal regulatory unit is expected to move to the authority. It is anticipated that 180 employees will leave the department on 1 April 2018 to work in the new authority. The department expects to transfer R396.9 million to the entity over the medium term to support the operations of the authority.

The department's expenditure on compensation of employees is expected to increase at an average annual rate of 3.3 per cent over the MTEF period, from R873.4 million in 2017/18 to R961.4 million in 2020/21. The department expects a decrease in its staff complement over the medium term, from 1 508 in 2017/18 to 1 479 in 2020/21. This excludes staff who will be transferred to the South African Health Products Regulatory Authority, and is mainly due to the department applying stricter criteria for filling non-critical vacant posts, particularly those becoming vacant through retirement.

Implementing the second phase of national health insurance

The aim of national health insurance is to fundamentally reform how health care in South Africa is financed in order to increase access to and the quality of health care services. In this regard, over the MTEF period, the department intends to develop a national health insurance fund and related management structures, and expand access to the initial set of the priority services of national health insurance, as announced by the Minister of Health in 2017. For this purpose, additional amounts of R700 million in 2018/19, R1.4 billion in 2019/20 and R2.1 billion in 2020/21 are allocated mainly to the *National Health Insurance, Health Planning and Systems Enablement* programme, financed through downward adjustments of the medical tax credit. Accordingly, the *National Health Insurance, Health Planning and Systems Enablement* programme's total budget is expected to increase at an average annual rate of 49.9 per cent over the medium term, from R914.7 million in 2017/18 to R3.1 billion in 2020/21.

Of the additional amounts, R3.8 billion is allocated to the *national health insurance indirect grant*, thereby increasing its total allocations to R9.1 billion over the medium term. To appropriately manage the increase in allocations, the grant will be restructured to merge all existing components (except the health facility revitalisation component in the *Hospitals, Tertiary Health Services and Human Resource Development* programme) into 2 new components: the personal services component and the non-personal services component. The personal services component of the grant is allocated R4 billion over the medium term to fund priority services for national health insurance, which include: expanding access to school health services, focusing on optometry and audiology; contracting general practitioners by capitation, that is, paying care providers a set annual amount per patient registered in their practice instead of fees per service provided; and providing community mental health services, maternal care for high risk pregnancies, screening and treatment for breast and cervical cancer, hip and knee arthroplasty, cataract surgeries, and wheelchairs.

The non-personal services component of the *national health insurance indirect grant* is allocated R2.3 billion over the MTEF period to fund the expansion of the centralised chronic medicines dispensing and distribution programme, development and rollout of health information systems, a capitation model for the purchasing of primary health care services, and monitoring and supporting the ideal clinic programme. Through the non-personal services component of the grant, by 2020/21, the department aims to implement the electronic stock surveillance system in 3 942 health facilities (from 3 349 in 2016/17), and distribute chronic medicines to 3 million patients through the centralised chronic medicine dispensing and distribution system (from 1.3 million in 2016/17).

The remaining R368 million of the additional allocations is earmarked over the MTEF period to support interim national health insurance activities, including 7 gazetted ministerial advisory committees; strengthen health technology assessment; and fund programmes related to the prevention of non-communicable diseases. The health promotion levy on sugary beverages is expected to be implemented in 2018/19, with consideration being given to use a portion of revenue generated from the levy to further fund programmes related to the prevention of non-communicable diseases.

Expanding treatment and prevention programmes for HIV and AIDS, and TB

The department has adopted the 90 90 90 targets of the United Nations programme on HIV and AIDS. These targets commit government to ensuring that, by 2020, 90 per cent of all people living with HIV will know their status, 90 per cent of all people diagnosed with HIV will receive sustained antiretroviral therapy, and 90 per cent of all people receiving antiretroviral therapy will be virally suppressed.

In 2016, the department implemented the universal test and treat policy, which states that the department should offer treatment to everyone diagnosed with HIV, regardless of their CD4 count, which is the marker for the strength of the immune system. For this purpose, an additional R1 billion is allocated to the *HIV and AIDS, Tuberculosis, and Maternal and Child Health* programme in 2020/21 for the *comprehensive HIV, AIDS and TB grant* for provinces to provide antiretroviral treatment to an estimated 6 million people by the end of the MTEF period. As a result of the additional allocation in 2020/21, funding for the grant increases by 11.6 per cent per year, with a total allocation of R66.4 billion between 2017/18 and 2020/21.

Community health workers play a pivotal role in ensuring access to primary health care services in South Africa's most vulnerable communities. In recognition of this, over the medium term, the department intends adding a community outreach services component to the *comprehensive HIV, AIDS and TB grant*. The new component is expected to enable the sector to improve the efficiencies of the ward-based primary health care outreach teams programme by standardising and strengthening the training, service package, and performance monitoring of community health workers. The community outreach services component framework, which is included in the 2018 Division of Revenue Bill, outlines the grant conditions and performance indicators that will regulate the community outreach services component of the *comprehensive HIV, AIDS and TB grant*. By 2020/21, the number of ward-based primary health care outreach teams is expected to increase to 3 700 from 3 275 in 2016/17. An estimated R4.4 billion over the MTEF period has been reprioritised in the *comprehensive HIV, AIDS and TB grant* to create the community outreach services component.

Revitalising public health care facilities

The department is in the process of finalising a 10-year infrastructure plan to determine areas with the greatest need for capital investments, based on population projections up to 2025. Accordingly, the department plans to invest an estimated R21.1 billion in health care infrastructure over the medium term. These funds will be managed as 2 conditional grants in the *Health Facilities Infrastructure Management* subprogramme in the *Hospitals, Tertiary Health Services and Human Resource Development* programme.

The direct *health facility revitalisation grant*, which receives R18.2 billion over the MTEF period, after reductions of R511 million approved by Cabinet, is transferred to provincial health departments to fund the upgrading, refurbishing and maintenance of existing health care facilities, and the building of new facilities.

The second conditional grant for health care infrastructure is the *national health insurance indirect grant*, in which the health facility revitalisation component focuses on replacing, refurbishing and maintaining infrastructure in the national health insurance pilot districts. This grant is managed by the department, and is allocated R2.8 billion over the medium term after reductions of R309 million that were approved by Cabinet. The department is working closely with implementing agents to ensure that all 872 primary health care facilities in the national health insurance pilot districts are maintained, constructed or revitalised by 2019/20.

Ensuring accessible specialised tertiary health services

Tertiary health services are highly specialised, hospital-based health care services that require strong national coordination as a result of their unequal distribution across South Africa. Consequently, many patients are forced to seek specialised care in neighbouring provinces when the required tertiary services are not available in their home province. To compensate provincial health departments for treating patients from other provinces, the department plans to continue subsidising tertiary health services in 29 hospitals and hospital complexes over the medium term through the *national tertiary services grant*.

This direct grant provides funding for specialised personnel, equipment, and advanced medical investigation

and treatment according to approved service specifications; and supports the modernisation of tertiary facilities by upgrading medical equipment. For this purpose, R12.4 billion in 2018/19, R13.2 billion in 2019/20 and R14.1 billion in 2020/21 is allocated to the *national tertiary services grant* in the *Hospitals, Tertiary Health Services and Human Resource Development* programme.

Expenditure trends

Table 16.2 Vote expenditure trends by programme and economic classification

Programmes																															
1. Administration																															
2. National Health Insurance, Health Planning and Systems Enablement																															
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health																															
4. Primary Health Care Services																															
5. Hospitals, Tertiary Health Services and Human Resource Development																															
6. Health Regulation and Compliance Management																															
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)		Average: Outcome/Adjusted appropriation (%)	
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18																		
Programme 1	389.7	389.7	386.5	457.1	456.6	438.5	463.5	462.0	442.9	512.8	514.8	514.8	97.8%	97.8%																	
Programme 2	652.0	658.9	338.2	587.8	596.6	553.1	559.8	588.6	679.2	735.1	934.7	914.7	98.0%	89.4%																	
Programme 3	12 840.7	12 840.7	12 818.7	14 442.1	14 378.9	14 179.0	16 018.6	16 009.6	15 965.2	18 278.3	18 297.8	18 267.8	99.4%	99.5%																	
Programme 4	200.5	216.2	206.3	225.0	224.9	212.6	257.8	256.5	225.7	264.3	263.9	263.9	95.9%	94.5%																	
Programme 5	18 929.5	18 816.5	18 448.6	19 159.1	18 970.0	19 002.3	19 573.5	19 574.0	19 468.7	21 108.2	20 907.8	20 907.8	98.8%	99.4%																	
Programme 6	1 367.6	1 403.1	1 340.7	1 596.9	1 603.9	1 599.4	1 690.2	1 706.7	1 714.5	1 727.0	1 726.6	1 726.6	100.0%	99.1%																	
Total	34 380.0	34 325.1	33 539.0	36 468.0	36 230.9	35 984.9	38 563.3	38 597.4	38 496.2	42 625.7	42 645.6	42 595.6	99.1%	99.2%																	
Change to 2017 Budget estimate													19.8																		
Economic classification																															
Current payments	2 041.0	2 245.1	1 740.1	2 351.5	2 270.1	1 934.0	2 304.8	2 341.6	2 234.7	2 404.7	2 590.6	2 560.6	93.1%	89.6%																	
Compensation of employees	649.1	656.5	686.3	772.1	774.3	750.1	873.4	857.4	837.3	760.0	873.4	873.4	103.0%	99.5%																	
Goods and services	1 391.9	1 588.6	1 053.8	1 579.5	1 495.8	1 183.9	1 431.4	1 484.2	1 397.5	1 644.7	1 717.3	1 687.3	88.0%	84.7%																	
Transfers and subsidies	31 314.1	31 591.1	31 570.6	33 448.5	33 496.1	33 482.2	35 637.0	35 664.6	35 660.0	39 355.4	39 282.1	39 282.1	100.2%	100.0%																	
Provinces and municipalities	29 902.1	30 164.1	30 171.1	31 857.9	31 904.7	31 904.7	33 972.0	33 981.0	33 981.0	37 520.4	37 570.2	37 570.2	100.3%	100.0%																	
Departmental agencies and accounts	1 202.9	1 212.9	1 178.1	1 416.4	1 417.1	1 419.4	1 494.5	1 494.7	1 497.3	1 649.8	1 516.1	1 516.1	-	-																	
Higher education institutions	3.0	3.0	-	3.1	3.1	-	3.3	3.3	-	-	-	-	-	-																	
Foreign governments and international organisations	-	2.7	2.6	-	-	-	-	14.4	16.0	-	-	-	-	109.5%																	
Non-profit institutions	206.1	208.4	215.3	171.1	171.1	155.1	167.2	167.2	161.7	185.2	193.7	193.7	99.5%	98.0%																	
Households	0.0	0.0	3.5	-	-	2.9	-	4.0	3.9	-	2.0	2.0	82 053.3%	206.9%																	
Payments for capital assets	1 024.9	488.9	227.4	668.0	464.7	567.8	621.5	591.0	600.8	865.6	772.8	752.8	67.6%	92.7%																	
Buildings and other fixed structures	979.9	378.4	168.9	562.5	354.6	470.6	471.9	471.9	574.0	714.6	644.0	644.0	68.1%	100.5%																	
Machinery and equipment	45.1	100.7	58.4	105.5	110.1	93.0	149.6	119.1	24.6	146.0	123.8	103.8	62.7%	61.7%																	
Software and other intangible assets	-	9.8	0.2	-	-	4.2	-	-	2.2	5.0	5.0	5.0	231.2%	78.3%																	
Payments for financial assets	-	-	0.9	-	-	0.9	-	0.3	0.7	-	0.1	0.1	-	678.4%																	
Total	34 380.0	34 325.1	33 539.0	36 468.0	36 230.9	35 984.9	38 563.3	38 597.4	38 496.2	42 625.7	42 645.6	42 595.6	99.1%	99.2%																	

Expenditure estimates

Table 16.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. National Health Insurance, Health Planning and Systems Enablement								
3. HIV and AIDS, Tuberculosis, and Maternal and Child Health								
4. Primary Health Care Services								
5. Hospitals, Tertiary Health Services and Human Resource Development								
6. Health Regulation and Compliance Management								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	514.8	9.7%	1.2%	550.8	592.5	627.1	6.8%	1.2%
Programme 2	914.7	11.6%	1.6%	1 671.6	2 380.3	3 081.7	49.9%	4.1%
Programme 3	18 267.8	12.5%	40.7%	20 719.1	22 873.3	25 317.7	11.5%	44.1%
Programme 4	263.9	6.9%	0.6%	301.7	366.6	431.4	17.8%	0.7%
Programme 5	20 907.8	3.6%	51.7%	22 124.2	23 364.2	24 831.1	5.9%	46.2%
Programme 6	1 726.6	7.2%	4.2%	1 775.5	1 876.5	1 980.4	4.7%	3.7%
Total	42 595.6	7.5%	100.0%	47 142.9	51 453.4	56 269.3	9.7%	100.0%
Change to 2017 Budget estimate				475.9	1 068.4	1 749.9		
Economic classification								
Current payments	2 560.6	4.5%	5.6%	3 088.4	4 019.4	4 806.5	23.4%	7.3%
Compensation of employees	873.4	10.0%	2.1%	828.8	894.3	961.4	3.3%	1.8%
Goods and services	1 687.3	2.0%	3.5%	2 259.6	3 125.0	3 845.1	31.6%	5.5%
Transfers and subsidies	39 282.1	7.5%	92.9%	43 017.0	46 423.6	50 322.4	8.6%	90.7%
Provinces and municipalities	37 570.2	7.6%	88.7%	41 122.6	44 423.1	48 211.9	8.7%	86.8%
Departmental agencies and accounts	1 516.1	7.7%	3.7%	1 698.5	1 793.7	1 892.3	7.7%	3.5%
Non-profit institutions	193.7	-2.4%	0.5%	195.9	206.8	218.2	4.0%	0.4%
Households	2.0	408.5%	0.0%	-	-	-	-100.0%	0.0%
Payments for capital assets	752.8	15.5%	1.4%	1 037.5	1 010.4	1 140.4	14.9%	2.0%
Buildings and other fixed structures	644.0	19.4%	1.2%	748.1	792.1	876.5	10.8%	1.6%
Machinery and equipment	103.8	1.0%	0.2%	289.4	218.3	263.9	36.5%	0.4%
Software and other intangible assets	5.0	-20.0%	0.0%	-	-	-	-100.0%	0.0%
Payments for financial assets	0.1	-	0.0%	-	-	-	-100.0%	0.0%
Total	42 595.6	7.5%	100.0%	47 142.9	51 453.4	56 269.3	9.7%	100.0%

Expenditure trends and estimates for significant spending items

Table 16.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Comprehensive HIV/AIDS and TB grant	12 102 108	13 670 730	15 290 603	17 757 821	13.6%	39.1%	19 921 697	22 038 995	24 438 471	11.2%	42.6%
National tertiary services grant	10 168 235	10 381 174	10 846 778	11 676 145	4.7%	28.6%	12 400 703	13 185 528	14 068 863	6.4%	26.0%
National health insurance indirect grant (direct)	76 956	61 077	94 227	-	-100.0%	0.2%	-	-	-	-	-
Health facility revitalisation grant (direct)	5 501 981	5 417 045	5 272 680	5 684 495	1.1%	14.5%	5 815 694	6 046 973	6 379 557	3.9%	12.1%
National health insurance indirect grant total	564 095	1 051 122	1 247 860	1 588 037	41.2%	3.0%	2 303 859	3 038 691	3 775 194	33.5%	5.4%
Health facility revitalisation component	292 345	612 623	686 496	688 984	33.1%	1.5%	891 359	940 707	992 111	12.9%	1.8%
Personal services component	-	-	-	-	-	-	712 500	1 324 984	1 931 083	-	2.0%
Non-personal services component	-	-	-	-	-	-	700 000	773 000	852 000	-	1.2%
Total	28 705 720	31 193 771	33 438 644	37 395 482	-6.3%	86.9%	42 745 812	47 348 878	52 437 279	67.9%	91.1%

Goods and services expenditure trends and estimates

Table 16.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Administrative fees	740	689	704	4 406	81.2%	0.1%	2 206	2 569	2 431	-18.0%	0.1%
Advertising	9 311	10 402	6 982	15 181	17.7%	0.8%	14 400	14 899	16 528	2.9%	0.6%
Minor assets	8 235	7 055	9 378	11 137	10.6%	0.7%	17 784	21 729	25 079	31.1%	0.7%
Audit costs: External	27 921	20 132	24 458	38 554	11.4%	2.1%	32 459	34 981	36 188	-2.1%	1.3%
Bursaries: Employees	1 076	1 553	902	2 000	23.0%	0.1%	1 110	1 228	1 351	-12.3%	0.1%
Catering: Departmental activities	3 222	3 150	2 334	3 635	4.1%	0.2%	3 717	3 768	4 168	4.7%	0.1%
Communication	15 723	19 550	16 559	26 249	18.6%	1.5%	25 705	27 271	27 044	1.0%	1.0%
Computer services	13 776	11 915	13 025	36 696	38.6%	1.4%	30 186	31 872	33 495	-3.0%	1.2%
Consultants: Business and advisory services	54 815	65 595	142 996	137 126	35.8%	7.5%	413 792	1 223 961	1 823 135	136.9%	32.9%
Infrastructure and planning services	4 286	-	-	200	-64.0%	0.1%	-	-	-	-100.0%	-
Laboratory services	-	-	4 499	1 100	-	0.1%	1 259	1 056	1 114	0.4%	-
Legal services	6 197	6 990	6 451	9 306	14.5%	0.5%	10 386	11 620	13 640	13.6%	0.4%
Science and technological services	11 743	-	-	15 643	10.0%	0.5%	-	-	2 175	-48.2%	0.2%
Contractors	95 289	286 243	363 819	553 405	79.7%	24.3%	728 958	804 605	872 343	16.4%	27.0%
Agency and support/outsourced services	92 363	154 287	135 561	145 489	16.4%	9.9%	351 855	273 096	280 035	24.4%	9.6%
Entertainment	18	2	3	436	189.3%	-	200	212	224	-19.9%	-
Fleet services (including government motor transport)	27 201	60 757	54 920	32 747	6.4%	3.3%	32 947	36 525	38 740	5.8%	1.3%
Housing	-	24	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	2 708	494	209	1 500	-17.9%	0.1%	-	100	-	-100.0%	-
Inventory: Farming supplies	1	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Food and food supplies	93	114	1 065	202	29.5%	-	534	559	590	42.9%	-
Inventory: Fuel, oil and gas	1 076	2 040	25	1 832	19.4%	0.1%	2 608	2 749	2 900	16.5%	0.1%
Inventory: Materials and supplies	334	131	755	2 062	83.4%	0.1%	3 231	3 598	2 543	7.2%	0.1%
Inventory: Medical supplies	209 556	77 538	132 453	122 752	-16.3%	10.1%	148 788	154 343	159 404	9.1%	5.3%
Inventory: Medicine	177 192	98 338	119 821	176 916	-0.1%	10.7%	2 273	2 545	2 685	-75.2%	1.7%
Inventory: Other supplies	10 332	11 994	9 238	16 836	17.7%	0.9%	13 655	13 027	13 743	-6.5%	0.5%
Consumable supplies	1 687	3 007	840	9 853	80.1%	0.3%	1 714	1 990	2 282	-38.6%	0.1%
Consumables: Stationery, printing and office supplies	18 359	20 196	17 408	25 465	11.5%	1.5%	32 344	34 826	38 286	14.6%	1.2%
Operating leases	93 532	131 666	134 885	156 097	18.6%	9.6%	163 529	183 279	193 226	7.4%	6.4%
Rental and hiring	97	98	298	200	27.3%	-	600	678	716	53.0%	-
Property payments	22 592	23 661	17 076	21 201	-2.1%	1.6%	25 575	22 180	23 400	3.3%	0.8%
Travel and subsistence	82 745	92 748	92 668	88 467	2.3%	6.7%	88 307	99 375	103 880	5.5%	3.5%
Training and development	4 789	4 546	5 082	8 545	21.3%	0.4%	17 542	21 217	23 416	39.9%	0.6%
Operating payments	50 262	49 569	66 522	39 865	-7.4%	3.9%	76 276	77 334	81 744	27.0%	2.5%
Venues and facilities	6 490	19 410	16 534	12 155	23.3%	1.0%	15 631	17 828	18 614	15.3%	0.6%
Total	1 053 761	1 183 894	1 397 470	1 717 258	17.7%	100.0%	2 259 571	3 125 020	3 845 119	30.8%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 16.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Households											
Social benefits											
Current	3 397	2 858	3 669	1 972	-16.6%	-	-	-	-	-100.0%	-
Employee social benefits	3 397	2 858	3 669	1 972	-16.6%	-	-	-	-	-100.0%	-

Table 16.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 174 867	1 416 059	1 493 807	1 512 431	8.8%	4.0%	1 694 688	1 789 609	1 888 038	7.7%	3.8%
Public Service Sector Education and Training Authority	90	-	-	-	-100.0%	-	-	-	-	-	-
Health and Welfare Sector Education and Training Authority	1 276	2 439	2 808	2 252	20.8%	-	2 455	2 612	2 756	7.0%	-
South African Medical Research Council	446 331	623 892	660 270	614 961	11.3%	1.7%	624 829	659 819	696 109	4.2%	1.4%
South African National AIDS Council	15 000	19 340	16 711	17 547	5.4%	-	17 108	18 066	19 059	2.8%	-
National Health Laboratory Service	674 052	678 926	711 871	746 464	3.5%	2.0%	789 759	833 986	879 855	5.6%	1.8%
Office of Health Standards Compliance	33 367	88 906	100 535	125 711	55.6%	0.2%	129 678	136 940	144 472	4.7%	0.3%
Council for Medical Schemes	4 751	2 556	1 612	5 496	5.0%	-	5 670	5 987	6 317	4.8%	-
South African Health Product Regulatory Authority	-	-	-	-	-	-	125 189	132 199	139 470	-	0.2%
Non-profit institutions											
Current	215 283	155 073	161 670	193 737	-3.5%	0.5%	195 909	206 811	218 187	4.0%	0.5%
South African Medical Research Council	512	471	496	520	0.5%	-	550	581	613	5.6%	-
Wits University Foundation	-	-	650	-	-	-	-	-	-	-	-
Non-profit institutions	13 670	-	-	-	-100.0%	-	-	-	-	-	-
Health information systems programme	-	12 103	12 745	13 382	-	-	14 158	14 951	15 773	5.6%	-
Health Systems Trust	12 867	11 367	11 969	15 019	5.3%	-	15 890	16 780	17 703	5.6%	-
Non-governmental organisations: Lifeline	19 023	19 898	20 953	22 000	5.0%	0.1%	23 276	24 579	25 931	5.6%	0.1%
Non-governmental organisations: loveLife	69 843	54 396	57 808	61 200	-4.3%	0.2%	64 750	68 376	72 137	5.6%	0.1%
Non-governmental organisations: Soul City	15 561	16 277	14 465	19 226	7.3%	-	20 270	21 336	22 509	5.4%	-
Non-governmental organisations: HIV and AIDS	79 919	38 131	41 439	51 450	-13.7%	0.2%	54 434	57 482	60 644	5.6%	0.1%
Public Universities South Africa	-	-	-	8 500	-	-	-	-	-	-100.0%	-
South African Federation for Mental Health	320	335	353	371	5.1%	-	393	415	438	5.7%	-
South African National Council for the Blind	718	752	792	832	5.0%	-	880	929	980	5.6%	-
Non-governmental organisations: Mental health	82	-	-	-	-100.0%	-	-	-	-	-	-
National Council Against Smoking	768	803	-	887	4.9%	-	938	991	1 046	5.6%	-
National Kidney Foundation of South Africa	-	350	-	350	-	-	370	391	413	5.7%	-
Health Systems Global: South Africa	2 000	-	-	-	-100.0%	-	-	-	-	-	-
Mental Health and Substance Abuse	-	190	-	-	-	-	-	-	-	-	-
Households											
Other transfers to households	100	52	260	-	-100.0%	-	-	-	-	-	-
Employee social benefits	-	-	260	-	-	-	-	-	-	-	-
Other transfers to households	-	52	-	-	-	-	-	-	-	-	-
Donation for conference on paediatric cardiology and cardiac surgery	100	-	-	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	2 622	-	16 031	-	-100.0%	-	-	-	-	-	-
International AIDS Society	-	-	14 370	-	-	-	-	-	-	-	-
World Health Organisation	2 622	-	-	-	-100.0%	-	-	-	-	-	-
International Hospital Federation	-	-	1 661	-	-	-	-	-	-	-	-
Provinces and municipalities											
Provincial revenue funds											
Current	24 669 087	26 487 703	28 708 332	31 885 731	8.9%	79.8%	35 306 896	38 376 151	41 832 302	9.5%	82.3%
National health insurance grant	76 956	61 077	94 227	-	-100.0%	0.2%	-	-	-	-	-
Comprehensive HIV and AIDS grant	12 102 108	13 670 730	-	-	-100.0%	18.4%	-	-	-	-	-
Human papillomavirus vaccine grant	-	-	-	-	-	-	200 000	211 200	222 816	-	0.4%
Comprehensive HIV, AIDS and tuberculosis grant	-	-	15 290 603	17 577 737	-	23.5%	19 921 697	22 038 995	24 438 471	11.6%	46.9%
Health professions training and development grant	2 321 788	2 374 722	2 476 724	2 631 849	4.3%	7.0%	2 784 496	2 940 428	3 102 152	5.6%	6.4%
National tertiary services grant	10 168 235	10 381 174	10 846 778	11 676 145	4.7%	30.8%	12 400 703	13 185 528	14 068 863	6.4%	28.7%

Table 16.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Capital	5 501 981	5 417 045	5 272 680	5 684 495	1.1%	15.6%	5 815 694	6 046 973	6 379 557	3.9%	13.4%
Health facility revitalisation grant	5 501 981	5 417 045	5 272 680	5 684 495	1.1%	15.6%	5 815 694	6 046 973	6 379 557	3.9%	13.4%
Departmental agencies and accounts											
Social security funds											
Current	3 215	3 363	3 541	3 718	5.0%	-	3 836	4 050	4 272	4.7%	-
Compensation Commissioner	3 215	3 363	3 541	3 718	5.0%	-	3 836	4 050	4 272	4.7%	-
Total	31 570 552	33 482 153	35 659 990	39 282 084	7.6%	100.0%	43 017 023	46 423 594	50 322 356	8.6%	100.0%

Personnel information

Table 16.7 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2016/17	Unit cost	2017/18	Unit cost	2018/19	Unit cost	2019/20	Unit cost	2020/21	Unit cost	2017/18 - 2020/21							
Health	1 739	-	1 694	837.3	0.5	1 688	873.4	0.5	1 498	828.8	0.6	1 489	894.3	0.6	1 479	961.4	0.7	-4.3%	100.0%
Salary level	1 739	-	1 694	837.3	0.5	1 688	873.4	0.5	1 498	828.8	0.6	1 489	894.3	0.6	1 479	961.4	0.7	-4.3%	100.0%
1 - 6	602	-	586	138.0	0.2	582	148.3	0.3	503	140.9	0.3	500	154.4	0.3	497	166.6	0.3	-5.1%	33.8%
7 - 10	747	-	754	361.6	0.5	753	385.4	0.5	731	422.3	0.6	729	458.9	0.6	724	498.2	0.7	-1.3%	47.7%
11 - 12	268	-	214	205.8	1.0	214	202.4	0.9	129	123.1	1.0	126	128.8	1.0	126	137.9	1.1	-16.2%	9.7%
13 - 16	122	-	140	131.9	0.9	139	137.2	1.0	135	142.5	1.1	134	152.2	1.1	132	158.7	1.2	-1.7%	8.8%
Programme	1 739	-	1 694	837.3	0.5	1 688	873.4	0.5	1 498	828.8	0.6	1 489	894.3	0.6	1 479	961.4	0.7	-4.3%	100.0%
Programme 1	437	-	443	187.6	0.4	439	197.2	0.4	435	209.2	0.5	433	231.6	0.5	431	244.7	0.6	-0.6%	28.2%
Programme 2	159	-	153	109.5	0.7	153	114.7	0.7	152	116.7	0.8	150	124.3	0.8	148	131.2	0.9	-1.1%	9.8%
Programme 3	120	-	124	75.6	0.6	124	79.4	0.6	121	84.4	0.7	121	89.6	0.7	118	94.6	0.8	-1.6%	7.9%
Programme 4	410	-	414	177.9	0.4	414	185.6	0.4	413	209.1	0.5	410	220.9	0.5	409	233.2	0.6	-0.4%	26.7%
Programme 5	266	-	274	138.0	0.5	273	128.5	0.5	272	145.2	0.5	270	157.7	0.6	270	183.3	0.7	-0.4%	17.6%
Programme 6	347	-	286	148.7	0.5	285	168.0	0.6	105	64.3	0.6	105	70.2	0.7	103	74.5	0.7	-28.8%	9.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 16.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2017/18	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/Total (%) 2014/15 - 2017/18	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
Departmental receipts	66 140	53 885	59 233	59 524	59 524	-3.5%	100.0%	7 915	8 102	9 199	-46.3%	100.0%
Sales of goods and services produced by department	54 031	46 052	54 298	53 078	53 078	-0.6%	86.9%	4 711	3 995	4 589	-55.8%	78.3%
Sales by market establishments	154	160	172	156	156	0.4%	0.3%	170	200	210	10.4%	0.9%
of which:												
Parking	154	160	172	156	156	0.4%	0.3%	170	200	210	10.4%	0.9%
Administrative fees	53 594	45 395	53 627	52 482	52 482	-0.7%	85.9%	4 250	3 500	3 800	-58.3%	75.6%
of which:												
Medical (drug control) licences	2 961	2 264	2 217	1 576	1 576	-19.0%	3.8%	3 200	2 300	2 500	16.6%	11.3%
Drug control	50 633	42 380	50 262	50 000	50 000	-0.4%	80.9%	-	-	-	-100.0%	59.0%
Inspection fees	-	751	1 148	906	906	-	1.2%	1 050	1 200	1 300	12.8%	5.3%
Other sales	283	497	499	440	440	15.8%	0.7%	291	295	579	9.6%	1.9%
of which:												
Yellow fever	33	334	114	64	64	24.7%	0.2%	134	137	150	32.8%	0.6%
Replacement of security cards	8	5	10	8	8	-	-	7	8	9	4.0%	-
Commission on insurance	242	158	375	368	368	15.0%	0.5%	150	150	420	4.5%	1.3%

Table 16.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
R thousand												
Sales of scrap, waste, arms and other used current goods	3	44	-	4	4	10.1%	-	4	7	10	35.7%	-
of which:												
Scrap paper	3	-	-	4	4	10.1%	-	4	7	10	35.7%	-
Scrap	-	44	-	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	6 337	6 536	3 627	2 500	2 500	-26.7%	8.0%	1 800	2 600	3 000	6.3%	11.7%
Interest	6 337	6 536	3 627	2 500	2 500	-26.7%	8.0%	1 800	2 600	3 000	6.3%	11.7%
Transactions in financial assets and liabilities	5 769	1 253	1 308	3 942	3 942	-11.9%	5.1%	1 400	1 500	1 600	-26.0%	10.0%
Total	66 140	53 885	59 233	59 524	59 524	-3.5%	100.0%	7 915	8 102	9 199	-46.3%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 16.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
R million												
Ministry	28.9	30.0	29.0	31.8	3.3%	6.7%	31.2	34.5	37.1	5.2%	5.9%	
Management	20.9	19.8	22.1	19.6	-2.2%	4.6%	25.7	28.2	29.9	15.1%	4.5%	
Corporate Services	178.3	199.7	199.2	235.5	9.7%	45.6%	245.0	261.8	276.6	5.5%	44.6%	
Office Accommodation	110.4	147.6	143.0	165.2	14.4%	31.8%	174.9	186.0	196.2	5.9%	31.6%	
Financial Management	48.0	41.4	49.5	62.8	9.4%	11.3%	74.0	82.0	87.4	11.7%	13.4%	
Total	386.5	438.5	442.9	514.8	10.0%	100.0%	550.8	592.5	627.1	6.8%	100.0%	
Change to 2017				2.0			3.3	10.0	7.9			
Budget estimate												
Economic classification												
Current payments	381.8	426.9	432.8	507.6	10.0%	98.1%	537.3	581.7	615.3	6.6%	98.1%	
Compensation of employees	167.5	177.7	187.6	197.2	5.6%	40.9%	209.2	231.6	244.7	7.5%	38.6%	
Goods and services ¹	214.4	249.2	245.2	310.4	13.1%	57.2%	328.1	350.1	370.6	6.1%	59.5%	
of which:												
Audit costs: External	27.9	20.1	21.8	35.3	8.1%	5.9%	30.0	32.1	33.2	-2.0%	5.7%	
Communication	8.9	9.8	9.4	16.4	22.7%	2.5%	17.0	18.6	17.0	1.1%	3.0%	
Operating leases	90.2	128.1	131.1	147.6	17.8%	27.9%	155.7	174.9	184.5	7.7%	29.0%	
Property payments	22.3	23.3	16.6	20.0	-3.6%	4.6%	20.8	18.2	19.2	-1.3%	3.4%	
Travel and subsistence	15.7	15.6	14.3	20.3	8.9%	3.7%	21.6	24.5	27.7	10.9%	4.1%	
Training and development	4.6	3.9	4.6	8.4	22.5%	1.2%	15.9	18.9	20.4	34.2%	2.8%	
Transfers and subsidies¹	2.2	3.4	3.1	2.7	7.6%	0.6%	2.5	2.6	2.8	1.0%	0.5%	
Departmental agencies and accounts	1.4	2.4	2.8	2.3	18.1%	0.5%	2.5	2.6	2.8	7.0%	0.4%	
Households	0.8	1.0	0.3	0.4	-18.5%	0.1%	-	-	-	-100.0%	-	
Payments for capital assets	2.3	7.9	6.8	4.6	25.6%	1.2%	11.0	8.2	9.0	25.2%	1.4%	
Machinery and equipment	2.3	7.9	4.6	4.6	25.6%	1.1%	11.0	8.2	9.0	25.2%	1.4%	
Software and other intangible assets	-	-	2.2	-	-	0.1%	-	-	-	-	-	
Payments for financial assets	0.2	0.2	0.1	0.0	-57.5%	-	-	-	-	-100.0%	-	
Total	386.5	438.5	442.9	514.8	10.0%	100.0%	550.8	592.5	627.1	6.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	1.2%	1.2%	1.2%	1.2%	-	-	1.2%	1.2%	1.1%	-	-	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	1.3	2.4	2.8	2.3	20.8%	0.5%	2.5	2.6	2.8	7.0%	0.4%	
Health and Welfare Sector Education and Training Authority	1.3	2.4	2.8	2.3	20.8%	0.5%	2.5	2.6	2.8	7.0%	0.4%	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: National Health Insurance, Health Planning and Systems Enablement

Programme purpose

Improve access to quality health services through the development and implementation of policies to achieve universal health coverage, health financing reform, integrated health systems planning, monitoring and evaluation, and the coordination of research.

Objectives

- Achieve universal health coverage by 2030 through the phased implementation of national health insurance over the medium term.
- Lay the legal foundation for national health insurance by enabling the enactment of the National Health Insurance Bill by March 2021.
- Improve equity in the distribution of funding by establishing a functional national health insurance fund by March 2020.
- Strengthen revenue collection by implementing a revenue retention model in all provinces by March 2019.
- Improve access to chronic medicines and alleviate pressure on primary health care facilities by ensuring that 3 million patients receive chronic medicine through a centralised chronic medicine dispensing and distribution system by March 2021.
- Strengthen the monitoring of the availability of medicine by establishing a national stock management surveillance centre that reports on stock availability at all primary health care facilities by March 2021.
- Improve health information and operational processes in primary health care facilities by implementing the health patient registration system in all primary health care facilities by March 2021.

Subprogrammes

- *Programme Management* provides leadership to the programme to improve access to quality health care services by developing and implementing universal health coverage policies; health financing reform; integrated health systems planning, reporting, and monitoring and evaluation; and research.
- *Technical Policy and Planning* provides advisory and strategic technical assistance on policy and planning, and supports policy analysis and implementation.
- *Health Information Management, Monitoring and Evaluation* develops and maintains a national health information system, commissions and coordinates research, implements disease notification surveillance programmes, and monitors and evaluates strategic health programmes.
- *Sector-Wide Procurement* is responsible for developing systems to ensure access to essential pharmaceutical commodities. This is achieved through the selection of essential medicines, the development of standard treatment guidelines, the administration of health tenders, and the licensing of persons and premises that deliver pharmaceutical services and related policies.
- *Health Financing and National Health Insurance* develops and implements policies, legislation and frameworks to achieve universal health coverage by designing and implementing national health insurance. It commissions health financing research, develops policy for the medical schemes industry, provides technical oversight over the Council for Medical Schemes, and manages the *national health insurance indirect grant*.
- *International Health and Development* develops and implements bilateral and multilateral agreements with strategic partners, such as the Southern African Development Community, the African Union and United Nations agencies, and economic groupings of countries such as Brazil-Russia-India-South Africa, to strengthen the health system; manages processes involving the provision of technical capacity and financial assistance to South Africa; strengthens cooperation in areas of mutual interest globally; coordinates support for international development; and profiles and lobbies for South Africa's policy position internationally.

Expenditure trends and estimates

Table 16.10 National Health Insurance, Health Planning and Systems Enablement expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management	0.3	0.6	3.6	4.0	128.6%	0.3%	4.6	4.7	5.0	8.1%	0.2%
Technical Policy and Planning	10.0	14.0	18.1	97.8	114.0%	5.6%	21.4	22.4	24.1	-37.3%	2.1%
Health Information Management, Monitoring and Evaluation	51.8	57.4	81.6	67.1	9.0%	10.3%	62.0	65.1	68.6	0.7%	3.3%
Sector-Wide Procurement	24.3	26.3	26.6	139.4	78.9%	8.6%	46.3	46.8	49.2	-29.3%	3.5%
Health Financing and National Health Insurance	177.4	367.7	476.8	546.7	45.5%	62.6%	1 451.2	2 151.2	2 839.8	73.2%	86.6%
International Health and Development	74.3	87.1	72.4	79.7	2.4%	12.5%	86.0	90.1	94.9	6.0%	4.3%
Total	338.2	553.1	679.2	934.7	40.3%	100.0%	1 671.6	2 380.3	3 081.7	48.8%	100.0%
Change to 2017 Budget estimate				199.6			678.7	1 333.0	1 974.0		
Economic classification											
Current payments	233.5	467.5	558.2	822.4	52.2%	83.1%	1 462.0	2 243.1	2 941.1	52.9%	92.6%
Compensation of employees	91.5	98.4	109.5	114.7	7.8%	16.5%	116.7	124.3	131.2	4.6%	6.0%
Goods and services ¹	142.0	369.1	448.7	707.7	70.8%	66.6%	1 345.3	2 118.9	2 809.9	58.3%	86.5%
of which:											
Minor assets	0.1	0.2	0.2	0.5	65.5%	–	9.7	12.3	14.8	208.7%	0.5%
Consultants: Business and advisory services	9.7	12.6	33.8	14.1	13.4%	2.8%	291.4	1 098.9	1 709.0	394.5%	38.6%
Contractors	75.7	278.1	358.0	524.3	90.6%	49.3%	658.5	711.7	767.2	13.5%	33.0%
Agency and support/outsourced services	0.2	6.5	–	84.7	607.6%	3.7%	287.6	187.0	199.2	33.0%	9.4%
Travel and subsistence	24.9	28.3	21.9	20.6	-6.1%	3.8%	23.7	29.9	32.9	16.8%	1.3%
Operating payments	24.1	31.6	25.9	33.8	12.0%	4.6%	43.5	44.4	47.3	11.8%	2.1%
Transfers and subsidies¹	103.7	84.7	119.9	28.7	-34.8%	13.5%	30.0	31.7	33.5	5.2%	1.5%
Provinces and municipalities	77.0	61.1	94.2	–	-100.0%	9.3%	–	–	–	–	–
Non-profit institutions	26.5	23.5	25.4	28.4	2.3%	4.1%	30.0	31.7	33.5	5.6%	1.5%
Households	0.3	0.1	0.3	0.3	7.7%	–	–	–	–	-100.0%	–
Payments for capital assets	0.9	0.8	1.1	83.5	346.2%	3.4%	179.5	105.5	107.1	8.6%	5.9%
Machinery and equipment	0.8	0.8	1.1	78.5	368.2%	3.2%	179.5	105.5	107.1	10.9%	5.8%
Software and other intangible assets	0.2	–	–	5.0	205.7%	0.2%	–	–	–	-100.0%	0.1%
Payments for financial assets	0.1	0.1	0.0	–	-100.0%	–	–	–	–	–	–
Total	338.2	553.1	679.2	934.7	40.3%	100.0%	1 671.6	2 380.3	3 081.7	48.8%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	1.5%	1.8%	2.2%	–	–	3.5%	4.6%	5.5%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	26.5	23.5	24.7	28.4	2.3%	4.1%	30.0	31.7	33.5	5.6%	1.5%
Non-profit institutions	13.7	–	–	–	-100.0%	0.5%	–	–	–	–	–
Health information systems programme	–	12.1	12.7	13.4	–	1.5%	14.2	15.0	15.8	5.6%	0.7%
Health Systems Trust	12.9	11.4	12.0	15.0	5.3%	2.0%	15.9	16.8	17.7	5.6%	0.8%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	77.0	61.1	94.2	–	-100.0%	9.3%	–	–	–	–	–
National health insurance grant	77.0	61.1	94.2	–	-100.0%	9.3%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: HIV and AIDS, Tuberculosis, and Maternal and Child Health

Programme purpose

Develop national policies, guidelines, norms and standards, and targets to decrease the burden of disease related to the HIV and tuberculosis epidemics; support the implementation of these; and monitor and evaluate their impact. Minimise maternal and child mortality and morbidity; and optimise good health for children, adolescents and women.

Objectives

- Reduce the maternal mortality rate to fewer than 100 per 100 000 live births by March 2020 through implementing and sustaining essential training in obstetric emergencies, conducting maternal mortality reviews, and ensuring that appropriate interventions are implemented.
- Reduce the neonatal mortality rate to fewer than 9 per 1 000 live births by March 2020 by capacitating health care workers to manage sick and small neonates, and procuring essential equipment such as continuous positive airway pressure machines.
- Improve access to sexual and reproductive health services by ensuring that at least 75 per cent of couples access modern contraceptive methods by March 2020.
- Protect girls by reducing the risk of contracting cervical cancer later in life by vaccinating 90 per cent of girls in grade 4 against the human papilloma virus by March 2021.
- Reduce the rate of mother-to-child HIV transmission to below 1.1 per cent by March 2021 through the effective implementation of the guidelines on the prevention of mother-to-child transmission.
- Reduce the mortality rate for children under 5 years to less than 33 per 1 000 live births by March 2020 through implementing the recommendations from the Committee on Morbidity and Mortality in Children Under 5 Years.
- Contribute to the health and wellbeing of learners by screening more than 480 000 grade 1 learners and 230 000 grade 8 learners for health-related barriers to learning per year by March 2020.
- Achieve a TB treatment success rate of 88 per cent and a 5 per cent or less TB loss-to-follow-up rate by March 2020 through the increased identification of TB patients and ensuring patients complete their treatment.
- Increase the life expectancy of people living with HIV by increasing the number of people accessing antiretroviral treatment to 5.9 million by March 2020.
- Reduce new HIV infections by implementing a combination of prevention interventions, such as HIV counselling and testing, medical male circumcisions and condom distribution, over the medium term.

Subprogrammes

- *Programme Management* is responsible for ensuring that all efforts by all stakeholders are harnessed to support the overall purpose of the programme. This includes ensuring that the efforts and resources of development partners, funders, academic and research organisations, and non-governmental and civil society organisations all contribute in a coherent, integrated way.
- *HIV and AIDS* is responsible for policy formulation, coordination, and the monitoring and evaluation of HIV and sexually transmitted disease services. This entails coordinating the implementation of the 2017-2022 national strategic plan on HIV, sexually transmitted infections and TB. Other important functions of this subprogramme are the management and oversight of the *comprehensive HIV, AIDS and TB grant* implemented by the provinces, and the coordination and direction of donor funding for HIV and AIDS.
- *Tuberculosis* develops national policies and guidelines, sets norms and standards for tuberculosis services, and monitors the implementation of these in line with the vision of achieving zero infections, mortality, stigma and discrimination from TB and HIV and AIDS, as outlined in the 2017-2022 national strategic plan on HIV, sexually transmitted infections and TB.
- *Women's Maternal and Reproductive Health* develops and monitors policies and guidelines, sets norms and standards for maternal and women's health services, and monitors the implementation of these.
- *Child, Youth and School Health* is responsible for the policy formulation, coordination, and monitoring and evaluation of child, youth and school health services. Each province also has a unit responsible for fulfilling this role, and for facilitating implementation at provincial level. This subprogramme is also responsible for coordinating the human papilloma virus vaccination programme, and coordinates stakeholders outside of the health sector to play key roles in promoting improved child and youth health and nutrition.

Expenditure trends and estimates

Table 16.11 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management	4.2	5.4	4.4	6.5	15.2%	–	5.4	5.5	5.8	-3.3%	–
HIV and AIDS	12 572.8	13 962.5	15 712.5	18 024.4	12.8%	98.4%	20 441.5	22 582.3	25 008.2	11.5%	98.7%
Tuberculosis	21.8	20.1	24.3	26.3	6.5%	0.2%	27.2	27.7	30.6	5.2%	0.1%
Women's Maternal and Reproductive Health	12.4	13.7	11.6	18.2	13.6%	0.1%	19.9	20.3	22.3	7.1%	0.1%
Child, Youth and School Health	207.4	177.3	212.4	222.5	2.4%	1.3%	225.0	237.6	250.6	4.1%	1.1%
Total	12 818.7	14 179.0	15 965.2	18 297.8	12.6%	100.0%	20 719.1	22 873.3	25 317.7	11.4%	100.0%
Change to 2017				19.4			(26.5)	(36.1)	(41.0)		
Budget estimate											
Economic classification											
Current payments	515.9	358.5	508.2	523.7	0.5%	3.1%	417.2	433.0	455.8	-4.5%	2.1%
Compensation of employees	65.3	71.3	75.6	79.4	6.8%	0.5%	84.4	89.6	94.6	6.0%	0.4%
Goods and services ¹	450.6	287.2	432.7	444.3	-0.5%	2.6%	332.7	343.4	361.3	-6.7%	1.7%
<i>of which:</i>											
<i>Consultants: Business and advisory services</i>	10.9	19.6	69.2	88.9	101.3%	0.3%	94.7	97.4	102.8	4.9%	0.4%
<i>Fleet services (including government motor transport)</i>	11.4	34.0	22.8	11.6	0.5%	0.1%	11.1	11.9	12.5	2.6%	0.1%
<i>Inventory: Medical supplies</i>	209.2	76.5	131.4	118.9	-17.2%	0.9%	145.8	151.0	155.9	9.4%	0.7%
<i>Consumables: Stationery, printing and office supplies</i>	2.4	2.7	5.5	9.3	56.1%	–	15.1	16.2	17.3	23.1%	0.1%
<i>Travel and subsistence</i>	11.9	15.1	18.4	15.3	8.7%	0.1%	16.7	16.7	17.6	4.9%	0.1%
<i>Operating payments</i>	9.7	9.1	30.8	(8.8)	-196.9%	0.1%	18.0	18.1	19.5	-230.4%	0.1%
Transfers and subsidies¹	12 301.7	13 819.5	15 456.4	17 757.8	13.0%	96.9%	20 301.5	22 440.0	24 861.6	11.9%	97.9%
Provinces and municipalities	12 102.1	13 670.7	15 290.6	17 577.7	13.2%	95.7%	20 121.7	22 250.2	24 661.3	11.9%	97.0%
Departmental agencies and accounts	15.0	19.3	16.7	17.5	5.4%	0.1%	17.1	18.1	19.1	2.8%	0.1%
Foreign governments and international organisations	–	–	14.4	–	–	–	–	–	–	–	–
Non-profit institutions	184.3	128.7	134.7	162.4	-4.1%	1.0%	162.7	171.8	181.2	3.7%	0.8%
Households	0.3	0.7	0.1	0.2	-18.1%	–	–	–	–	-100.0%	–
Payments for capital assets	0.5	0.8	0.5	16.3	212.9%	–	0.4	0.2	0.3	-74.9%	–
Machinery and equipment	0.5	0.8	0.5	16.3	212.9%	–	0.4	0.2	0.3	-74.9%	–
Payments for financial assets	0.6	0.2	0.0	0.0	-79.3%	–	–	–	–	-100.0%	–
Total	12 818.7	14 179.0	15 965.2	18 297.8	12.6%	100.0%	20 719.1	22 873.3	25 317.7	11.4%	100.0%
Proportion of total programme expenditure to vote expenditure	38.2%	39.4%	41.5%	42.9%	–	–	43.9%	44.5%	45.0%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	15.0	19.3	16.7	17.5	5.4%	0.1%	17.1	18.1	19.1	2.8%	0.1%
South African National AIDS Council	15.0	19.3	16.7	17.5	5.4%	0.1%	17.1	18.1	19.1	2.8%	0.1%
Non-profit institutions											
Current	184.3	128.7	134.7	162.4	-4.1%	1.0%	162.7	171.8	181.2	3.7%	0.8%
Non-governmental organisations: Lifeline	19.0	19.9	21.0	22.0	5.0%	0.1%	23.3	24.6	25.9	5.6%	0.1%
Non-governmental organisations: loveLife	69.8	54.4	57.8	61.2	-4.3%	0.4%	64.8	68.4	72.1	5.6%	0.3%
Non-governmental organisations: Soul City	15.6	16.3	14.5	19.2	7.3%	0.1%	20.3	21.3	22.5	5.4%	0.1%
Non-governmental organisations: HIV and AIDS	79.9	38.1	41.4	51.5	-13.7%	0.3%	54.4	57.5	60.6	5.6%	0.3%
Public Universities South Africa	–	–	–	8.5	–	–	–	–	–	-100.0%	–
Foreign governments and international organisations											
Current	–	–	14.4	–	–	–	–	–	–	–	–
International AIDS Society	–	–	14.4	–	–	–	–	–	–	–	–

Table 16.11 HIV and AIDS, Tuberculosis, and Maternal and Child Health expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	12 102.1	13 670.7	15 290.6	17 577.7	13.2%	95.7%	20 121.7	22 250.2	24 661.3	11.9%	97.0%
Comprehensive HIV and AIDS grant	12 102.1	13 670.7	–	–	-100.0%	42.1%	–	–	–	–	–
Human papillomavirus vaccine grant	–	–	–	–	–	–	200.0	211.2	222.8	–	0.7%
Comprehensive HIV, AIDS and tuberculosis grant	–	–	15 290.6	17 577.7	–	53.7%	19 921.7	22 039.0	24 438.5	11.6%	96.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Primary Health Care Services

Programme purpose

Develop and oversee the implementation of legislation, policies, systems, and norms and standards for a uniform district health system, environmental health, communicable and non-communicable disease control, health promotion and improved nutrition.

Objectives

- Improve district governance and strengthen the management and leadership of the district health system by establishing approved, standardised district management structures in all 52 health districts by March 2021.
- Improve access to community-based primary health care services by establishing 3 700 ward-based primary health care outreach teams by March 2021.
- Improve the quality of care at clinics by ensuring that at least 3 000 primary health care facilities in total qualify as ideal clinics by March 2021.
- Improve the quality of services at district hospitals through the ideal district hospital programme by implementing the ideal district hospital framework at 25 per cent of all district hospitals by March 2021.
- Reduce risk factors and improve the management of non-communicable diseases by creating awareness of risk factors contributing to non-communicable diseases through at least 3 media campaigns each year over the medium term.
- Improve intersectoral collaboration, with a focus on population-wide interventions, to promote healthy lifestyles and address social and economic determinants by establishing a national health commission by March 2019.
- Strengthen health promotion, surveillance, vector control and the case management of malaria in order to eliminate malaria by March 2021.
- Improve South Africa's influenza prevention and control by providing influenza vaccinations to 650 000 high-risk individuals in each year over the medium term.
- Expand the provision of rehabilitation services by increasing the number of districts resourced to at least 10 multidisciplinary rehabilitation teams by March 2020.
- Improve the accessibility of primary health services to people with physical disabilities by ensuring that 70 per cent of primary health care facilities have wheelchair ramps, compacted access from gate to entrance, and appropriate toilets and signage by March 2020.
- Ensure the compliance of port health services to international health regulations by March 2021 by regularly auditing ports of entry and addressing findings from 25 ports of entry annually in South Africa.

Subprogrammes

- *Programme Management* supports and provides leadership for the development and implementation of legislation, policies, systems, and norms and standards for a uniform district health system, environmental health, communicable and non-communicable diseases, health promotion, and nutrition.
- *District Health Services* promotes, coordinates and institutionalises the district health system; integrates programme implementation using the primary health care approach; and coordinates primary health care re-engineering through ward-based primary health care outreach teams.
- *Communicable Diseases* develops policies and supports provinces to ensure the control of infectious diseases, and supports the National Institute for Communicable Diseases, a division of the National Health Laboratory Service. This subprogramme improves surveillance for disease detection; strengthens preparedness and core response capacity for public health emergencies in line with international health regulations; and facilitates the implementation of influenza prevention and control programmes, tropical disease prevention and control programmes, and malaria elimination.
- *Non-Communicable Diseases* establishes policy, legislation and guidelines, and assists provinces in implementing and monitoring services for chronic non-communicable diseases, disability, eye care, oral health, mental health, substance abuse and injury.
- *Health Promotion and Nutrition* formulates and monitors policies, guidelines, and norms and standards for health promotion and nutrition. Focusing on South Africa's quadruple burden of disease (HIV and AIDS and TB, maternal and child mortality, non-communicable diseases, and violence and injury), this subprogramme implements the approved health promotion strategy to reduce risk factors for disease, and promotes an integrated approach to working towards an optimal nutritional status for all South Africans.
- *Environmental and Port Health Services* coordinates the delivery of environmental health, including the monitoring and delivery of municipal health services, and ensures compliance with international health regulations by coordinating and implementing port health services at all of South Africa's 44 ports of entry.

Expenditure trends and estimates

Table 16.12 Primary Health Care Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
R million											
Programme Management	2.8	3.2	3.3	3.1	3.4%	1.4%	4.0	4.2	4.5	12.5%	1.2%
District Health Services	25.8	9.8	19.6	46.3	21.5%	11.2%	10.6	11.2	11.7	-36.8%	5.9%
Communicable Diseases	23.4	21.1	17.6	21.7	-2.4%	9.2%	22.7	24.0	25.4	5.3%	6.9%
Non-Communicable Diseases	25.3	20.6	19.4	22.5	-3.8%	9.7%	74.2	125.7	177.1	99.0%	29.3%
Health Promotion and Nutrition	18.4	22.1	19.1	26.3	12.7%	9.4%	24.7	25.8	27.7	1.7%	7.7%
Environmental and Port Health Services	110.7	135.7	146.7	144.0	9.2%	59.1%	165.6	175.7	185.1	8.7%	49.2%
Total	206.3	212.6	225.7	263.9	8.6%	100.0%	301.7	366.6	431.4	17.8%	100.0%
Change to 2017				(0.4)			8.6	51.5	94.7		
Budget estimate											
Economic classification											
Current payments	195.1	207.0	221.8	255.6	9.4%	96.8%	298.4	363.1	427.7	18.7%	98.6%
Compensation of employees	151.3	167.7	177.9	185.6	7.0%	75.1%	209.1	220.9	233.2	7.9%	62.2%
Goods and services ¹	43.8	39.3	43.9	70.0	16.9%	21.7%	89.3	142.1	194.5	40.6%	36.4%
of which:											
Contractors	0.3	0.3	0.3	0.2	-16.9%	0.1%	25.2	50.3	75.2	649.1%	11.1%
Agency and support/outsourced services	–	–	–	1.0	–	0.1%	25.8	50.4	75.4	322.5%	11.2%
Fleet services (including government motor transport)	1.3	10.6	13.6	8.3	86.7%	3.7%	7.6	7.3	7.7	-2.6%	2.3%
Travel and subsistence	7.3	9.9	12.1	13.1	21.3%	4.7%	8.9	10.0	9.2	-11.2%	3.0%
Operating payments	10.2	2.1	3.0	4.9	-21.6%	2.2%	4.7	5.2	4.4	-3.3%	1.4%
Venues and facilities	1.3	3.2	5.1	2.0	14.7%	1.3%	2.5	3.1	2.6	9.1%	0.7%

Table 16.12 Primary Health Care Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Transfers and subsidies¹	7.2	3.4	2.9	3.0	-25.1%	1.8%	3.1	3.3	3.5	5.0%	0.9%
Foreign governments and international organisations	2.6	–	–	–	-100.0%	0.3%	–	–	–	–	–
Non-profit institutions	4.4	2.9	1.6	3.0	-12.4%	1.3%	3.1	3.3	3.5	5.6%	0.9%
Households	0.1	0.5	1.3	0.1	-27.9%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	4.0	2.1	1.0	5.3	9.4%	1.4%	0.2	0.2	0.3	-62.3%	0.4%
Machinery and equipment	4.0	2.1	1.0	5.3	9.4%	1.4%	0.2	0.2	0.3	-62.3%	0.4%
Payments for financial assets	0.0	0.0	0.0	0.0	-32.0%	–	–	–	–	-100.0%	–
Total	206.3	212.6	225.7	263.9	8.6%	100.0%	301.7	366.6	431.4	17.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.6%	0.6%	0.6%	0.6%	–	–	0.6%	0.7%	0.8%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	4.3	2.7	1.6	3.0	-11.8%	1.3%	3.1	3.3	3.5	5.6%	0.9%
South African Medical Research Council	0.5	0.5	0.5	0.5	0.5%	0.2%	0.6	0.6	0.6	5.6%	0.2%
South African Federation for Mental Health	0.3	0.3	0.4	0.4	5.1%	0.2%	0.4	0.4	0.4	5.7%	0.1%
South African National Council for the Blind	0.7	0.8	0.8	0.8	5.0%	0.3%	0.9	0.9	1.0	5.6%	0.3%
National Council Against Smoking	0.8	0.8	–	0.9	4.9%	0.3%	0.9	1.0	1.0	5.6%	0.3%
National Kidney Foundation of South Africa	–	0.4	–	0.4	–	0.1%	0.4	0.4	0.4	5.7%	0.1%
Health Systems Global: South Africa	2.0	–	–	–	-100.0%	0.2%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Hospitals, Tertiary Health Services and Human Resource Development

Programme purpose

Develop policies, delivery models and clinical protocols for hospitals and emergency medical services. Provide human resources for health planning, development and management, as well as clinical training platforms for the education of health professionals. Ensure that planning of health infrastructure meets the health needs of the country.

Objectives

- Accelerate the construction and maintenance of health infrastructure by enhancing the capacity of the health sector to deliver health infrastructure on an ongoing basis.
- Increase the management capacity of central hospitals through training, coaching, mentoring and benchmarking 10 central hospitals against the standardised organisational structure by March 2020.
- Ensure appropriate and affordable staffing levels and staffing mixes at all health facilities by benchmarking all primary health care facilities and district hospitals against normative guidelines by March 2020.
- Improve the quality of nursing education and practice by ensuring that all 17 nursing colleges are accredited to offer the new nursing qualification by March 2020.
- Ensure access to the efficient and effective delivery of quality emergency medical services by monitoring compliance with regulations pertaining to emergency medical services by March 2020.
- Improve the functioning of the criminal justice system by eliminating backlogs for blood alcohol level testing in forensic chemistry laboratories by March 2019, and reducing turnaround times on an ongoing basis.
- Improve the management of health facilities at all levels of care by ensuring that hospital chief executives and primary health care facility managers benefit from a coaching and mentoring programme implemented through the knowledge management hub over the medium term.

Subprogrammes

- *Programme Management* supports and provides leadership for the development of policies, delivery models and clinical protocols for hospitals and emergency medical services. It also supports the alignment of academic medical centres with health workforce programmes.
- *Health Facilities Infrastructure Management* coordinates and funds health care infrastructure to enable provinces to plan, manage, modernise, rationalise and transform infrastructure, health technology and hospital management, and improve the quality of care. This subprogramme is responsible for the direct *health facility revitalisation grant* and, since 2013/14, the health facility revitalisation component of the *national health insurance indirect grant*.
- *Tertiary Health Care Planning and Policy* focuses on the provision of tertiary hospital services in a modernised and reconfigured manner, identifies tertiary and regional hospitals that should serve as centres of excellence for disseminating quality improvements, and manages the *national tertiary services grant*.
- *Hospital Management* deals with national policy on hospital services by focusing on developing an effective referral system to ensure clear delineation of responsibilities by level of care, providing clear guidelines for referral and improved communication, developing specific and detailed hospital plans, and facilitating quality improvement plans for hospitals.
- *Human Resources for Health* is responsible for medium- to long-term human resources planning in the national health system. This entails implementing the national human resources for health strategy, facilitating capacity development for the planning of a sustainable health workforce, and developing and implementing human resources information systems for planning and monitoring purposes.
- *Nursing Services* is responsible for developing and overseeing the implementation of a policy framework to oversee the development of required nursing skills and capacity, developing nursing norms and standards, and facilitating the development of the curriculum for nursing education.
- *Forensic Chemistry Laboratories* is responsible for ante- and post-mortem analyses of blood alcohol levels for drunken driving, toxicology analyses of biological fluids and human organs in the event of unnatural deaths such as murder and suicide, and foodstuff analyses.
- *Violence, Trauma and EMS* formulates and monitors policies, guidelines, and norms and standards for the management of violence, trauma and emergency medical services.

Expenditure trends and estimates

Table 16.13 Hospitals, Tertiary Health Services and Human Resource Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management	4.2	3.7	2.6	3.7	-4.1%	–	3.3	3.4	3.6	-0.6%	–
Health Facilities Infrastructure Management	5 807.6	6 092.9	5 973.5	6 423.7	3.4%	31.2%	6 740.6	7 022.9	7 412.0	4.9%	30.3%
Tertiary Health Care Planning and Policy	10 172.2	10 384.3	10 850.2	11 680.8	4.7%	55.4%	12 405.1	13 190.1	14 073.7	6.4%	56.3%
Hospital Management	4.6	4.8	8.1	5.0	2.6%	–	6.5	6.8	7.2	13.4%	–
Human Resources for Health	2 340.6	2 394.3	2 515.3	2 653.8	4.3%	12.7%	2 805.4	2 963.8	3 126.8	5.6%	12.7%
Nursing Services	2.6	4.2	7.3	6.6	36.8%	–	9.1	9.4	10.0	15.1%	–
Forensic Chemistry Laboratories	110.1	112.8	104.4	127.4	5.0%	0.6%	145.8	158.8	188.4	13.9%	0.7%
Violence, Trauma and EMS	6.7	5.3	7.3	6.9	1.1%	–	8.5	8.9	9.4	10.5%	–
Total	18 448.6	19 002.3	19 468.7	20 907.8	4.3%	100.0%	22 124.2	23 364.2	24 831.1	5.9%	100.0%
Change to 2017 Budget estimate				(200.4)			(176.9)	(276.6)	(271.1)		

Table 16.13 Hospitals, Tertiary Health Services and Human Resource Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	239.5	284.1	279.9	254.7	2.1%	1.4%	279.3	295.5	257.3	0.3%	1.2%
Compensation of employees	104.7	110.9	138.0	128.5	7.1%	0.6%	145.2	157.7	183.3	12.6%	0.7%
Goods and services ¹	134.8	173.2	141.9	126.2	-2.2%	0.7%	134.2	137.8	74.0	-16.3%	0.5%
<i>of which:</i>											
Minor assets	5.8	1.1	4.0	1.9	-31.5%	-	4.9	6.0	7.0	55.2%	-
Consultants: Business and advisory services	0.9	1.7	1.1	9.1	114.7%	-	18.3	19.3	1.4	-46.5%	0.1%
Contractors	5.0	5.3	4.9	13.1	38.0%	-	21.5	23.3	10.0	-8.6%	0.1%
Agency and support/outsourced services	88.1	131.6	102.0	56.2	-13.9%	0.5%	35.1	32.9	3.0	-62.5%	0.1%
Inventory: Other supplies	10.2	11.6	9.1	13.2	8.8%	0.1%	12.4	11.6	12.3	-2.4%	0.1%
Travel and subsistence	9.5	9.8	11.4	11.1	5.4%	0.1%	13.9	15.0	11.9	2.4%	0.1%
Transfers and subsidies¹	17 992.7	18 173.3	18 598.0	19 993.3	3.6%	96.1%	21 000.9	22 172.9	23 550.6	5.6%	95.1%
Provinces and municipalities	17 992.0	18 172.9	18 596.2	19 992.5	3.6%	96.1%	21 000.9	22 172.9	23 550.6	5.6%	95.1%
Foreign governments and international organisations	-	-	1.7	-	-	-	-	-	-	-	-
Households	0.7	0.4	0.2	0.8	1.4%	-	-	-	-	-100.0%	-
Payments for capital assets	216.3	544.8	590.4	659.9	45.0%	2.6%	843.9	895.8	1 023.2	15.7%	3.8%
Buildings and other fixed structures	168.3	470.6	574.0	644.0	56.4%	2.4%	748.1	792.1	876.5	10.8%	3.4%
Machinery and equipment	48.0	74.1	16.4	15.9	-30.8%	0.2%	95.9	103.7	146.7	109.8%	0.4%
Payments for financial assets	0.1	0.1	0.4	0.0	-51.6%	-	-	-	-	-100.0%	-
Total	18 448.6	19 002.3	19 468.7	20 907.8	4.3%	100.0%	22 124.2	23 364.2	24 831.1	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	55.0%	52.8%	50.6%	49.0%	-	-	46.9%	45.4%	44.1%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	12 490.0	12 755.9	13 323.5	14 308.0	4.6%	67.9%	15 185.2	16 126.0	17 171.0	6.3%	68.8%
Health professions training and development grant	2 321.8	2 374.7	2 476.7	2 631.8	4.3%	12.6%	2 784.5	2 940.4	3 102.2	5.6%	12.6%
National tertiary services grant	10 168.2	10 381.2	10 846.8	11 676.1	4.7%	55.3%	12 400.7	13 185.5	14 068.9	6.4%	56.3%
Capital	5 502.0	5 417.0	5 272.7	5 684.5	1.1%	28.1%	5 815.7	6 047.0	6 379.6	3.9%	26.2%
Health facility revitalisation grant	5 502.0	5 417.0	5 272.7	5 684.5	1.1%	28.1%	5 815.7	6 047.0	6 379.6	3.9%	26.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Health Regulation and Compliance Management

Programme purpose

Regulate the procurement of medicines and pharmaceutical supplies, including food control, and the trade in health products and health technology. Promote accountability and compliance by regulatory bodies and public entities for effective governance and improved quality of health care.

Objectives

- Strengthen food safety over the medium term by expanding laboratory testing capabilities for adulterants, such as colourants, protein and allergens; and creating partnerships with food laboratories.
- Ensure that all 5 public health entities and 6 statutory health professional councils are compliant with good governance practices by providing advice and technical support over the medium term.
- Provide for coordinated disease and injury surveillance and research by establishing a national public health institute by March 2020, pending approval from Cabinet.

Subprogrammes

- *Programme Management* provides leadership to the programme by supporting the development of regulations for the procurement of medicines and pharmaceutical supplies, food control, and the trade of health products and health technology. This subprogramme also provides oversight to regulatory bodies and public entities for effective governance and quality health care.

- *Food Control* regulates foodstuffs and non-medical health products for human and animal use with the aim of ensuring that they are safe, efficacious and of high quality.
- *Radiation Control* performs regulatory functions related to all medical, industrial, research and agricultural facilities, and performs activities related to radionuclides in South Africa outside the nuclear fuel cycle. The radiation control inspectorate issues end-user licences for all generators ionising radiation, and supervises and inspects x-ray generators and low-level radioisotope installations.
- *Public Entities Management* supports the executive authority's oversight function and provides guidance to health entities and statutory councils that fall within the mandate of health legislation with regard to planning and budget procedures, performance and financial reporting, remuneration, governance and accountability.
- *Compensation Commissioner for Occupational Diseases and Occupational Health* is responsible for the payment of benefits to active miners and ex-miners certified to be suffering from lung-related diseases as a result of the high risk work performed in controlled mines and works. This subprogramme is also responsible for providing benefit medical examinations for ex-workers of controlled mines and works.

Expenditure trends and estimates

Table 16.14 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Programme Management	3.8	3.5	4.1	4.5	6.4%	0.2%	6.0	6.3	6.7	13.9%	0.3%
Food Control	6.9	8.3	8.6	11.5	18.8%	0.6%	10.6	11.0	12.0	1.2%	0.6%
Radiation Control and Health Technology	120.5	138.3	163.8	152.4	8.1%	9.0%	14.2	17.4	18.6	-50.4%	2.8%
Public Entities Management	1 162.9	1 399.1	1 477.8	1 496.4	8.8%	86.8%	1 679.1	1 773.1	1 870.6	7.7%	92.7%
Compensation Commissioner for Occupational Diseases and Occupational Health	46.6	50.2	60.2	61.7	9.8%	3.4%	65.7	68.7	72.5	5.5%	3.6%
Total	1 340.7	1 599.4	1 714.5	1 726.6	8.8%	100.0%	1 775.5	1 876.5	1 980.4	4.7%	100.0%
Change to 2017 Budget estimate				(0.4)			(11.3)	(13.4)	(14.7)		
Economic classification											
Current payments	174.4	190.0	233.9	226.7	9.1%	12.9%	94.1	103.0	109.3	-21.6%	7.2%
Compensation of employees	106.1	124.0	148.7	168.0	16.5%	8.6%	64.3	70.2	74.5	-23.7%	5.1%
Goods and services ¹	68.2	66.0	85.1	58.7	-4.9%	4.4%	29.9	32.7	34.9	-15.9%	2.1%
of which:											
Audit costs: External	–	0.0	2.6	3.3	–	0.1%	2.5	2.9	3.0	-3.0%	0.2%
Computer services	1.8	4.1	2.1	4.7	36.7%	0.2%	0.8	3.7	3.7	-7.1%	0.2%
Consumables: Stationery, printing and office supplies	1.9	2.0	1.8	2.0	0.8%	0.1%	4.0	3.4	3.9	24.9%	0.2%
Operating leases	1.3	1.2	1.2	1.7	10.2%	0.1%	2.9	2.8	2.8	17.0%	0.1%
Property payments	0.3	0.3	0.4	1.2	67.2%	–	4.1	3.3	3.5	43.1%	0.2%
Travel and subsistence	13.4	14.1	14.6	8.1	-15.5%	0.8%	3.5	3.3	4.6	-17.1%	0.3%
Transfers and subsidies¹	1 163.0	1 397.9	1 479.6	1 496.6	8.8%	86.8%	1 679.0	1 773.0	1 870.5	7.7%	92.7%
Departmental agencies and accounts	1 161.7	1 397.6	1 477.8	1 496.4	8.8%	86.7%	1 679.0	1 773.0	1 870.5	7.7%	92.7%
Households	1.3	0.2	1.8	0.3	-42.1%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	3.3	11.4	1.0	3.3	-0.3%	0.3%	2.4	0.5	0.5	-45.1%	0.1%
Buildings and other fixed structures	0.5	–	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	2.8	7.2	1.0	3.3	5.8%	0.2%	2.4	0.5	0.5	-45.1%	0.1%
Software and other intangible assets	–	4.2	–	–	–	0.1%	–	–	–	–	–
Payments for financial assets	0.0	0.2	0.0	0.0	-2.2%	–	–	–	–	-100.0%	–
Total	1 340.7	1 599.4	1 714.5	1 726.6	8.8%	100.0%	1 775.5	1 876.5	1 980.4	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	4.0%	4.4%	4.5%	4.0%	–	–	3.8%	3.6%	3.5%	–	–

Table 16.14 Health Regulation and Compliance Management expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
Audited outcome						2017/18	2014/15 - 2017/18				2018/19
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 158.5	1 394.3	1 474.3	1 492.6	8.8%	86.5%	1 675.1	1 768.9	1 866.2	7.7%	92.4%
South African Medical Research Council	446.3	623.9	660.3	615.0	11.3%	36.8%	624.8	659.8	696.1	4.2%	35.3%
National Health Laboratory Service	674.1	678.9	711.9	746.5	3.5%	44.1%	789.8	834.0	879.9	5.6%	44.2%
Office of Health Standards Compliance	33.4	88.9	100.5	125.7	55.6%	5.5%	129.7	136.9	144.5	4.7%	7.3%
Council for Medical Schemes	4.8	2.6	1.6	5.5	5.0%	0.2%	5.7	6.0	6.3	4.8%	0.3%
South African Health Product Regulatory Authority	-	-	-	-	-	-	125.2	132.2	139.5	-	5.4%
Departmental agencies and accounts											
Social security funds											
Current	3.2	3.4	3.5	3.7	5.0%	0.2%	3.8	4.1	4.3	4.7%	0.2%
Compensation Commissioner	3.2	3.4	3.5	3.7	5.0%	0.2%	3.8	4.1	4.3	4.7%	0.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity¹

National Health Laboratory Service

Mandate

The National Health Laboratory Service was established in 2001 in terms of the National Health Laboratory Service Act (2000). The service supports the Department of Health by providing cost effective diagnostic laboratory services to all state clinics and hospitals. It also provides health science training and education, and supports health research. It is the largest diagnostic pathology service in South Africa, servicing more than 80 per cent of the population through a national network of 268 laboratories. Its specialised divisions include the National Institute for Communicable Diseases, the National Institute for Occupational Health, the National Cancer Registry and the Anti-Venom Unit.

Selected performance indicators

Table 16.15 National Health Laboratory Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Percentage of CD4 tests performed within the specified timeframe per year	Laboratory tests	Outcome 2: A long and healthy life for all South Africans	89% (3 229 535/ 3 628 691) within 48 hours	89% (3 043 404/ 3 419 555) within 48 hours	94% (3 193 157/ 3 380 991) within 48 hours	95% within 48 hours	90% within 40 hours	90% within 40 hours	90% within 40 hours
Percentage of viral load tests performed within 96 hours per year	Laboratory tests		81% (2 931 375/ 3 618 981)	64% (2 757 422/ 4 308 472)	87% (3 920 964/ 4 491 312)	70%	75%	80%	85%
Percentage of TB microscopy/ GeneXpert tests performed within the specified timeframe per year	Laboratory tests		92% (3 388 492/ 3 683 144) within 48 hours	91% (3 005 801/ 3 303 078) within 48 hours	97% (2 276 816/ 2 354 930) within 48 hours	95%	90% within 40 hours	90% within 40 hours	90% within 40 hours
Percentage of HIV polymerase chain reaction tests performed within 96 hours per year	Laboratory tests		70% (327 897/ 468 424)	73% (408 296/ 559 310)	82% (465 627/ 568 571)	70%	75%	80%	85%

¹ This section has been compiled with the latest available information from the entity concerned.

Table 16.15 National Health Laboratory Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of cervical smear tests performed within 5 weeks per year	Laboratory tests	Outcome 2: A long and healthy life for all South Africans	57% (503 645/ 883 587)	48% (445 827/ 928 806)	97% (883 168/ 911 720)	70%	75%	80%	85%
Percentage of national central laboratories that are accredited by South African National Accreditation System per year	Laboratory tests		- ¹	84% (59/70)	90% (47/52)	95%	99%	100%	100%
Percentage laboratories achieving proficiency testing schemes performance standards of 80% per year	Research		- ¹	- ¹	87% (214/246)	82%	83%	85%	90%
Number of peer reviewed articles published annually	Research		- ¹	- ¹	570	600	650	700	700
Percentage of occupational and environmental health laboratory tests conducted within predefined turnaround time per year	Occupational health		- ¹	77% (6 226/8 086)	93% (4 366/4 712)	85%	85%	90%	90%
Percentage of outbreaks responded to within 24 hours after notification per year	Surveillance of communicable diseases		- ¹	- ¹	100% (1 212/ 1 212)	100%	100%	100%	100%

1. No historical data available.

Expenditure analysis

The National Health Laboratory Service will, over the MTEF period, continue to provide affordable, sustainable and high quality laboratory services to health care facilities, mainly in the public sector. The service will focus on the national priority programmes created in 2011 to address the department's need to increase access to patient testing, including HIV and associated opportunistic infections such as TB, cryptococcus and hepatitis. The service will also continue to provide training for pathologists and other health professionals, and conduct research through its own research unit as well as through the National Institute of Communicable Diseases and the National Institute for Occupational Health, which are both housed within the service. These are seen as important contributions to the NDP's goal of improving the quality of health care services and controlling epidemics, and to the realisation of outcome 2 (a long and healthy life for all South Africans) of government's 2014-2019 medium-term strategic framework.

To improve service delivery and ensure a safe working environment, the service plans to renovate its laboratories and to replace old equipment nationwide. This will also ensure that tests, such as for CD4 count, GeneXpert and polymerase chain reaction are conducted within stipulated timeframes. In 2018/19, the service aims to perform 90 per cent of CD4 count and GeneXpert tests within 40 hours. Spending for this is expected to amount to R423.4 million in the laboratory tests programme, accounting for 77.9 per cent (R21.2 billion) of the service's total expenditure over the MTEF period.

An increase of 5 per cent in total test volumes between 2015/16 and 2016/17 resulted in increased revenue from tests amounting to R616 million. However, as a result of intensified gatekeeping efforts by provincial departments of health to reduce duplicate and inappropriate tests, the number of tests performed is expected to increase at 0.8 per cent per year, from 91 025 712 in 2016/17 to 93 822 712 by 2020/21. As a result of the annual tariff adjustments and increase in the number of tests conducted, revenue from laboratory tests is expected to increase at an average annual rate of 8.6 per cent, from R6.8 billion in 2017/18 to R8.7 billion in 2020/21.

The service contributes to research and development, and provides a training platform for pathology students through its own research programme, and through the National Institute of Communicable Diseases and the National Institute for Occupational Health. In 2017/18, 227 registrars were in training to become pathologists, 29 were qualified to become pathologists and 38 new registrars have been admitted. Over the MTEF period, 90 new registrars are expected to be admitted.

Over the medium term, R3 billion is allocated to the surveillance of communicable diseases, occupational health and research programmes. Improved surveillance will enable the National Institute of Communicable Diseases to respond to notified outbreaks within 24 hours, and the National Institute for Occupational Health

to conduct occupational and environmental health laboratory tests within specified turnaround times.

Laboratory tests are expected to generate 87 per cent of the service's total revenue over the period, with the remainder coming through transfers from the department and other non-tax revenue.

Programmes/objectives/activities

Table 16.16 National Health Laboratory Service expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	621.2	1 202.6	667.5	843.8	10.8%	11.6%	920.3	989.2	1 049.9	7.6%	11.0%
Surveillance of communicable diseases	167.0	271.6	342.2	326.1	25.0%	3.7%	352.5	372.3	397.2	6.8%	4.2%
Occupational health	72.7	90.1	93.1	117.6	17.4%	1.3%	125.1	132.1	141.2	6.3%	1.5%
Laboratory tests	4 919.2	4 937.6	8 076.1	5 890.5	6.2%	79.9%	6 623.8	7 046.9	7 498.7	8.4%	77.9%
Research	179.8	191.0	219.2	438.4	34.6%	3.5%	462.0	487.9	517.0	5.6%	5.5%
Total	5 959.9	6 693.0	9 398.1	7 616.5	8.5%	100.0%	8 483.7	9 028.5	9 604.0	8.0%	100.0%

Statements of historical financial performance and position

Table 16.17 National Health Laboratory Service statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18	
R million									
2014/15									
2015/16									
2016/17									
2017/18									
2014/15 - 2017/18									
Revenue									
Non-tax revenue									
4 970.4	5 340.4	5 819.8	6 105.0	6 599.1	6 653.2	6 924.3	6 924.3		102.9%
Sale of goods and services other than capital assets									
4 906.4	5 066.3	5 742.7	5 763.3	6 463.6	6 379.6	6 751.1	6 751.1		100.4%
of which:									
Sales by market establishment									
4 906.4	5 066.3	5 742.7	5 763.3	6 463.6	6 379.6	6 751.1	6 751.1		100.4%
Other non-tax revenue									
64.0	274.1	77.0	341.7	135.4	273.6	173.1	173.1		236.3%
Transfers received									
225.3	799.3	678.9	860.8	711.9	864.6	964.7	964.7		135.2%
Total revenue									
5 195.6	6 139.7	6 498.7	6 965.7	7 310.9	7 517.9	7 889.0	7 889.0		106.0%
Expenses									
Current expenses									
5 057.3	5 959.9	6 147.1	6 693.0	6 941.4	9 398.1	7 616.5	7 616.5		115.2%
Compensation of employees									
2 107.7	2 112.4	2 423.5	2 566.0	3 064.7	3 228.5	3 454.9	3 454.9		102.8%
Goods and services									
2 898.5	3 744.1	3 672.7	4 008.2	3 746.2	6 030.0	4 026.9	4 026.9		124.2%
Depreciation									
44.7	101.8	40.4	118.6	130.3	127.6	134.4	134.4		137.9%
Interest, dividends and rent on land									
6.4	1.7	10.5	0.2	0.2	12.0	0.2	0.2		81.0%
Total expenses									
5 057.3	5 959.9	6 147.1	6 693.0	6 941.4	9 398.1	7 616.5	7 616.5		115.2%
Surplus/(Deficit)									
138.0	180.0	352.0	273.0	370.0	(1 880.0)	273.0	273.0		
Statement of financial position									
Carrying value of assets									
676.3	521.9	764.2	501.5	784.8	651.8	989.9	1 114.3		86.8%
of which:									
Acquisition of assets									
(213.4)	(47.6)	(526.4)	(155.3)	(200.0)	(213.1)	(235.0)	(235.0)		55.4%
Inventory									
100.3	89.0	103.2	104.2	110.3	116.8	111.4	118.0		100.7%
Receivables and prepayments									
1 549.2	2 862.4	2 135.5	3 154.9	3 090.9	1 719.4	3 411.9	1 813.2		93.7%
Cash and cash equivalents									
677.4	651.2	699.4	739.0	707.1	392.0	623.3	563.6		86.6%
Total assets									
3 003.2	4 124.4	3 702.3	4 499.6	4 693.1	2 880.0	5 136.5	3 609.1		91.4%
Accumulated surplus/(deficit)									
1 363.8	1 643.2	2 043.8	1 869.8	2 292.0	(10.4)	2 564.5	262.1		45.6%
Capital and reserves									
42.8	0.3	42.8	0.3	0.3	0.3	0.3	0.3		1.5%
Capital reserve fund									
80.0	-	-	-	-	-	-	-		-
Finance lease									
-	-	-	-	-	81.6	-	86.0		-
Deferred income									
-	52.3	-	4.1	58.2	12.3	61.4	12.9		68.2%
Trade and other payables									
436.4	1 080.8	439.4	872.2	932.4	973.3	1 098.3	1 204.6		142.1%
Benefits payable									
-	-	-	21.0	24.8	23.6	24.9	26.4		142.7%
Taxation									
-	-	-	-	-	0.5	-	-		-
Provisions									
1 080.2	1 321.7	1 176.2	1 621.3	1 385.4	1 713.1	1 387.1	1 970.1		131.8%
Derivatives financial instruments									
-	26.1	-	110.9	-	85.8	-	46.7		-
Total equity and liabilities									
3 003.2	4 124.4	3 702.3	4 499.6	4 693.1	2 880.0	5 136.5	3 609.1		91.4%

Statements of estimates of financial performance and position

Table 16.18 National Health Laboratory Service statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate				2018/19	2019/20	2020/21	2017/18 - 2020/21	
2017/18	2014/15 - 2017/18							
R million								
Revenue								
Non-tax revenue	6 924.3	9.0%	87.7%	7 760.0	8 276.4	8 819.7	8.4%	88.8%
Sale of goods and services other than capital assets	6 751.1	10.0%	83.9%	7 613.6	8 120.4	8 652.7	8.6%	87.0%
<i>of which:</i>								
<i>Sales by market establishment</i>	6 751.1	10.0%	83.9%	7 613.6	8 120.4	8 652.7	8.6%	87.0%
Other non-tax revenue	173.1	-14.2%	3.8%	146.4	156.0	167.0	-1.2%	1.8%
Transfers received	964.7	6.5%	12.3%	959.8	1 011.3	1 070.0	3.5%	11.2%
Total revenue	7 889.0	8.7%	100.0%	8 719.8	9 287.7	9 889.7	7.8%	100.0%
Expenses								
Current expenses	7 616.5	8.5%	100.0%	8 483.7	9 028.5	9 604.0	8.0%	100.0%
Compensation of employees	3 454.9	17.8%	38.4%	3 856.9	4 154.9	4 462.4	8.9%	45.8%
Goods and services	4 026.9	2.5%	59.9%	4 479.1	4 722.7	4 983.4	7.4%	52.5%
Depreciation	134.4	9.7%	1.7%	135.8	139.4	147.2	3.1%	1.6%
Interest, dividends and rent on land	0.2	-50.6%	0.0%	12.0	11.5	11.0	280.3%	0.1%
Total expenses	7 616.5	8.5%	100.0%	8 483.7	9 028.5	9 604.0	8.0%	100.0%
Surplus/(Deficit)	273.0	0.1%		236.0	259.0	286.0	1.6%	
Statement of financial position								
Carrying value of assets	1 114.3	28.8%	19.3%	1 569.7	1 951.4	2 032.8	22.2%	36.3%
<i>of which:</i>								
<i>Acquisition of assets</i>	(235.0)	70.2%	-4.6%	(320.0)	(330.0)	(320.0)	10.8%	-6.7%
Inventory	118.0	9.9%	3.0%	119.2	120.4	121.6	1.0%	2.7%
Receivables and prepayments	1 813.2	-14.1%	62.4%	1 895.6	1 990.4	2 009.9	3.5%	43.2%
Cash and cash equivalents	563.6	-4.7%	15.4%	659.9	867.7	1 207.1	28.9%	17.8%
Total assets	3 609.1	-4.4%	100.0%	4 244.4	4 929.9	5 371.4	14.2%	100.0%
Accumulated surplus/(deficit)	262.1	-45.8%	22.1%	498.1	757.3	1 043.0	58.5%	13.4%
Capital and reserves	0.3	-	0.0%	0.3	0.3	0.3	-	0.0%
Finance lease	86.0	-	1.3%	75.4	72.4	73.6	-5.0%	1.7%
Deferred income	12.9	-37.2%	0.5%	13.6	14.4	15.2	5.5%	0.3%
Trade and other payables	1 204.6	3.7%	28.2%	1 276.7	1 355.0	1 397.9	5.1%	29.2%
Benefits payable	26.4	-	0.5%	29.5	33.1	37.1	12.0%	0.7%
Provisions	1 970.1	14.2%	45.5%	2 303.1	2 648.8	2 754.8	11.8%	53.5%
Derivatives financial instruments	46.7	21.3%	1.8%	47.6	48.5	49.5	2.0%	1.1%
Total equity and liabilities	3 609.1	-4.4%	100.0%	4 244.4	4 929.9	5 371.4	14.2%	100.0%

Personnel information

Table 16.19 National Health Laboratory Service personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2016/17	Unit cost	2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
		Number	Cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
National Health Laboratory Service	7 467	7 467	7 443	3 228.5	0.4	7 467	3 454.9	0.5	7 894	3 856.9	0.5	7 894	4 154.9	0.5	7 894	4 462.4	0.6	8.9%	100.0%
Salary level																			
1-6	3 309	3 309	3 309	763.1	0.2	3 309	812.7	0.2	3 549	949.1	0.3	3 549	1 019.3	0.3	3 549	1 094.8	0.3	10.4%	44.8%
7-10	3 438	3 438	3 424	1 518.6	0.4	3 438	1 623.3	0.5	3 625	1 813.5	0.5	3 625	1 960.3	0.5	3 625	2 105.4	0.6	9.1%	46.0%
11-12	436	436	426	428.5	1.0	436	466.8	1.1	436	501.4	1.1	436	538.5	1.2	436	578.3	1.3	7.4%	5.6%
13-16	283	283	283	516.0	1.8	283	549.6	1.9	283	590.3	2.1	283	634.0	2.2	283	680.9	2.4	7.4%	3.6%
17-22	1	1	1	2.3	2.3	1	2.5	2.5	1	2.6	2.6	1	2.8	2.8	1	3.0	3.0	7.4%	0.0%

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Compensation Commissioner for Occupational Diseases in Mines and Works** is mandated to compensate workers and ex-workers in controlled mines and works for occupational diseases of the cardiorespiratory organs, and reimburse them for any loss of earnings incurred while being treated for TB. The commissioner's total budget for 2018/19 is R200.3 million.

- The **Council for Medical Schemes** was established in terms of the Medical Schemes Act (1998) as the regulatory authority responsible for overseeing the medical schemes industry in South Africa. Section 7 of the act sets out the functions of the council, which include protecting the interests of beneficiaries, controlling and coordinating the functioning of medical schemes, collecting and disseminating information about private health care, and advising the Minister of Health on any matter concerning medical schemes. The council's total budget for 2018/19 is R164.8 million.
- The **Office of Health Standards Compliance** was established in terms of the National Health Amendment Act (2013), which mandates the office to: monitor and enforce the compliance of health establishments with the norms and standards prescribed by the Minister of Health in relation to the national health system; and ensure the consideration, investigation and disposal of complaints relating to non-compliance with prescribed norms and standards in a procedurally fair, economical and expeditious manner. The office's total budget for 2018/19 is R129.7 million.
- The **South African Health Products Regulatory Authority** will be established by February 2018 in terms of the Medicines Amendment Act (2015). The entity is the national medicines regulatory authority of South Africa. It is responsible for the regulation and control of the registration, licensing, manufacturing, import and all other aspects pertaining to active pharmaceutical ingredients, medicines and medical devices; and for conducting clinical trials in a manner compatible with the national medicines policy. The authority's total budget for 2018/19 is R215.9 million.
- The **South African Medical Research Council** was established in terms of the South African Medical Research Council Act (1969). The council also derives its mandate from the Intellectual Property Rights from Publicly Financed Research and Development Act (2008). It is mandated to promote the improvement of health and quality of life through research, development and technology transfers. Research and innovation are primarily conducted through council-funded research units located within the council and in higher education institutions. The council's total budget for 2018/19 is R1.1 billion.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
R million										
Limpopo: Tshilidzini Hospital	Replacement of hospital (initial design stages only)	Identification	2 301.4	-	-	22.7	26.0	48.0	50.0	-
Limpopo: Elim Hospital	Replacement of hospital (initial design stages only)	Identification	1 869.9	-	-	19.1	26.0	50.0	50.0	-
Limpopo: SiJoam Hospital	Replacement of hospital	Pre-feasibility	850.0	36.4	94.7	65.7	18.3	100.0	80.0	100.0
Free State: Dihlabeng Hospital	Refurbishment of hospital	Design	300.0	-	-	-	4.0	100.0	80.0	80.0
Gauteng - Soshanguve (initial stages only)	New Hospital	Site identification	1 100.0	-	-	-	-	30.0	30.0	50.0
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Eastern Cape: Bambisana Hospital	Revitalisation of hospital	Design	664.3	-	0.2	14.2	49.5	35.0	100.0	136.8
Eastern Cape: Zithulele Hospital	Revitalisation of hospital	Design	510.8	-	0.1	0.2	49.5	35.0	100.0	157.6
Free State: Dihlabeng Hospital emergency ward	Emergency repairs	Construction	90.0	-	7.4	25.4	50.0	7.1	-	-
Limpopo: SiJoam Hospital	Replacement of hospital		850.0	-	-	-	-	-	-	-
Small projects (total project cost of less than R250 million over the project life cycle)										
Limpopo: Limpopo Academic Hospital	Planning and design of a new hospital	Identification	59.0	-	-	14.9	20.0	24.1	-	-
KwaZulu-Natal: Kind Edward Hospital (public-private partnership feasibility study)	Development of a feasibility study	Identification	0.2	0.2	-	-	-	-	-	-
Gauteng: Chris Hani Baragwanath Hospital (public-private partnership feasibility study)	Development of a feasibility study	Identification	3.0	3.0	-	-	-	-	-	-
Gauteng: Dr George Mukhari Academic Hospital (public-private partnership feasibility study)	Development of a feasibility study	Identification	1.0	1.0	-	-	-	-	-	-
Eastern Cape: Ndlitha Clinic	Replacement of clinic	Handed over	31.2	2.0	8.5	2.8	17.9	-	-	-
Eastern Cape: Nkanga Clinic	Replacement of clinic	Handed over	30.4	1.8	15.8	8.9	3.9	-	-	-
Eastern Cape: Lutubeni Clinic	Replacement of clinic	Construction	31.4	2.5	9.1	11.0	8.8	-	-	-
Eastern Cape: Maxwele Clinic	Replacement of clinic	Handed over	28.9	1.9	10.7	9.5	6.8	-	-	-
Eastern Cape: Lotana Clinic	Replacement of clinic	Handed over	31.6	3.2	14.4	8.6	4.3	1.0	-	-
Eastern Cape: Lusikisiki Clinic	Replacement of clinic	Construction	61.5	1.5	20.0	29.9	10.1	-	-	-
Eastern Cape: Gengqe Clinic	Replacement of clinic	Construction	28.1	1.6	5.2	4.2	17.1	-	-	-
Eastern Cape: Sakhela Clinic	Replacement of clinic	Construction	32.2	1.2	10.8	14.5	5.6	-	-	-
Free State: Cloccolan Clinic	Replacement of clinic (initial design stages only)	Design	48.5	0.1	0.9	7.7	0.8	9.8	29.2	-
Free State: Borwa Clinic	Replacement of clinic (initial design stages only)	Design	84.9	0.1	0.9	0.8	0.8	11.7	12.0	39.2
Free State: Lusaka Community Health Centre	Replacement of community health centre	Design	124.7	-	0.9	0.7	0.8	11.7	43.8	44.5
Limpopo: Magwedzha Clinic	Replacement of clinic (initial design stages only)	Construction	52.2	-	1.0	1.0	1.0	16.0	19.0	10.2
Limpopo: Thengwe Clinic	Replacement of clinic (initial design stages only)	Construction	49.6	-	1.0	1.0	1.0	16.0	30.7	-
Limpopo: Mulenzhe Clinic	Replacement of clinic (initial design stages only)	Construction	50.2	-	1.0	1.0	1.0	16.0	26.2	5.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Limpopo: Makonde Clinic	Replacement of clinic (initial design stages only)	Construction	52.2	1.0	1.0	1.0	1.0	9.0	24.0	12.2
Limpopo: Chebeng Community Health Centre	Replacement of community health centre	Design	136.1	1.0	0.6	1.0	1.0	4.0	9.0	45.0
Mpumalanga: Msukaligwa Community Day Centre	Replacement of clinic (initial design stages only)	Tender	146.8	0.4	1.3	0.1	0.1	9.0	5.0	24.9
Mpumalanga : Ehandakukhanya Community Day Centre	Replacement of clinic (initial design stages only)	Tender	146.8	0.4	2.1	–	–	9.0	5.0	25.0
Mpumalanga: Yukulakhe Clinic	Replacement of clinic (initial design stages only)	Design	54.6	0.4	2.0	–	–	35.0	13.0	4.1
Mpumalanga: Balfour Community Health Centre (24-hour mini-hospital)	Replacement of community health centre	Design	299.1	0.4	0.2	–	–	–	5.0	30.0
Mpumalanga: Nhlazathse 6 Clinic	Replacement of clinic (initial design stages only)	Design	54.6	0.4	0.8	–	–	9.0	20.0	24.4
Eastern Cape: Butterworth Nursing College	Rehabilitation of existing nursing education institute facility	Handed over	17.3	10.3	4.1	1.3	–	–	–	–
Gauteng: Baragwanath Nursing College	Rehabilitation of existing nursing education institute facility	Handed over	21.0	12.0	8.2	–	–	–	–	–
Limpopo: Thohoyandou Nursing College	Rehabilitation of existing nursing education institute facility	Construction	23.6	16.0	0.8	2.1	2.7	–	–	–
Mpumalanga: Middelburg Nursing College	Rehabilitation of existing nursing education institute facility	Construction	15.9	11.6	1.6	0.9	–	–	–	–
Northern Cape: Henrietta Nursing College	Rehabilitation of existing nursing education institute facility	Feasibility	13.6	–	2.3	11.3	–	–	–	–
Doctors consulting rooms	Provision of doctors consulting rooms	Handed over	201.0	64.9	68.7	–	–	–	–	–
Eastern Cape backlog maintenance through the Development Bank of Southern Africa	Backlog Maintenance	Construction	46.0	–	8.2	4.0	–	–	–	–
Eastern Cape: Additions to clinics through the Development Bank of Southern Africa	Upgrades and renovations of 37 clinics	Construction	226.3	–	26.5	38.9	–	50.0	50.0	50.0
National health insurance backlog maintenance	Rehabilitation and maintenance	Construction	2 985.5	25.0	194.8	266.0	232.2	108.7	147.2	–
Health technology for national health insurance facilities	Various	Construction	106.9	59.0	14.5	–	–	–	–	–
Non-capital infrastructure projects, including maintenance	Maintenance, provision of provincial management support units and project management information systems, conditional assessments of facilities in national health insurance scheme pilot districts, in-loco supervision, monitoring of 10-year health infrastructure plan	Ongoing	594.9	209.2	84.5	69.2	70.0	50.0	50.0	6.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Infrastructure transfers to other spheres, agencies and departments										
Health facility revitalisation grant: Eastern Cape	Construction of new facilities, upgrades of existing health facilities	Ongoing	4 276.6	599.2	592.1	619.0	620.8	652.1	580.8	612.7
Health facility revitalisation grant: Free State	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 709.5	467.0	586.9	495.4	552.2	576.4	502.0	529.6
Health facility revitalisation grant: Gauteng	Construction of new facilities, upgrades of existing health facilities	Ongoing	5 305.0	671.0	313.6	777.8	890.7	874.8	864.7	912.3
Health facility revitalisation grant: KwaZulu-Natal	Construction of new facilities, upgrades of existing health facilities	Ongoing	8 428.3	1 362.5	1 229.8	1 114.7	1 149.4	1 202.5	1 153.1	1 216.5
Health facility revitalisation grant: Limpopo	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 197.4	467.4	358.5	379.1	508.1	536.9	461.0	486.4
Health facility revitalisation grant: Mpumalanga	Construction of new facilities, upgrades of existing health facilities	Ongoing	2 285.7	343.5	287.9	281.2	325.6	333.9	347.2	366.3
Health facility revitalisation grant: Northern Cape	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 124.7	451.4	582.8	472.3	443.8	374.4	389.3	410.7
Health facility revitalisation grant: North West	Construction of new facilities, upgrades of existing health facilities	Ongoing	3 872.0	500.1	695.3	480.4	558.3	585.9	511.9	540.1
Health facility revitalisation grant: Western Cape	Construction of new facilities, upgrades of existing health facilities	Ongoing	4 618.6	639.8	770.1	673.5	605.8	678.8	608.6	642.0
Health facility revitalisation grant: Incentive-based portion yet to be allocated to provinces	Construction of new facilities, upgrades of existing health facilities	Ongoing	1 291.3	-	-	-	-	-	628.4	662.9
Total			54 536.5	5 794.3	6 031.6	5 979.9	6 373.5	6 707.1	6 987.7	7 371.7

Vote 17

Social Development

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	383.2	378.4	2.0	2.8	406.4	432.0
Social Assistance	162 960.7	–	162 960.7	–	175 655.6	189 773.5
Social Security Policy and Administration	7 880.8	111.6	7 766.7	2.4	8 324.9	8 785.0
Welfare Services Policy Development and Implementation Support	1 284.5	271.4	1 008.0	5.1	1 359.3	1 444.5
Social Policy and Integrated Service Delivery	392.3	126.8	264.7	0.8	416.5	440.2
Total expenditure estimates	172 901.6	888.3	172 002.3	11.1	186 162.6	200 875.2
Executive authority	Minister of Social Development					
Accounting officer	Director General of Social Development					
Website address	www.dsd.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote Purpose

Ensure protection against vulnerability by creating an enabling environment for the provision of a comprehensive, integrated and sustainable social development service.

Mandate

The Department of Social Development is not established in terms of a single act. Several pieces of legislation determine its mandate, many of which are under review. This includes the Social Assistance Act (2004), which provides a legislative framework for providing social assistance. The act sets out the different types of grants payable, as well as their qualifying criteria. It also makes provision for the establishment of the inspectorate for social assistance. Other pieces of legislation further define the department's mandate:

- the Non-Profit Organisations Act (1997) establishes an administrative and regulatory framework within which non-profit organisations can conduct their affairs, and provides for their registration by the department
- the Older Persons Act (2006) establishes a framework for empowering and protecting older persons, and promoting and maintaining their status, rights, wellbeing, safety and security. It provides for older persons to enjoy good quality services while staying with their families in their communities for as long as possible. It also makes provision for older persons to live in residential care facilities
- the Children's Act (2005) sets out principles relating to the care and protection of children, and defines parental responsibilities and rights. It deals with early childhood development (ECD), drop-in centres and early intervention, children in alternative care such as foster care, child and youth care centres, and the adoption of children
- the Prevention of and Treatment for Substance Abuse Act (2008) regulates substance abuse services and facilities
- the 1998 White Paper on Population Policy for South Africa is aimed at promoting the sustainable development of all South Africans by integrating population issues with development planning in all spheres of government and all sectors of society
- the 2015 White Paper on the Rights of Persons with Disabilities focuses on putting in place measures that will reduce the exclusion and inequality experienced by persons with disabilities. This includes contributing

towards fighting poverty among persons with disabilities and their families, and providing policy guidelines on building capacity in the public sector to deliver equitable and accessible services

- the 1997 White Paper for Social Welfare sets out the principles, guidelines, policies and programmes for developmental social welfare in South Africa. It provides the foundation for social welfare in the post-1994 era
- the Social Service Professions Act (1978) provides for the regulation of social service professionals
- the Victim Empowerment Support Services Bill is aimed at regulating victim support services and empowering victims.

Selected performance indicators

Table 17.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total number of old age grant beneficiaries	Social Assistance	Outcome 13: An inclusive and responsive social protection system	3.1 million	3.2 million	3.3 million	3.4 million	3.5 million	3.6 million	3.7 million
Total number of war veterans grant beneficiaries	Social Assistance		326	245	176	124	107	83	64
Total number of disability grant beneficiaries	Social Assistance		1.1 million	1.1 million	1.1 million	1.1 million	1 million	1 million	1 million
Total number of child support grant beneficiaries	Social Assistance		11.7 million	12 million	12.1 million	12.2 million	12.4 million	12.6 million	12.8 million
Total number of foster care grant beneficiaries	Social Assistance		499 774	470 015	440 295	420 248	397 888	394 347	390 837
Total number of care dependency grant beneficiaries	Social Assistance		126 777	131 040	144 952	150 296	154 353	159 509	164 781
Total number of grant-in-aid beneficiaries	Social Assistance		113 087	137 806	164 349	187 841	215 880	242 772	269 530
Percentage of appeals per year adjudicated within 90 days of receipt	Social Security Policy and Administration		49% (1 141/2 307)	81% (475/584)	86% (1 914/2 235)	80%	70%	70%	80%
Number of youth awarded scholarships into the social service field per year	Welfare Services Policy Development and Implementation Support		4 188	5 364	4 588	2 354 ¹	1 350	1 351	1 483
Percentage of non-profit organisations' registration applications processed within 2 months of receipt	Social Policy and Integrated Service Delivery		97% (31 073/31 999)	99% (30 711/31 183)	97% (28 860/29 601)	98%	98%	98%	98%
Number of vulnerable individuals accessing food through a network of community nutrition and development centres per year	Social Policy and Integrated Service Delivery	→	→	302 357	415 000	415 000	415 000	415 000	

1. Reduction in scholarships awarded in 2017/18 was due to funds reprioritised towards the employment of social worker graduates.

2. No historical data available.

Expenditure analysis

Chapter 11 of the National Development Plan (NDP) details a vision in which South Africa has an inclusive and adequate social protection system. This is given expression by outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework, with which the work of the Department of Social Development is closely aligned to play a central role in addressing the critical challenges

of poverty, unemployment and inequality. Over the medium term, the department intends to focus on deepening social assistance and expanding access to social security, improving welfare services through policy and legislative reform, expanding the social worker workforce, improving access to quality ECD services, and ensuring food security and healthier habits.

Deepening social assistance and expanding access to social security

Providing comprehensive social security through income support and a safety net for the poor is a cornerstone in the fight against poverty and inequality, especially among children and the elderly. In this regard, social grants account for an estimated 94.4 per cent (R176.1 billion per year on average) of the department's total budget over the MTEF period. The department expects to disburse social grants to 18.1 million beneficiaries in 2020/21, from 17.2 million in 2017/18. As a result, spending on grants is expected to increase at an average annual rate of 8 per cent over the MTEF period, reaching R189.8 billion in 2020/21. An additional R2.6 billion has been added to social grants over the MTEF period to offset the likely inflationary impact of new tax measures.

As the child population grows, the number of beneficiaries who receive the child support grant is expected to increase from 12.2 million in 2017/18 to 12.8 million in 2020/21. Similarly, as the elderly population grows, the number of beneficiaries who receive the old age grant is expected to increase from 3.4 million in 2017/18 to 3.7 million in 2020/21.

Transfers to the South African Social Security Agency account for 97.6 per cent (R8.1 billion per year on average) of allocations to the *Social Security Policy and Administration* programme over the medium term. The transfer funds the administration and distribution of social grants. Administrative costs constituted 5.1 per cent of the budget for social grants in 2017/18, and will decrease to 4.6 per cent in 2020/21 as increases in social grant values and beneficiaries outpace administrative increases.

By 2019/20, the department plans to finalise the operationalisation of an inspectorate tasked with maintaining the integrity of the social assistance framework and systems through fraud detection and investigations. The average anticipated budget for the inspectorate is R38 million per year over the medium term in the *Social Security Policy Development* subprogramme in the *Social Security Policy and Administration* programme.

Improving welfare services through policy and legislative reform

A key component of outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework involves reforming and standardising the social welfare system. To enable this, the department is in the process of revising the 1997 White Paper for Social Welfare towards the development of a social development act, which will determine a uniform social development system that takes into account obligations set out in the Constitution and other laws pertaining to social development. The department expects to revise the white paper, followed by the development of the act and a service delivery model, by the end of 2018/19.

A policy for income support to orphans who are in the care of relatives was approved by Cabinet in 2016. This paved the way for a higher child support grant for double orphans (minors who do not have parents or adoptive parents), as contained in the Social Assistance Amendment Bill. The bill is expected to be tabled in Parliament for approval by the end of 2017/18.

The department established an appeals tribunal in terms of the Social Assistance Act (2004) to adjudicate social grant appeals, which are expected to increase from 3 000 in 2017/18 to 11 000 in 2020/21, pending Parliament's approval of related amendments contained in the Social Assistance Amendment Bill. These amendments will allow social grant applicants to directly lodge appeals with the tribunal, thus eliminating the requirement to lodge internal reconsiderations with the South African Social Security Agency. As a result, the turnaround time for adjudicating appeals is expected to be reduced from 180 to 90 days. However, due to an expected increase in the caseload over the MTEF period, the percentage of appeals to be adjudicated within 90 days is expected to decrease from 86 per cent in 2016/17 to 70 per cent in 2019/20. As a result, expenditure on handling appeals, in the *Appeals Adjudication* subprogramme in the *Social Security Policy and*

Administration programme, is expected to increase at an average annual rate of 6.4 per cent over the MTEF period, from R37 million in 2017/18 to R44.6 million in 2020/21.

Once developed, the Social Service Practitioners Bill is expected to replace the Social Service Professions Act (1978). The bill, which is expected to be submitted to Cabinet for approval in 2018/19, is aimed at extending the scope of regulation to include other emerging social service occupations such as community development practitioners, ECD practitioners, and child and youth care workers.

These and other policy and legislative reforms are funded in the *Service Standards* subprogramme in the *Welfare Services Policy Development and Implementation Support* programme, which has a total budget of R100.5 million over the MTEF period.

Maintaining a healthy working relationship between government and non-profit organisations is a key factor in delivering social welfare services. In this regard, in 2018/19, the department expects to finalise amendments to the Non-Profit Organisations Act (1997) that seek to promote transparency and accountability within the non-profit organisations sector without placing onerous requirements on organisations. The department is also finalising a sector financing policy and a partnership model between government and civil society to seek improvements in the relationship between the two sectors. Spending on these activities is in the *Registration and Monitoring of Non-Profit Organisations* subprogramme in the *Social Policy and Integrated Service Delivery* programme, which has a total budget of R120.4 million over the medium term.

Expanding the social worker workforce

There are an estimated 3 736 unemployed social work graduates who benefitted from scholarships provided by the department through the National Student Financial Aid Scheme. To address this backlog, the *social worker employment grant*, which has an average allocation of R204.5 million per year over the MTEF period in the *Welfare Services Policy Development and Implementation Support* programme, aims to sustain the employment of an estimated 566 social work graduates over the medium term. The grant, which was initiated in 2017/18, is funded through a reduction in the scholarship allocation in the same programme due to a reduced number of new students awarded scholarships each year.

Improving access to quality ECD services

The NDP recognises ECD as an important aspect in broad-based development. By the end of 2016/17, an estimated 607 092 poor children were subsidised for ECD. The department aims to expand access to the subsidy over the medium term through the *early childhood development grant* to provinces. An ECD policy was approved by Cabinet in December 2015, with an integrated implementation plan on the policy expected to be finalised by March 2018. As the policy is implemented, government expects to provide the subsidy to all poor children accessing ECD services in registered centres.

In addition to the existing number of poor children subsidised for ECD, it is anticipated that a further 113 448 children will be subsidised over the MTEF period. An ECD financing strategy is also expected to be finalised in 2018/19 with the aim of providing a long-term approach to funding quality improvements and increasing coverage across age groups using different approaches such as early learning, playgroups, toy libraries and home visiting programmes for parents.

As part of the *early childhood development grant*, R250.6 million is allocated over the medium term for minor upgrades to an estimated 1 165 conditionally registered centres to allow them to comply with the minimum norms and standards as set out in the Children's Act (2005).

Ensuring food security and healthier habits

Many households do not enjoy food security, resulting in malnutrition and stunted growth, poor education and health outcomes, and a range of other social ills. The department has intensified its efforts to ensure food security through allocations to the food relief programme, which is expected to continue to sustain 9 provincial food distribution centres and 84 community nutrition development centres. Over the medium term, the department aims to improve access to food by providing more than 4 million meals per year in

impoverished communities. The food relief programme constitutes a projected 66 per cent (R190 million) of total spending over the MTEF period in the *Community Development* subprogramme in the *Social Policy and Integrated Service Delivery* programme.

Substance abuse has proved to be one of the major contributors to violence against women and children, and causes of death. Over the MTEF period, the department seeks to intensify its efforts to prevent and treat substance abuse by implementing the national anti-substance abuse programme of action. The department also anticipates that the construction of public substance abuse treatment centres in 4 provinces (Northern Cape, Eastern Cape, North West and Free State) will be completed by March 2018. R224.6 million is allocated over the medium term for the operational costs of these centres.

Through transfer payments from the department, amounting to approximately R200 million per year over the MTEF period, the National Development Agency implements sustainable community-driven projects that provide support to non-profit organisations working on ECD, food security, employment creation and income opportunities. Transfers to the agency make up the largest spending area in the *Social Policy and Integrated Service Delivery* programme. A Cabinet approved reduction of R10 million per year over the medium term on the agency's baseline allocation will result in the restructuring of personnel within the agency, but will have no significant negative impact on service delivery.

Expenditure trends

Table 17.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Social Assistance														
3. Social Security Policy and Administration														
4. Welfare Services Policy Development and Implementation Support														
5. Social Policy and Integrated Service Delivery														
Programme														
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	275.1	291.4	330.7	297.0	297.0	305.1	322.5	338.5	349.7	350.8	368.8	368.8	108.7%	104.5%
Programme 2	120 952.1	120 702.1	119 994.8	130 093.3	129 818.3	128 333.4	140 498.7	139 498.7	138 915.6	151 580.2	151 230.2	150 880.2	99.1%	99.4%
Programme 3	6 662.6	6 617.3	6 589.1	6 756.2	6 741.2	6 716.4	7 015.5	6 997.0	6 980.9	7 332.6	7 323.6	7 323.6	99.4%	99.8%
Programme 4	586.5	639.9	599.3	662.4	677.4	676.4	723.3	721.3	713.1	1 055.3	1 050.3	1 050.3	100.4%	98.4%
Programme 5	323.2	346.9	346.6	359.8	359.8	374.4	377.7	377.7	383.2	388.9	384.9	384.9	102.7%	101.3%
Total	128 799.4	128 597.7	127 860.5	138 168.6	137 893.6	136 405.7	148 937.7	147 933.2	147 342.6	160 707.8	160 357.8	160 007.8	99.1%	99.4%
Change to 2017 Budget estimate											(350.0)			
Economic classification														
Current payments	679.8	768.6	738.9	765.0	777.8	775.0	804.8	800.0	795.1	863.4	858.9	858.9	101.8%	98.8%
Compensation of employees	355.8	380.1	377.5	403.6	423.6	419.9	458.9	454.4	454.2	476.8	476.8	476.8	102.0%	99.6%
Goods and services	323.9	388.4	361.4	361.5	354.2	355.1	345.9	345.6	340.9	386.6	382.1	382.1	101.5%	97.9%
Transfers and subsidies	128 112.9	127 811.3	127 076.7	137 394.0	137 106.2	135 620.7	148 122.6	147 122.9	146 540.4	159 833.3	159 102.3	158 752.3	99.0%	99.4%
Provinces and municipalities	29.0	29.0	27.5	47.5	47.5	47.5	85.5	85.5	85.5	556.4	556.4	556.4	99.8%	99.8%
Departmental agencies and accounts	7 009.9	6 959.9	6 697.1	7 118.5	7 104.7	6 828.6	7 104.5	7 104.5	7 104.4	7 408.5	7 408.5	7 408.5	–	–
Higher education institutions	–	–	1.8	–	–	1.0	–	–	2.4	–	2.0	2.0	–	362.9%
Foreign governments and international organisations	3.3	3.7	4.7	3.1	4.2	4.1	4.0	4.3	6.0	4.5	7.0	7.0	146.7%	113.3%
Non-profit institutions	77.6	75.6	97.1	80.5	102.0	105.9	113.0	113.0	109.7	132.6	132.6	132.6	110.3%	105.2%
Households	120 993.1	120 743.1	120 248.6	130 144.3	129 847.8	128 633.7	140 815.7	139 815.7	139 232.5	151 731.3	150 995.9	150 645.9	99.1%	99.5%

Table 17.2 Vote expenditure trends by programme and economic classification

R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Payments for capital assets	6.7	17.8	17.3	9.6	9.6	10.0	10.3	10.3	7.1	11.1	11.1	11.1	120.3%	93.0%
Buildings and other fixed structures	-	0.3	-	-	-	0.3	-	-	0.2	-	-	-	-	149.3%
Machinery and equipment	6.2	17.1	17.2	9.2	9.2	8.9	9.8	9.8	7.0	10.6	10.6	10.6	121.7%	93.5%
Software and other intangible assets	0.5	0.5	0.1	0.5	0.5	0.8	0.5	0.5	-	0.5	0.5	0.5	71.6%	71.6%
Payments for financial assets	-	-	27.6	-	-	-	-	-	-	-	385.4	385.4	-	107.2%
Total	128 799.4	128 597.7	127 860.5	138 168.6	137 893.6	136 405.7	148 937.7	147 933.2	147 342.6	160 707.8	160 357.8	160 007.8	99.1%	99.4%

Expenditure estimates

Table 17.3 Vote expenditure estimates by programme and economic classification

Programmes

- Administration
- Social Assistance
- Social Security Policy and Administration
- Welfare Services Policy Development and Implementation Support
- Social Policy and Integrated Service Delivery

R million	Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2017/18	2014/15 - 2017/18	2018/19		
	Programme 1	368.8	8.2%	0.2%	383.2	406.4	432.0	5.4%	0.2%
	Programme 2	150 880.2	7.7%	94.1%	162 960.7	175 655.6	189 773.5	7.9%	94.3%
	Programme 3	7 323.6	3.4%	4.8%	7 880.8	8 324.9	8 785.0	6.3%	4.5%
	Programme 4	1 050.3	18.0%	0.5%	1 284.5	1 359.3	1 444.5	11.2%	0.7%
	Programme 5	384.9	3.5%	0.3%	392.3	416.5	440.2	4.6%	0.2%
	Total	160 007.8	7.6%	100.0%	172 901.6	186 162.6	200 875.2	7.9%	100.0%
	Change to 2017 Budget estimate				(285.1)	52.8	2 014.1		
Economic classification									
	Current payments	858.9	3.8%	0.6%	888.3	948.6	1 008.4	5.5%	0.5%
	Compensation of employees	476.8	7.8%	0.3%	490.4	527.4	567.0	5.9%	0.3%
	Goods and services	382.1	-0.5%	0.3%	397.9	421.1	441.4	4.9%	0.2%
	Transfers and subsidies	158 752.3	7.5%	99.4%	172 002.3	185 202.4	199 854.5	8.0%	99.4%
	Provinces and municipalities	556.4	167.7%	0.1%	758.4	805.7	858.8	15.6%	0.4%
	Departmental agencies and accounts	7 408.5	2.1%	4.9%	7 964.8	8 411.9	8 875.1	6.2%	4.5%
	Higher education institutions	2.0	-	0.0%	1.5	-	-	-100.0%	0.0%
	Foreign governments and international organisations	7.0	23.9%	0.0%	7.1	7.1	7.3	1.7%	0.0%
	Non-profit institutions	132.6	20.6%	0.1%	154.2	162.8	171.8	9.0%	0.1%
	Households	150 645.9	7.7%	94.3%	163 116.2	175 814.9	189 941.6	8.0%	94.4%
	Payments for capital assets	11.1	-14.5%	0.0%	11.1	11.6	12.3	3.2%	0.0%
	Machinery and equipment	10.6	-14.6%	0.0%	10.5	11.0	11.6	3.1%	0.0%
	Software and other intangible assets	0.5	5.0%	0.0%	0.6	0.6	0.6	5.6%	0.0%
	Payments for financial assets	385.4	-	0.1%	-	-	-	-100.0%	0.1%
	Total	160 007.8	7.6%	100.0%	172 901.6	186 162.6	200 875.2	7.9%	100.0%

Expenditure trends and estimates for significant spending items

Table 17.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R thousand											
South African Social Security Agency	6 521 813	6 667 057	6 922 339	7 210 473	3.4%	4.8%	7 765 296	8 200 605	8 651 638	6.3%	4.4%
Social grants	119 994 761	128 333 376	138 915 638	151 230 232	8.0%	94.2%	162 633 211	175 489 366	187 639 338	7.5%	94.0%
Early childhood development grant: Subsidy expansion	–	–	–	317 612	–	0.1%	490 800	518 228	464 232	13.5%	0.2%
Early childhood development grant: Centre maintenance	–	–	–	68 720	–	–	78 746	83 127	88 717	8.9%	–
Social worker employment grant	–	–	–	181 830	–	–	196 783	212 656	226 904	7.7%	0.1%
Social worker scholarships	264 000	276 144	290 780	123 489	-22.4%	0.2%	126 245	128 462	135 527	3.1%	0.1%
Substance abuse treatment grant	27 530	47 500	85 500	56 950	27.4%	–	70 833	74 800	78 914	11.5%	–
Inspectorate	2 157	4 077	3 740	37 585	159.3%	–	37 797	39 866	42 473	4.2%	–
Total	126 810 261	135 328 154	146 217 997	159 226 891	175.7%	99.3%	171 399 711	184 747 110	197 327 743	62.7%	98.8%

Goods and services expenditure trends and estimates

Table 17.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R thousand											
Administrative fees	6 105	6 036	3 856	7 200	5.7%	1.6%	7 750	8 156	8 590	6.1%	1.9%
Advertising	25 643	23 131	15 799	18 433	-10.4%	5.8%	21 042	22 120	23 440	8.3%	5.2%
Minor assets	388	590	507	2 504	86.2%	0.3%	2 648	2 794	2 947	5.6%	0.7%
Audit costs: External	16 959	13 769	15 944	14 901	-4.2%	4.3%	15 707	16 587	17 499	5.5%	3.9%
Bursaries: Employees	1 031	1 133	1 194	1 581	15.3%	0.3%	1 673	1 767	1 865	5.7%	0.4%
Catering: Departmental activities	11 064	16 203	13 047	8 620	-8.0%	3.4%	8 568	9 047	9 244	2.4%	2.2%
Communication	11 085	12 702	16 466	8 267	-9.3%	3.4%	9 240	9 757	10 292	7.6%	2.3%
Computer services	22 793	7 758	21 132	41 460	22.1%	6.5%	41 769	42 595	44 553	2.4%	10.4%
Consultants: Business and advisory services	34 499	40 512	43 169	48 256	11.8%	11.6%	49 896	54 505	57 062	5.7%	12.8%
Infrastructure and planning services	–	141	3 461	2 500	–	0.4%	2 500	2 500	2 638	1.8%	0.6%
Legal services	12 996	3 392	5 191	14 343	3.3%	2.5%	13 894	14 998	16 272	4.3%	3.6%
Contractors	4 258	3 583	1 295	6 641	16.0%	1.1%	7 457	7 803	8 232	7.4%	1.8%
Agency and support/outsourced services	3 816	3 996	3 400	6 421	18.9%	1.2%	7 810	7 781	8 157	8.3%	1.8%
Entertainment	395	664	123	557	12.1%	0.1%	590	622	654	5.5%	0.1%
Fleet services (including government motor transport)	11 172	5 957	13 670	6 289	-17.4%	2.6%	6 332	6 409	6 486	1.0%	1.6%
Inventory: Food and food supplies	3	–	–	–	-100.0%	–	–	–	–	–	–
Inventory: Fuel, oil and gas	–	–	–	473	–	–	500	528	557	5.6%	0.1%
Inventory: Materials and supplies	–	–	–	127	–	–	131	138	146	4.8%	–
Inventory: Other supplies	1	–	–	375	621.1%	–	396	418	440	5.5%	0.1%
Consumable supplies	680	1 596	724	208	-32.6%	0.2%	214	225	238	4.6%	0.1%
Consumables: Stationery, printing and office supplies	5 393	6 050	4 703	14 175	38.0%	2.1%	14 993	15 806	16 650	5.5%	3.8%
Operating leases	35 175	24 401	33 268	38 524	3.1%	9.1%	39 812	42 244	44 456	4.9%	10.0%
Rental and hiring	5 543	9 430	5 189	2 060	-28.1%	1.5%	2 151	2 243	2 339	4.3%	0.5%
Property payments	6 684	6 462	6 069	5 332	-7.3%	1.7%	5 558	5 758	5 964	3.8%	1.4%
Transport provided: Departmental activity	886	1 764	14	400	-23.3%	0.2%	450	475	501	7.8%	0.1%
Travel and subsistence	108 875	121 552	95 756	81 445	-9.2%	28.3%	82 087	88 109	91 767	4.1%	20.9%
Training and development	6 277	2 129	3 256	6 700	2.2%	1.3%	7 118	7 517	7 929	5.8%	1.8%
Operating payments	6 617	11 461	6 477	8 854	10.2%	2.3%	9 668	10 207	10 767	6.7%	2.4%
Venues and facilities	23 109	30 716	27 203	35 436	15.3%	8.1%	37 945	40 019	41 760	5.6%	9.4%
Total	361 447	355 128	340 913	382 082	1.9%	100.0%	397 899	421 128	441 445	4.9%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 17.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	119 969 359	128 334 286	138 916 949	150 846 371	7.9%	94.7%	162 962 353	175 657 317	189 775 331	8.0%	94.8%
Employee social benefits	1 983	910	1 311	1 539	-8.1%	-	1 630	1 724	1 820	5.7%	-
Old age	49 042 240	53 134 481	58 327 000	64 456 265	9.5%	39.6%	70 531 414	76 750 917	83 689 323	9.1%	41.3%
War veterans	6 160	4 842	3 850	2 935	-21.9%	-	2 351	1 732	1 280	-24.2%	-
Disability	18 743 278	19 166 969	19 850 553	20 934 540	3.8%	13.8%	22 104 787	23 077 574	24 171 988	4.9%	12.6%
Foster care	5 416 354	5 408 370	5 327 659	5 349 250	-0.4%	3.8%	5 131 589	5 280 800	5 447 410	0.6%	3.0%
Care dependency	2 211 870	2 394 702	2 613 892	2 939 454	9.9%	1.8%	3 138 438	3 429 783	3 761 699	8.6%	1.9%
Child support	43 720 711	47 308 008	51 555 181	55 768 912	8.5%	34.9%	60 631 022	65 467 275	70 835 636	8.3%	35.3%
Grant-in-aid	371 156	503 085	650 311	793 476	28.8%	0.4%	1 011 122	1 237 512	1 459 176	22.5%	0.6%
Social relief of distress	455 607	412 919	587 192	600 000	9.6%	0.4%	410 000	410 000	406 999	-12.1%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 697 054	6 828 554	7 104 393	7 408 459	3.4%	4.9%	7 964 830	8 411 872	8 875 075	6.2%	4.6%
Health and Welfare Sector	1 128	1 211	1 308	1 486	9.6%	-	1 573	1 661	1 752	5.6%	-
Education and Training Authority	6 517 589	6 642 962	6 908 932	7 206 060	3.4%	4.8%	7 760 679	8 195 729	8 646 494	6.3%	4.4%
South African Social Security Agency	178 337	184 381	194 153	200 913	4.1%	0.1%	202 578	214 482	226 829	4.1%	0.1%
National Development Agency											
Non-profit institutions											
Current	97 052	105 904	109 700	132 614	11.0%	0.1%	154 191	162 827	171 782	9.0%	0.1%
loveLife	50 986	-	-	-	-100.0%	-	-	-	-	-	-
South African Council for Social Service Professions	-	-	137	1 839	-	-	1 946	2 055	2 168	5.6%	-
National bodies: Substance abuse	2 760	2 887	3 037	3 079	3.7%	-	3 226	3 407	3 594	5.3%	-
National bodies: Older persons	2 277	2 382	2 505	2 643	5.1%	-	2 796	2 953	3 115	5.6%	-
National bodies: Disabilities	3 500	3 751	3 946	4 163	6.0%	-	4 404	4 651	4 907	5.6%	-
National bodies: Children	6 751	7 574	7 212	8 386	7.5%	-	8 872	9 369	9 884	5.6%	-
National bodies: Families	1 283	1 342	1 415	1 495	5.2%	-	1 582	1 671	1 763	5.7%	-
National bodies: Social crime prevention	1 881	5 585	5 852	6 083	47.9%	-	6 436	6 796	7 170	5.6%	-
HIV and AIDS organisations	-	53 331	56 315	59 131	-	-	62 560	66 063	69 697	5.6%	-
South African National AIDS Council	-	-	-	15 000	-	-	30 000	31 680	33 422	30.6%	-
Soul City	1 000	1 046	-	-	-100.0%	-	-	-	-	-	-
Africa Institute for Community Driven Development	611	-	-	-	-100.0%	-	-	-	-	-	-
Population Association of Southern Africa	200	200	200	200	-	-	-	-	-	-100.0%	-
Food relief	25 803	27 806	29 081	30 595	5.8%	-	32 369	34 182	36 062	5.6%	-
Households											
Other transfers to households											
Current	279 217	299 384	315 504	149 551	-18.8%	0.2%	153 819	157 580	166 246	3.6%	0.1%
National Student Financial Aid Scheme	264 000	276 144	290 780	123 489	-22.4%	0.2%	126 245	128 462	135 527	3.1%	0.1%
Somerset West School	20	-	-	-	-100.0%	-	-	-	-	-	-
Food relief	15 197	23 240	24 724	26 062	19.7%	-	27 574	29 118	30 719	5.6%	-
Foreign governments and international organisations											
Current	4 691	4 052	5 988	6 965	14.1%	-	7 148	7 085	7 318	1.7%	-
International Social Security Association	1 320	1 513	1 661	1 640	7.5%	-	1 704	1 768	1 865	4.4%	-
International Organisation of Pension Supervisors	80	89	-	90	4.0%	-	95	100	106	5.6%	-
International Labour Organisation	-	-	2 000	2 500	-	-	2 500	2 500	2 500	-	-
Namibian government	501	320	192	361	-10.3%	-	382	403	425	5.6%	-
United Nations international drug control programme	-	-	25	25	-	-	25	25	25	-	-
International Federation on Ageing	11	16	-	25	31.5%	-	25	25	25	-	-
International Social Service	247	316	266	348	12.1%	-	365	384	405	5.2%	-
United Nations Population Fund	471	498	506	531	4.1%	-	562	593	626	5.6%	-
Partners in Population and Development	1 811	750	978	895	-20.9%	-	940	987	1 041	5.2%	-
Union for African Population Studies	50	50	60	50	-	-	50	-	-	-100.0%	-
International Planned Parenthood Federation	200	200	300	200	-	-	200	-	-	-100.0%	-
Leadership for Environment and Development Southern and Eastern Africa	-	300	-	300	-	-	300	300	300	-	-

Table 17.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Higher education institutions											
Current	1 800	998	2 400	1 977	3.2%	-	1 500	-	-	-100.0%	-
University of the Witwatersrand	1 800	998	2 000	1 500	-5.9%	-	1 500	-	-	-100.0%	-
Association of South African Social Work Education Institutions	-	-	-	477	-	-	-	-	-	-100.0%	-
University of KwaZulu-Natal and North West, Union for African Population Studies and International Planned Parenthood Federation	-	-	400	-	-	-	-	-	-	-	-
Provinces and municipalities											
Provincial revenue funds											
Current	-	-	-	499 442	-	0.1%	687 583	730 884	779 853	16.0%	0.4%
Early childhood development grant	-	-	-	317 612	-	0.1%	490 800	518 228	552 949	20.3%	0.3%
Social worker employment grant	-	-	-	181 830	-	-	196 783	212 656	226 904	7.7%	0.1%
Capital	27 530	47 500	85 500	56 950	27.4%	-	70 833	74 800	78 914	11.5%	-
Substance abuse treatment grant	27 530	47 500	85 500	56 950	27.4%	-	70 833	74 800	78 914	11.5%	-
Total	127 076 703	135 620 678	146 540 434	159 102 329	7.8%	100.0%	172 002 257	185 202 365	199 854 519	7.9%	100.0%

Personnel information

Table 17.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Social Assistance																			
3. Social Security Policy and Administration																			
4. Welfare Services Policy Development and Implementation Support																			
5. Social Policy and Integrated Service Delivery																			
Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
		Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21												
Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost						
Social Development	903	166	912	454.2	0.5	903	476.8	0.5	864	490.4	0.6	862	527.4	0.6	859	567.0	0.7	-1.7%	100.0%
Salary level	903	166	912	454.2	0.5	903	476.8	0.5	864	490.4	0.6	862	527.4	0.6	859	567.0	0.7	-1.7%	100.0%
1-6	274	68	286	53.1	0.2	274	54.5	0.2	254	54.4	0.2	252	58.5	0.2	250	62.8	0.3	-3.0%	29.5%
7-10	338	87	333	119.5	0.4	338	127.4	0.4	334	135.5	0.4	334	146.3	0.4	333	157.5	0.5	-0.5%	38.4%
11-12	170	8	174	143.0	0.8	170	144.9	0.9	162	148.8	0.9	162	160.6	1.0	162	173.5	1.1	-1.6%	18.8%
13-16	119	3	117	134.2	1.1	119	145.2	1.2	112	146.5	1.3	112	156.6	1.4	112	167.4	1.5	-2.0%	13.0%
Other	2	-	2	4.4	2.2	2	4.8	2.4	2	5.1	2.5	2	5.4	2.7	2	5.8	2.9	-	0.2%
Programme	903	166	912	454.2	0.5	903	476.8	0.5	864	490.4	0.6	862	527.4	0.6	859	567.0	0.7	-1.7%	100.0%
Programme 1	379	39	401	186.7	0.5	379	193.4	0.5	361	197.8	0.5	360	212.8	0.6	358	228.8	0.6	-1.9%	41.8%
Programme 3	107	4	86	46.7	0.5	107	66.0	0.6	104	68.2	0.7	104	73.1	0.7	104	78.6	0.8	-0.9%	12.0%
Programme 4	258	104	263	139.9	0.5	258	139.3	0.5	243	144.0	0.6	242	155.1	0.6	241	166.7	0.7	-2.2%	28.2%
Programme 5	159	19	162	80.9	0.5	159	78.2	0.5	156	80.3	0.5	156	86.4	0.6	156	92.9	0.6	-0.6%	18.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 17.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	62 896	23 926	77 546	29 964	29 964	-21.9%	100.0%	12 222	12 834	13 234	-23.8%	100.0%
Sales of goods and services produced by department	23	3	6	314	314	139.0%	0.2%	16	18	20	-60.1%	0.5%
Sales by market establishments of which:	-	-	6	154	154	-	0.1%	2	3	4	-70.4%	0.2%
Parking rental	-	-	6	154	154	-	0.1%	2	3	4	-70.4%	0.2%
Other sales of which:	23	3	-	160	160	90.9%	0.1%	14	15	16	-53.6%	0.3%
Sale of tender documents	23	3	-	10	10	-24.2%	-	14	15	16	17.0%	0.1%
Insurance commission and garnishee order	-	-	-	150	150	-	0.1%	-	-	-	-100.0%	0.2%

Table 17.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Sales of scrap, waste, arms and other used current goods	-	-	-	1	1	-	-	-	-	-	-100.0%	-
<i>of which:</i>												
<i>Sale of waste paper</i>	-	-	-	1	1	-	-	-	-	-	-100.0%	-
Interest, dividends and rent on land	11 487	12 312	20 592	15 600	15 600	10.7%	30.9%	12 206	12 816	13 214	-5.4%	78.9%
Interest	11 487	12 312	20 592	15 600	15 600	10.7%	30.9%	12 206	12 816	13 214	-5.4%	78.9%
Sales of capital assets	-	-	-	487	487	-	0.3%	-	-	-	-100.0%	0.7%
Transactions in financial assets and liabilities	51 386	11 611	56 948	13 562	13 562	-35.9%	68.7%	-	-	-	-100.0%	19.9%
Total	62 896	23 926	77 546	29 964	29 964	-21.9%	100.0%	12 222	12 834	13 234	-23.8%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department and the sector.

Expenditure trends and estimates

Table 17.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	51.1	51.2	55.5	36.0	-11.0%	14.3%	38.0	40.5	43.2	6.2%	9.9%
Department Management	56.7	57.3	59.9	68.5	6.5%	17.9%	70.7	75.6	80.7	5.6%	18.6%
Corporate Management	120.5	105.4	127.8	146.6	6.8%	36.9%	151.8	160.2	170.3	5.1%	39.5%
Finance	55.4	54.4	60.5	65.0	5.5%	17.4%	67.5	71.7	76.2	5.4%	17.6%
Internal Audit	7.8	8.9	9.5	14.3	22.7%	3.0%	15.1	16.0	17.2	6.2%	3.9%
Office Accommodation	39.3	27.8	36.4	38.3	-0.9%	10.5%	40.2	42.3	44.4	5.1%	10.4%
Total	330.7	305.1	349.7	368.8	3.7%	100.0%	383.2	406.4	432.0	5.4%	100.0%
Change to 2017 Budget estimate				18.0			18.0	18.0	18.0		
Economic classification											
Current payments	324.8	296.1	344.2	364.3	3.9%	98.2%	378.4	401.3	426.7	5.4%	98.8%
Compensation of employees	156.4	169.7	186.7	193.4	7.3%	52.1%	197.8	212.8	228.8	5.8%	52.4%
Goods and services ¹	168.4	126.5	157.5	170.9	0.5%	46.0%	180.6	188.5	197.9	5.0%	46.4%
<i>of which:</i>											
<i>Audit costs: External</i>	17.0	13.8	15.9	14.9	-4.2%	4.5%	15.7	16.6	17.5	5.5%	4.1%
<i>Computer services</i>	22.7	7.8	21.1	39.2	20.0%	6.7%	39.9	40.6	42.4	2.6%	10.2%
<i>Consultants: Business and advisory services</i>	3.8	1.8	4.6	12.0	47.1%	1.6%	12.7	13.4	14.1	5.4%	3.3%
<i>Fleet services (including government motor transport)</i>	9.4	5.3	12.4	5.8	-14.8%	2.4%	5.8	5.9	5.9	0.6%	1.5%
<i>Operating leases</i>	34.3	23.2	32.8	34.2	-0.1%	9.2%	36.1	38.0	40.0	5.3%	9.3%
<i>Travel and subsistence</i>	40.1	42.1	39.1	22.1	-18.0%	10.6%	23.4	24.7	26.1	5.7%	6.1%
Transfers and subsidies¹	2.9	1.7	1.6	1.9	-12.6%	0.6%	2.0	2.1	2.3	5.5%	0.5%
Departmental agencies and accounts	1.1	1.2	1.3	1.5	9.6%	0.4%	1.6	1.7	1.8	5.6%	0.4%
Households	1.8	0.5	0.2	0.4	-36.8%	0.2%	0.5	0.5	0.5	5.2%	0.1%
Payments for capital assets	2.9	7.3	4.0	2.6	-4.0%	1.2%	2.8	2.9	3.0	5.6%	0.7%
Machinery and equipment	2.8	6.5	4.0	2.1	-10.0%	1.1%	2.2	2.3	2.4	5.6%	0.6%
Software and other intangible assets	0.1	0.7	-	0.5	75.1%	0.1%	0.6	0.6	0.6	5.6%	0.1%
Payments for financial assets	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Total	330.7	305.1	349.7	368.8	3.7%	100.0%	383.2	406.4	432.0	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.2%	0.2%	0.2%	-	-	0.2%	0.2%	0.2%	-	-

Table 17.9 Administration expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Households											
Social benefits											
Current	1.8	0.3	0.1	0.4	-40.4%	0.2%	0.4	0.4	0.4	4.8%	0.1%
Employee social benefits	1.8	0.3	0.1	0.4	-40.4%	0.2%	0.4	0.4	0.4	4.8%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1.1	1.2	1.3	1.5	9.6%	0.4%	1.6	1.7	1.8	5.6%	0.4%
Health and Welfare Sector Education and Training Authority	1.1	1.2	1.3	1.5	9.6%	0.4%	1.6	1.7	1.8	5.6%	0.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Social Assistance

Programme purpose

Provide social assistance to eligible individuals whose income and assets fall below set thresholds.

Objective

- Ensure the provision of social assistance to eligible beneficiaries whose income and assets fall below the set thresholds by providing income support by 2020/21 to: 3 741 013 older persons; 1 034 093 persons living with disabilities; 12 814 676 children; 164 781 children requiring care and support services; and 390 837 foster children.

Subprogrammes

- *Old Age* provides income support to people aged 60 and older who earn annual income of less than R78 360 (single) and R156 720 (married), and whose assets do not exceed R1 118 700 (single) and R2 237 400 (married).
- *War Veterans* provides income support to those who fought in World War II or the Korean War, and who earn annual incomes of less than R78 360 (single) and R156 720 (married), and whose assets do not exceed R1 118 700 (single) and R2 237 400 (married).
- *Disability* provides income support to people with permanent or temporary disabilities who earn annual income of less than R78 360 (single) and R156 720 (married), and whose assets do not exceed R1 118 700 (single) and R2 237 400 (married).
- *Foster Care* provides grants for children in foster care.
- *Care Dependency* provides income support to parents and caregivers of children who have physical or mental disabilities, and require regular care and support. Parents or caregivers must earn annual income of less than R203 400 (single) and R406 800 (married).
- *Child Support* provides income support to parents and caregivers of children younger than 18 who earn annual income of less than R48 600 (single) and R97 200 (married).
- *Grant-in-Aid* is an additional grant to recipients of the old age, disability or war veterans grants who require regular care from another person because of their physical or mental condition.
- *Social Relief of Distress* provides temporary income support, food parcels and other forms of relief to people experiencing undue hardship.

Expenditure trends and estimates

Table 17.10 Social Assistance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R million											
Old Age	49 044.7	53 134.5	58 327.0	64 456.3	9.5%	41.8%	70 531.4	76 750.9	83 689.3	9.1%	43.5%
War Veterans	6.2	4.8	3.9	2.9	-22.0%	—	2.4	1.7	1.3	-24.2%	—
Disability	18 744.8	19 167.0	19 850.6	20 951.9	3.8%	14.6%	22 104.8	23 077.6	24 172.0	4.9%	13.3%
Foster Care	5 419.2	5 408.4	5 327.7	5 349.3	-0.4%	4.0%	5 131.6	5 280.8	5 447.4	0.6%	3.1%
Care Dependency	2 212.0	2 394.7	2 613.9	2 939.5	9.9%	1.9%	3 138.4	3 429.8	3 761.7	8.6%	2.0%
Child Support	43 741.0	47 308.0	51 555.2	56 136.9	8.7%	36.9%	60 631.0	65 467.3	70 835.6	8.1%	37.2%
Grant-in-Aid	371.3	503.1	650.3	793.5	28.8%	0.4%	1 011.1	1 237.5	1 459.2	22.5%	0.7%
Social Relief of Distress	455.6	412.9	587.2	600.0	9.6%	0.4%	410.0	410.0	407.0	-12.1%	0.3%
Total	119 994.8	128 333.4	138 915.6	151 230.2	8.0%	100.0%	162 960.7	175 655.6	189 773.5	7.9%	100.0%
Change to 2017 Budget estimate				(350.0)			(262.5)	76.2	2 041.2		
Economic classification											
Transfers and subsidies¹	119 967.4	128 333.4	138 915.6	150 844.8	7.9%	99.9%	162 960.7	175 655.6	189 773.5	8.0%	99.9%
Households	119 967.4	128 333.4	138 915.6	150 844.8	7.9%	99.9%	162 960.7	175 655.6	189 773.5	8.0%	99.9%
Payments for financial assets	27.4	—	—	385.4	141.4%	0.1%	—	—	—	-100.0%	0.1%
Total	119 994.8	128 333.4	138 915.6	151 230.2	8.0%	100.0%	162 960.7	175 655.6	189 773.5	7.9%	100.0%
Proportion of total programme expenditure to vote expenditure	93.8%	94.1%	94.3%	94.3%	—	—	94.3%	94.4%	94.5%	—	—
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	119 967.4	128 333.4	138 915.6	150 844.8	7.9%	99.9%	162 960.7	175 655.6	189 773.5	8.0%	99.9%
Old age	49 042.2	53 134.5	58 327.0	64 456.3	9.5%	41.8%	70 531.4	76 750.9	83 689.3	9.1%	43.5%
War veterans	6.2	4.8	3.9	2.9	-21.9%	—	2.4	1.7	1.3	-24.2%	—
Disability	18 743.3	19 167.0	19 850.6	20 934.5	3.8%	14.6%	22 104.8	23 077.6	24 172.0	4.9%	13.3%
Foster care	5 416.4	5 408.4	5 327.7	5 349.3	-0.4%	4.0%	5 131.6	5 280.8	5 447.4	0.6%	3.1%
Care dependency	2 211.9	2 394.7	2 613.9	2 939.5	9.9%	1.9%	3 138.4	3 429.8	3 761.7	8.6%	2.0%
Child support	43 720.7	47 308.0	51 555.2	55 768.9	8.5%	36.8%	60 631.0	65 467.3	70 835.6	8.3%	37.2%
Grant-in-Aid	371.2	503.1	650.3	793.5	28.8%	0.4%	1 011.1	1 237.5	1 459.2	22.5%	0.7%
Social relief of distress	455.6	412.9	587.2	600.0	9.6%	0.4%	410.0	410.0	407.0	-12.1%	0.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Social Security Policy and Administration

Programme purpose

Provide for social security policy development and the fair administration of social assistance.

Objectives

- Oversee and ensure the efficient and effective administration of social grants by the South African Social Security Agency over the medium term by:
 - monitoring monthly social grant beneficiary take-up rates and expenditure
 - updating social grant beneficiary and expenditure projections on a monthly basis.
- Provide an effective, efficient and accessible social assistance appeals service by adjudicating 80 per cent of appeals within 90 days of receipt by March 2021.
- Improve access to social assistance by increasing the value of the child support grant for orphans, through a top-up grant, over the medium term.
- Improve the integrity of the social grant system by establishing a functional inspectorate for social assistance by March 2019.

Subprogrammes

- *Social Security Policy Development* develops and reviews policies and legislation in respect of social assistance, as well as contributory income support aimed at protecting households against life cycle contingencies such as unemployment, ill health, retirement, disability or the death of a breadwinner.
- *Appeals Adjudication* seeks to provide a fair and just adjudication service for social assistance appeals.
- *Social Grants Administration* provides for the South African Social Security Agency's operational costs for administering social grants, the management information system and the reimbursement of payment contractors.
- *Social Grants Fraud Investigations* provides funding for fraud investigations conducted by the South African Social Security Agency in partnership with law enforcement agencies.
- *Programme Management* provides for deputy director general expenses related to social security policy initiatives.

Expenditure trends and estimates

Table 17.11 Social Security Policy and Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Social Security Policy Development	37.4	43.5	43.1	76.0	26.7%	0.7%	77.4	82.6	88.3	5.1%	1.0%
Appeals Adjudication	28.8	24.8	25.5	37.0	8.8%	0.4%	37.9	41.3	44.6	6.4%	0.5%
Social Grants Administration	6 442.2	6 564.1	6 825.9	7 144.3	3.5%	97.7%	7 695.4	8 126.9	8 573.9	6.3%	97.6%
Social Grants Fraud Investigations	75.4	78.9	83.1	61.7	-6.5%	1.1%	65.2	68.8	72.6	5.6%	0.8%
Programme Management	5.4	5.2	3.4	4.6	-5.0%	0.1%	4.8	5.2	5.6	6.9%	0.1%
Total	6 589.1	6 716.4	6 980.9	7 323.6	3.6%	100.0%	7 880.8	8 324.9	8 785.0	6.3%	100.0%
Change to 2017 Budget estimate				(9.0)			(12.9)	(13.1)	(13.0)		
Economic classification											
Current payments	67.5	69.9	65.3	108.7	17.2%	1.1%	111.6	122.0	131.0	6.4%	1.5%
Compensation of employees	40.2	45.6	46.7	66.0	17.9%	0.7%	68.2	73.1	78.6	6.0%	0.9%
Goods and services ¹	27.2	24.3	18.6	42.7	16.2%	0.4%	43.4	48.9	52.5	7.1%	0.6%
of which:											
Consultants: Business and advisory services	8.2	10.0	5.8	3.9	-22.0%	0.1%	3.7	6.1	6.6	19.6%	0.1%
Legal services	7.8	2.7	2.4	13.9	21.2%	0.1%	13.4	14.5	15.7	4.3%	0.2%
Consumables: Stationery, printing and office supplies	0.3	0.5	0.2	2.7	98.7%	-	2.8	3.0	3.1	5.6%	-
Operating leases	0.2	0.5	0.1	2.4	112.1%	-	2.2	2.6	2.8	5.6%	-
Travel and subsistence	4.5	4.9	3.7	3.6	-7.2%	0.1%	4.1	4.5	4.9	10.9%	0.1%
Operating payments	0.5	0.1	0.3	4.5	109.5%	-	4.8	5.0	5.3	5.6%	0.1%
Transfers and subsidies¹	6 520.9	6 645.8	6 914.6	7 212.0	3.4%	98.9%	7 766.7	8 200.4	8 651.3	6.3%	98.5%
Departmental agencies and accounts	6 517.6	6 643.0	6 908.9	7 206.1	3.4%	98.8%	7 760.7	8 195.7	8 646.5	6.3%	98.4%
Higher education institutions	1.8	1.0	2.0	1.5	-5.9%	-	1.5	-	-	-100.0%	-
Foreign governments and international organisations	1.4	1.6	3.7	4.2	44.6%	-	4.3	4.4	4.5	1.9%	0.1%
Households	0.1	0.2	0.0	0.2	56.4%	-	0.3	0.3	0.3	7.0%	-
Payments for capital assets	0.8	0.7	1.0	2.9	56.4%	-	2.4	2.5	2.7	-2.7%	-
Buildings and other fixed structures	-	-	0.1	-	-	-	-	-	-	-	-
Machinery and equipment	0.8	0.7	0.9	2.9	56.4%	-	2.4	2.5	2.7	-2.7%	-
Total	6 589.1	6 716.4	6 980.9	7 323.6	3.6%	100.0%	7 880.8	8 324.9	8 785.0	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	5.2%	4.9%	4.7%	4.6%	-	-	4.6%	4.5%	4.4%	-	-

Table 17.11 Social Security Policy and Administration expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 517.6	6 643.0	6 908.9	7 206.1	3.4%	98.8%	7 760.7	8 195.7	8 646.5	6.3%	98.4%
South African Social Security Agency	6 517.6	6 643.0	6 908.9	7 206.1	3.4%	98.8%	7 760.7	8 195.7	8 646.5	6.3%	98.4%
Foreign governments and international organisations											
Current	1.3	1.5	3.7	4.1	46.4%	–	4.2	4.3	4.4	1.8%	0.1%
International Social Security Association	1.3	1.5	1.7	1.6	7.5%	–	1.7	1.8	1.9	4.4%	–
International Labour Organisation	–	–	2.0	2.5	–	–	2.5	2.5	2.5	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Welfare Services Policy Development and Implementation Support

Programme purpose

Create an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards, and best practices; and the provision of support to implementing agencies.

Objectives

- Strengthen the delivery of social welfare services through legislative and policy reforms by:
 - facilitating Cabinet approval of the revised White Paper for Social Welfare by March 2019
 - facilitating Cabinet approval of the Social Service Practitioners Bill by March 2019
 - developing the implementation plan on the demand and supply model for social service practitioners by March 2019
 - monitoring the implementation of the recruitment and retention strategy for social service practitioners over the medium term
 - awarding social service scholarships to 1 350 new and existing students by March 2019.
- Create an environment that enables the protection and promotion of older persons' rights by:
 - facilitating presentation of the Older Persons Amendment Bill to various clusters in Parliament by March 2019
 - implementing and monitoring the Active Aging programme over the medium term.
- Promote, protect and empower persons with disabilities through the development and implementation of legislation, policies and programmes by:
 - Submitting for Cabinet's approval the policy on social development services to persons with disabilities by March 2019
 - developing a national strategic framework that supports the implementation of the 2015 White Paper on the Rights of Persons with Disabilities by March 2019
 - ensuring compliance with national and international reporting obligations by March 2019.
- Facilitate the improvement of ECD services by:
 - monitoring the implementation of the national integrated implementation plan for ECD over the medium term
 - subsidising an additional 113 448 children through the *early childhood development grant* by March 2021 for a minimum of 264 days
 - supporting 1 165 conditionally registered facilities to comply with norms and standards through the *early childhood development grant* by March 2021.

- Strengthen child protection services by:
 - registering 80 per cent of adoptions received from children’s courts per year over the medium term
 - conducting 9 provincial intersectoral capacity building workshops on children’s courts per year over the medium term
 - facilitating Cabinet’s approval of the child care and protection policy by March 2019
 - creating awareness on children’s rights and responsibilities through commemorative events such as Child Protection Week and Children’s Parliament each year over the medium term
 - strengthening the provision and management of statutory services including the prevention and management of child abuse, neglect and exploitation cases over the medium term
 - facilitating the review and costing of the integrated programme of action to address violence against women and children by March 2019
 - monitoring the implementation of the child protection register and screening of persons working with children against the register that keeps record of persons found in terms of section 120 of the Children’s Act (2005) to be unsuitable to work with children over the medium term
 - conducting the rollout of the plan of action for the improvement of the child protection system by March 2020
 - finalising the Children’s Amendment Bill and Second Amendment Bill in March 2019.
- Contribute to the treatment and reduction of incidents of substance abuse in communities by:
 - monitoring the implementation of the national drug master plan on an ongoing basis
 - conducting 3 national awareness anti-substance abuse campaigns by March 2019.
- Contribute to reducing incidents of social crime and improving victim empowerment services by:
 - capacitating all provinces on the policy framework on accreditation of diversion services by March 2019
 - facilitating integrated social crime prevention campaigns in provinces by March 2019
 - submitting the Victim Empowerment Support Services Bill to Cabinet for approval by March 2019
 - increasing the number of people accessing gender-based violence command centre services by 20 per cent (20 460) by March 2019
 - building the capacity of all provinces on the teenage parenting programme by March 2019
 - training 4 provinces on the Sinovuyo national parenting programme by March 2019.
- Promote psychosocial wellbeing to reduce vulnerability to HIV and AIDS in targeted key populations by:
 - training 450 implementers on psychosocial support services programmes by March 2019
 - training 500 implementers on social behaviour change over the medium term
 - submitting a policy framework for the management of community-based workers for approval by March 2019.
- Reach a workforce capacity of 55 000 social service practitioners by 2030 by developing and implementing strategies and programmes for the recruitment and retention of social service practitioners, including the provision of scholarships for social work students.

Subprogrammes

- *Service Standards* ensures the transformation and standardisation of social welfare services by developing and coordinating policies and legislation that promote the integration of the sector, and quality-driven and professional social welfare service delivery.
- *Substance Abuse* develops, supports and monitors the implementation of policies, legislation, and norms and standards for combatting substance abuse.
- *Older Persons* develops, supports and monitors the implementation of policies, legislation, and norms and standards for social welfare services to older people.
- *People with Disabilities* develops, supports and monitors the implementation of policies, legislation, and norms and standards for social welfare services to people with disabilities.

- *Children* develops, supports and monitors the implementation of policies, legislation, and norms and standards for social welfare services to children.
- *Families* develops, supports and monitors the implementation of policies, legislation, programmes, and norms and standards for services aimed at strengthening families.
- *Social Crime Prevention and Victim Empowerment* develops, supports and monitors the implementation of policies, legislation, programmes, and norms and standards for services aimed at protecting, empowering, and supporting victims of crime and violence.
- *Youth* develops and facilitates the implementation of policies, legislation and programmes aimed at mobilising, developing skills among and protecting vulnerable youths.
- *HIV and AIDS* develops, supports and monitors the implementation of policies, programmes and guidelines aimed at preventing and mitigating the impact of HIV and AIDS in line with the 2017-2022 national strategic plan for HIV, sexually transmitted infections and tuberculosis.
- *Social Worker Scholarships* provides full scholarships for students studying social work.
- *Programme Management* provides for deputy director general expenses related to social welfare services.

Expenditure trends and estimates

Table 17.12 Welfare Services Policy Development and Implementation Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average Expenditure/Total (%)	
	2014/15	2015/16	2016/17		2014/15	2017/18	2018/19	2019/20	2020/21	2017/18	2020/21
R million											
Service Standards	23.2	34.5	23.1	30.0	9.0%	3.6%	31.3	33.5	35.7	6.0%	2.5%
Substance Abuse	41.7	73.9	103.8	75.0	21.6%	9.7%	90.7	95.7	101.0	10.4%	7.1%
Older Persons	21.5	18.7	16.0	20.2	-2.0%	2.5%	20.3	21.5	22.7	4.0%	1.6%
People with Disabilities	19.1	21.6	27.1	29.7	15.8%	3.2%	30.1	32.1	34.3	5.0%	2.5%
Children	67.9	76.0	75.5	398.5	80.4%	20.3%	574.0	606.5	647.1	17.5%	43.3%
Families	8.4	8.8	9.6	9.4	3.8%	1.2%	9.8	10.4	11.1	5.8%	0.8%
Social Crime Prevention and Victim Empowerment	48.0	64.4	65.6	62.4	9.2%	7.9%	65.2	69.6	74.3	6.0%	5.3%
Youth	19.1	18.0	17.0	14.0	-9.7%	2.2%	14.4	15.3	16.1	4.8%	1.2%
HIV and AIDS	76.4	79.2	80.3	101.8	10.0%	11.1%	121.6	129.0	135.0	9.9%	9.5%
Social Worker Scholarships	264.0	276.1	290.8	305.3	5.0%	37.4%	323.0	341.1	362.4	5.9%	25.9%
Programme Management	10.1	5.2	4.3	4.0	-26.5%	0.8%	4.2	4.5	4.8	5.8%	0.3%
Total	599.3	676.4	713.1	1 050.3	20.6%	100.0%	1 284.5	1 359.3	1 444.5	11.2%	100.0%
Change to 2017				(5.0)			(10.1)	(10.3)	(12.2)		
Budget estimate											
Economic classification											
Current payments	236.2	273.6	253.4	261.7	3.5%	33.7%	271.4	289.5	307.2	5.5%	22.0%
Compensation of employees	115.5	129.8	139.9	139.3	6.4%	17.3%	144.0	155.1	166.7	6.2%	11.8%
Goods and services ¹	120.6	143.7	113.5	122.4	0.5%	16.5%	127.4	134.4	140.4	4.7%	10.2%
<i>of which:</i>											
Advertising	12.6	18.7	14.8	12.9	0.7%	1.9%	14.7	15.4	16.4	8.5%	1.2%
Catering: Departmental activities	7.1	8.5	6.6	5.6	-7.5%	0.9%	5.4	5.7	5.7	0.5%	0.4%
Consultants: Business and advisory services	20.0	24.8	23.7	26.7	10.0%	3.1%	27.5	28.8	30.0	4.0%	2.2%
Consumables: Stationery, printing and office supplies	1.6	2.3	1.8	4.1	36.9%	0.3%	4.4	4.6	4.8	5.2%	0.3%
Travel and subsistence	43.1	45.9	27.5	36.3	-5.5%	5.0%	37.2	39.8	41.7	4.7%	3.0%
Venues and facilities	13.0	22.4	19.5	21.8	18.9%	2.5%	22.5	23.7	24.6	4.1%	1.8%
Transfers and subsidies¹	361.8	401.3	458.2	783.6	29.4%	66.0%	1 008.0	1 064.4	1 131.7	13.0%	77.6%
Provinces and municipalities	27.5	47.5	85.5	556.4	172.4%	23.6%	758.4	805.7	858.8	15.6%	58.0%
Higher education institutions	–	–	–	0.5	–	–	–	–	–	-100.0%	–
Foreign governments and international organisations	0.8	0.7	0.5	0.8	–	0.1%	0.8	0.8	0.9	5.1%	0.1%
Non-profit institutions	69.4	76.9	80.4	101.8	13.6%	10.8%	121.8	128.6	135.7	10.1%	9.5%
Households	264.1	276.3	291.8	124.2	-22.2%	31.5%	127.0	129.2	136.3	3.2%	10.1%
Payments for capital assets	1.3	1.5	1.5	4.9	55.0%	0.3%	5.1	5.3	5.6	4.9%	0.4%
Buildings and other fixed structures	–	0.3	0.0	–	–	–	–	–	–	–	–
Machinery and equipment	1.3	1.2	1.5	4.9	55.4%	0.3%	5.1	5.3	5.6	4.9%	0.4%
Software and other intangible assets	0.0	0.0	–	–	-100.0%	–	–	–	–	–	–
Total	599.3	676.4	713.1	1 050.3	20.6%	100.0%	1 284.5	1 359.3	1 444.5	11.2%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.7%	–	–	0.7%	0.7%	0.7%	–	–

Table 17.12 Welfare Services Policy Development and Implementation Support expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Households											
Other transfers to households											
Current	264.0	276.1	290.8	123.5	-22.4%	31.4%	126.2	128.5	135.5	3.1%	10.0%
National Student Financial Aid Scheme	264.0	276.1	290.8	123.5	-22.4%	31.4%	126.2	128.5	135.5	3.1%	10.0%
Non-profit institutions											
Current	69.4	76.9	80.4	101.8	13.6%	10.8%	121.8	128.6	135.7	10.1%	9.5%
loveLife	51.0	—	—	—	-100.0%	1.7%	—	—	—	—	—
South African Council for Social Service Professions	—	—	0.1	1.8	—	0.1%	1.9	2.1	2.2	5.6%	0.2%
National bodies: Substance abuse	2.8	2.9	3.0	3.1	3.7%	0.4%	3.2	3.4	3.6	5.3%	0.3%
National bodies: Older persons	2.3	2.4	2.5	2.6	5.1%	0.3%	2.8	3.0	3.1	5.6%	0.2%
National bodies: Disabilities	3.5	3.8	3.9	4.2	6.0%	0.5%	4.4	4.7	4.9	5.6%	0.4%
National bodies: Children	6.8	7.6	7.2	8.4	7.5%	1.0%	8.9	9.4	9.9	5.6%	0.7%
National bodies: Families	1.3	1.3	1.4	1.5	5.2%	0.2%	1.6	1.7	1.8	5.7%	0.1%
National bodies: Social crime prevention	1.9	5.6	5.9	6.1	47.9%	0.6%	6.4	6.8	7.2	5.6%	0.5%
HIV and AIDS organisations	—	53.3	56.3	59.1	—	5.6%	62.6	66.1	69.7	5.6%	5.0%
South African National AIDS Council	—	—	—	15.0	—	0.5%	30.0	31.7	33.4	30.6%	2.1%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	—	—	—	499.4	—	16.4%	687.6	730.9	779.9	16.0%	52.5%
Early childhood development grant	—	—	—	317.6	—	10.5%	490.8	518.2	552.9	20.3%	36.6%
Social worker employment grant	—	—	—	181.8	—	6.0%	196.8	212.7	226.9	7.7%	15.9%
Capital	27.5	47.5	85.5	57.0	27.4%	7.2%	70.8	74.8	78.9	11.5%	5.5%
Substance abuse treatment grant	27.5	47.5	85.5	57.0	27.4%	7.2%	70.8	74.8	78.9	11.5%	5.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Social Policy and Integrated Service Delivery

Programme purpose

Support community development and promote evidence-based policy making in the department and the social development sector.

Objectives

- Strengthen social development service delivery and build self-reliant communities in identified local municipalities by March 2019 through facilitating:
 - community-based research, development and planning by reaching 300 wards through community programmes
 - the implementation of the community development practice policy
 - the implementation of norms and standards for community development
 - the professionalisation of community development as an essential occupation or profession for social service practice
 - guidelines for community mobilisation and the implementation of interventions.
- Coordinate and facilitate youth development by March 2019, by:
 - facilitating the implementation of the social development youth strategy
 - facilitating the development of youth skills through a national youth camp for 1 000 young people.
- Build self-reliant communities through programmes and policies that strengthen their capacity and capabilities by:
 - facilitating the linkage of 1 000 cooperatives with economic opportunities within the sector by March 2019
 - ensuring that 415 000 people access food through community nutrition and development centres in 2018/19

- assessing and reviewing the implementation of the household food and nutrition security plan and model by provinces by March 2019
- facilitating the implementation of the national food and nutrition security programme.
- Facilitate the implementation of the social development youth policy.
- Maintain efficient non-profit organisation registration processes and compliance monitoring to improve governance, accountability and transparency by:
 - processing 98 per cent of all registration applications received from non-profit organisations within 2 months of receipt over the medium term
 - conducting national road shows in 90 local municipalities to improve community access to services supplied by non-profit organisations by March 2019
 - training 3 000 non-profit organisations on governance and compliance with the Non-Profit Organisations Act (1997) by March 2019
 - finalising the amendment of the Non-Profit Organisations Act (1997) by March 2019.
- Promote the implementation of the 1998 White Paper on Population Policy for South Africa by continually increasing awareness and building capacity on population matters.

Subprogrammes

- *Social Policy Research and Development* provides strategic guidance in terms of evidence-based social policy development, coordination and evaluation.
- *Special Projects and Innovation* provides for the coordination, incubation and innovation of departmental and social cluster initiatives such as the expanded public works programme.
- *Population Policy Promotion* supports, monitors and evaluates the implementation of the 1998 White Paper on Population Policy for South Africa by conducting research on the country's population trends and dynamics, raising awareness of population and development concerns, and supporting and building technical capacity to implement the policy.
- *Registration and Monitoring of Non-Profit Organisations* provides for the registration and monitoring of non-profit organisations in terms of the Non-Profit Organisations Act (1997).
- *Substance Abuse Advisory Services and Oversight* monitors the implementation of intersectoral policies, legislation, and norms and standards aimed at combatting substance abuse.
- *Community Development* develops and implements policies, strategies, guidelines and programmes to contribute towards the building of sustainable communities free from poverty and hunger.
- *National Development Agency* focuses on strengthening the institutional capacity of civil society organisations that provide services to poor communities.
- *Programme Management* provides for deputy director general expenses related to social policy and community development initiatives.

Expenditure trends and estimates

Table 17.13 Social Policy and Integrated Service Delivery expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Social Policy Research and Development	3.7	5.8	6.1	5.7	15.6%	1.4%	5.9	6.3	6.8	5.9%	1.5%
Special Projects and Innovation	10.5	11.6	10.7	10.6	0.4%	2.9%	11.0	11.8	12.6	5.8%	2.8%
Population Policy Promotion	32.1	35.8	33.8	32.4	0.4%	9.0%	34.5	36.9	39.4	6.7%	8.8%
Registration and Monitoring of Non-Profit Organisations	29.1	30.3	35.7	36.1	7.5%	8.8%	37.5	40.1	42.8	5.8%	9.6%
Substance Abuse Advisory Services and Oversight	3.9	4.1	5.9	5.9	15.1%	1.3%	6.2	6.6	7.0	5.7%	1.6%
Community Development	85.8	97.8	93.2	89.8	1.5%	24.6%	91.2	96.6	100.8	3.9%	23.2%
National Development Agency	178.3	184.4	194.2	200.9	4.1%	50.9%	202.6	214.5	226.8	4.1%	51.7%
Programme Management	3.2	4.7	3.7	3.3	1.0%	1.0%	3.5	3.7	3.9	5.8%	0.9%
Total	346.6	374.4	383.2	384.9	3.6%	100.0%	392.3	416.5	440.2	4.6%	100.0%
Change to 2017 Budget estimate				(4.0)			(17.7)	(18.0)	(19.9)		
Economic classification											
Current payments	110.5	135.4	132.2	124.2	4.0%	33.7%	126.8	135.8	143.6	5.0%	32.5%
Compensation of employees	65.4	74.8	80.9	78.2	6.1%	20.1%	80.3	86.4	92.9	5.9%	20.7%
Goods and services ¹	45.2	60.6	51.3	46.0	0.6%	13.6%	46.5	49.4	50.7	3.3%	11.8%
of which:											
Administrative fees	1.5	2.0	1.3	1.2	-5.2%	0.4%	1.3	1.4	1.5	5.6%	0.3%
Advertising	3.1	2.8	0.3	2.8	-3.6%	0.6%	3.0	3.1	3.3	5.6%	0.8%
Consultants: Business and advisory services	2.5	3.9	9.0	5.7	32.0%	1.4%	5.9	6.3	6.3	3.7%	1.5%
Consumables: Stationery, printing and office supplies	1.0	0.8	0.6	2.8	39.7%	0.4%	3.0	3.1	3.3	5.6%	0.8%
Travel and subsistence	21.2	28.7	25.4	19.4	-2.9%	6.4%	17.4	19.1	19.0	-0.6%	4.6%
Venues and facilities	7.0	5.1	4.9	8.7	7.4%	1.7%	10.2	10.7	11.3	9.2%	2.5%
Transfers and subsidies¹	223.8	238.5	250.5	259.9	5.1%	65.3%	264.7	279.8	295.8	4.4%	67.3%
Departmental agencies and accounts	178.3	184.4	194.2	200.9	4.1%	50.9%	202.6	214.5	226.8	4.1%	51.7%
Higher education institutions	-	-	0.4	-	-	-	-	-	-	-	-
Foreign governments and international organisations	2.5	1.8	1.8	2.0	-7.9%	0.5%	2.1	1.9	2.0	-0.2%	0.5%
Non-profit institutions	27.6	29.1	29.3	30.8	3.7%	7.8%	32.4	34.2	36.1	5.4%	8.2%
Households	15.3	23.3	24.8	26.2	19.7%	6.0%	27.7	29.3	30.9	5.6%	7.0%
Payments for capital assets	12.3	0.5	0.6	0.8	-60.3%	0.9%	0.8	0.9	0.9	5.6%	0.2%
Machinery and equipment	12.3	0.5	0.6	0.8	-60.3%	0.9%	0.8	0.9	0.9	5.6%	0.2%
Total	346.6	374.4	383.2	384.9	3.6%	100.0%	392.3	416.5	440.2	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.3%	0.2%	-	-	0.2%	0.2%	0.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	178.3	184.4	194.2	200.9	4.1%	50.9%	202.6	214.5	226.8	4.1%	51.7%
National Development Agency	178.3	184.4	194.2	200.9	4.1%	50.9%	202.6	214.5	226.8	4.1%	51.7%
Non-profit institutions											
Current	27.0	29.1	29.3	30.8	4.5%	7.8%	32.4	34.2	36.1	5.4%	8.2%
Soul City	1.0	1.0	-	-	-100.0%	0.1%	-	-	-	-	-
Population Association of Southern Africa	0.2	0.2	0.2	0.2	-	0.1%	-	-	-	-100.0%	-
Food relief	25.8	27.8	29.1	30.6	5.8%	7.6%	32.4	34.2	36.1	5.6%	8.2%
Households											
Other transfers to households											
Current	15.2	23.2	24.7	26.1	19.7%	6.0%	27.6	29.1	30.7	5.6%	6.9%
Food relief	15.2	23.2	24.7	26.1	19.7%	6.0%	27.6	29.1	30.7	5.6%	6.9%
Foreign governments and international organisations											
Current	2.5	1.7	1.8	1.9	-8.1%	0.5%	2.0	1.9	2.0	0.7%	0.5%
United Nations Population Fund	0.5	0.5	0.5	0.5	4.1%	0.1%	0.6	0.6	0.6	5.6%	0.1%
Partners in Population and Development	1.8	0.8	1.0	0.9	-20.9%	0.3%	0.9	1.0	1.0	5.2%	0.2%
International Planned Parenthood Federation	0.2	0.2	0.3	0.2	-	0.1%	0.2	-	-	-100.0%	-
Leadership for Environment and Development Southern and Eastern Africa	-	0.3	-	0.3	-	-	0.3	0.3	0.3	-	0.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity¹**South African Social Security Agency****Mandate**

The South African Social Security Agency Act (2004) provides for the establishment of the South African Social Security Agency, the objectives of which are to ensure the effective and efficient administration, management, and payment of social assistance grants. The agency's core business is to administer and pay social assistance transfers. The agency has a large network of centres where citizens can apply for social grants. It also manages a large payment system of more than 17 million social grants each month.

Selected performance indicators**Table 17.14 South African Social Security Agency performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Average cost of administering social assistance per month	Benefits administration support	Outcome 13: An inclusive and responsive social protection system	R32	R33	R35	R37	R39	R39	R40
Administration cost as a percentage of social assistance transfers budget	Benefits administration support		5.2% (R6.3bn/R120bn)	5.2% (R6.7bn/R128.3bn)	5.4% (R7.2bn/R134.5bn)	5.1%	5.1%	4.8%	4.6%
Number of community outreach programmes conducted per year	Benefits administration support		714	570	631	600	309	600	600
Percentage of new grant applications per year processed within targeted working days	Benefits administration support		99.6% within 21 days (1 373 768/1 379 253)	97.1% within 15 days (1 717 011/1 767 639)	90.4% within 10 days (1 864 437/2 062 452)	95% within 10 days	95 within 10 days	95% within 10 days	95% within 5 days

Expenditure analysis

Social assistance protects against inequality and poverty, and promotes the social and financial inclusion of the economically inactive population. Over the medium term, the South African Social Security Agency intends to continue focusing on improving its services to ensure that all those entitled to social assistance are reached, in line with the NDP's vision to broaden social protection and outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework. As such, over the MTEF period, the agency aims to improve its services by putting systems in place to take over the payment of social assistance seamlessly; reducing administrative bottlenecks in the grant application process and therefore improving the turnaround time for grant approval; and increasing access to social assistance by educating beneficiaries on the qualifying criteria for social grants and targeting groups with traditionally low coverage for enrolment as beneficiaries, such as newborn babies up to the age of 2.

The plan to bring the payment function in-house in the medium to long term is a work in progress, and will remain a major cost driver over the medium term. The agency spends an estimated R2.2 billion per year on contracting the full payment function to a service provider, Cash Paymaster Services, in the benefits administration support programme. Even though the agency plans to move towards a mix of service providers, including the South African Post Office, which will be implementing different aspects of the payment value chain, this spending baseline is expected to be maintained over the MTEF period. The agency has begun making direct electronic transfers through the South African Reserve Bank to the bank accounts of

¹ This section has been compiled with the latest available information from the entity concerned.

approximately 2 million recipients who have selected this method of payment, as allowed for by the Social Assistance Act (2004). In this regard, the agency is expected to spend an estimated R24 million per year over the medium term to administer these electronic transfers.

To improve the turnaround time for grant approval and address administrative bottlenecks, the agency is set to complete the process of reviewing the grant payment value chain together with the capacity model by March 2018. The review is expected to drive an increase in the number of personnel in the agency, across all provinces, from 9 565 in 2017/18 to 9 794 in 2020/21. As a result, spending on compensation of employees is expected to increase over the MTEF period from an anticipated R3.2 billion in 2017/18 to R3.8 billion in 2020/21.

A number of projects have been prioritised in the administration programme to modernise service delivery models for social assistance over the MTEF period. These projects include the automation of social grant registries, which involves the scanning of millions of beneficiary files into an electronic system, at a projected cost of R30 million in 2018/19; and the implementation of a biometric authentication system aimed at reducing fraud and improving compliance with applicable legislation, at an estimated cost of R79 million.

The agency is also expected to ensure that social grants reach qualifying beneficiaries. In this regard, the agency plans to continue providing its services, especially to poor communities, through the integrated community registration outreach programme and Project Mikondzo. These initiatives are aimed at profiling households and communities, and carrying out interventions designed to improve access to services, as well as to ensure that government is responsive to the immediate socioeconomic challenges faced by poor households and communities. The agency plans to conduct 309 community outreach programmes in 2018/19 through these programmes, at an estimated cost of R100 million per year. These initiatives are important in an environment where new grant payment service providers are being introduced, and will allow for proper communication on the various options available to recipients for accessing grants.

Programmes/Objectives/Activities

Table 17.15 South African Social Security Agency expenditure trends and estimates by programme/objective/activity

R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
Administration	2 258.8	2 431.8	2 581.4	2 578.0	4.5%	35.6%	3 181.3	3 025.8	3 011.4	5.3%	35.9%	
Benefits administration support	4 036.9	4 272.0	4 643.6	4 884.9	6.6%	64.4%	5 094.9	5 393.0	5 640.2	4.9%	64.1%	
Total	6 295.7	6 703.8	7 225.0	7 463.0	5.8%	100.0%	8 276.2	8 418.9	8 651.6	5.0%	100.0%	

Statements of historical financial performance and position

Table 17.16 South African Social Security Agency statements of historical financial performance and position

Statement of financial performance										Average: Outcome/Budget (%)
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	2014/15 - 2017/18	
	Budget	2014/15	Budget	2015/16	Budget	2016/17				2017/18
Revenue										
Non-tax revenue		4.7	4.2	4.0	24.1	4.2	13.4	4.4	4.4	266.7%
Sale of goods and services other than capital assets		0.8	0.5	0.0	16.5	-	5.3	0.0	0.0	2 590.1%
<i>of which:</i>										
Administrative fees		-	-	-	-	-	0.2	-	-	-
Sales by market establishment		0.8	-	-	16.5	-	5.1	-	-	2 589.4%
Other sales		-	0.5	0.0	0.1	-	-	0.0	0.0	1 910.3%
Other non-tax revenue		3.9	3.7	4.0	7.6	4.2	8.1	4.4	4.4	145.2%
Transfers received		6 567.6	6 517.6	6 643.0	6 643.0	6 908.9	6 908.9	7 206.1	7 206.1	99.8%
Total revenue		6 572.3	6 521.8	6 647.0	6 667.1	6 913.1	6 922.3	7 210.5	7 210.5	99.9%

Table 17.16 South African Social Security Agency statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
R million	2014/15		2015/16		2016/17		2017/18		
Expenses									
Current expenses	6 867.0	6 253.3	7 270.6	6 681.2	7 545.1	7 194.6	7 684.6	7 430.1	93.8%
Compensation of employees	2 526.1	2 485.1	2 700.5	2 643.4	3 034.3	2 895.7	3 242.2	3 181.9	97.4%
Goods and services	4 272.5	3 691.6	4 498.3	3 922.8	4 480.3	4 184.9	4 409.9	4 215.7	90.7%
<i>Agency and support/outsourced services</i>	<i>153.9</i>	<i>139.6</i>	<i>145.3</i>	<i>158.4</i>	<i>154.4</i>	<i>193.2</i>	<i>204.9</i>	<i>224.5</i>	<i>108.7%</i>
<i>Communication</i>	<i>215.6</i>	<i>62.1</i>	<i>338.3</i>	<i>69.5</i>	<i>62.0</i>	<i>92.2</i>	<i>85.7</i>	<i>83.2</i>	<i>43.8%</i>
<i>Computer services</i>	<i>531.0</i>	<i>298.5</i>	<i>406.1</i>	<i>312.8</i>	<i>361.5</i>	<i>330.3</i>	<i>353.9</i>	<i>353.9</i>	<i>78.4%</i>
<i>Payment contractors</i>	<i>2 098.2</i>	<i>1 968.5</i>	<i>2 219.0</i>	<i>2 035.9</i>	<i>2 146.0</i>	<i>2 219.7</i>	<i>2 261.2</i>	<i>2 261.2</i>	<i>97.3%</i>
<i>Lease payments</i>	<i>518.7</i>	<i>286.9</i>	<i>401.2</i>	<i>332.9</i>	<i>382.4</i>	<i>309.2</i>	<i>376.3</i>	<i>371.3</i>	<i>77.5%</i>
<i>Repairs and maintenance</i>	<i>112.0</i>	<i>157.5</i>	<i>289.4</i>	<i>141.3</i>	<i>100.3</i>	<i>21.4</i>	<i>88.4</i>	<i>13.2</i>	<i>56.5%</i>
<i>Property payments</i>	<i>-</i>	<i>-</i>	<i>338.1</i>	<i>-</i>	<i>378.8</i>	<i>-</i>	<i>431.9</i>	<i>-</i>	<i>-</i>
Depreciation	67.5	75.7	70.9	115.0	30.6	114.0	32.5	32.5	167.4%
Interest, dividends and rent on land	0.9	0.9	0.9	-	-	-	-	-	48.9%
Transfers and subsidies	22.7	42.4	23.7	22.6	27.0	30.4	28.3	32.9	126.1%
Total expenses	6 889.7	6 295.7	7 294.4	6 703.8	7 572.1	7 225.0	7 712.9	7 463.0	94.0%
Surplus/(Deficit)	(317.0)	226.0	(647.0)	(37.0)	(659.0)	(303.0)	(502.0)	(252.0)	
Statement of financial position									
Carrying value of assets	462.4	780.6	747.9	816.8	785.3	858.3	824.6	824.6	116.3%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(5.6)</i>	<i>(264.5)</i>	<i>(232.4)</i>	<i>(171.8)</i>	<i>(149.6)</i>	<i>(166.2)</i>	<i>(152.7)</i>	<i>(152.7)</i>	<i>139.8%</i>
Inventory	10.0	23.4	32.4	17.0	34.0	15.5	35.7	35.7	81.6%
Receivables and prepayments	136.9	19.1	16.9	24.4	17.7	27.6	18.6	18.6	47.2%
Cash and cash equivalents	712.3	1 163.7	1 036.8	1 227.3	892.8	777.4	522.2	522.2	116.6%
Total assets	1 321.6	1 986.9	1 834.0	2 085.5	1 729.8	1 678.7	1 401.1	1 401.1	113.8%
Accumulated surplus/(deficit)	573.0	1 366.8	620.6	1 284.3	625.3	981.6	122.9	729.2	224.6%
Finance lease	3.6	0.2	0.3	-	0.3	-	0.3	0.3	11.2%
Trade and other payables	157.3	335.6	877.1	520.3	751.4	406.6	907.5	301.2	58.1%
Provisions	587.6	284.2	336.0	280.8	352.8	290.5	370.5	370.5	74.4%
Total equity and liabilities	1 321.6	1 986.9	1 834.0	2 085.5	1 729.8	1 678.7	1 401.1	1 401.1	113.8%

Statements of estimates of financial performance and position**Table 17.17 South African Social Security Agency statements of estimates of financial performance and position**

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	4.4	1.5%	0.2%	4.6	4.9	5.1	5.2%	0.1%
Sale of goods and services other than capital assets	0.0	-68.5%	0.1%	0.0	0.0	0.0	4.3%	0.0%
<i>of which:</i>								
<i>Other sales</i>	<i>0.0</i>	<i>-68.5%</i>	<i>0.0%</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>4.3%</i>	<i>0.0%</i>
Other non-tax revenue	4.4	5.5%	0.1%	4.6	4.9	5.1	5.2%	0.1%
Transfers received	7 206.1	3.4%	99.8%	7 760.7	8 195.7	8 646.5	6.3%	99.9%
Total revenue	7 210.5	3.4%	100.0%	7 765.3	8 200.6	8 651.6	6.3%	100.0%
Expenses								
Current expenses	7 430.1	5.9%	99.5%	8 240.7	8 381.4	8 612.1	5.0%	99.6%
Compensation of employees	3 181.9	8.6%	40.4%	3 464.0	3 657.9	3 778.6	5.9%	42.9%
Goods and services	4 215.7	4.5%	57.9%	4 742.3	4 687.2	4 795.2	4.4%	56.2%
<i>Agency and support/outsourced services</i>	<i>224.5</i>	<i>17.2%</i>	<i>2.6%</i>	<i>239.9</i>	<i>253.6</i>	<i>259.6</i>	<i>5.0%</i>	<i>3.0%</i>
<i>Communication</i>	<i>83.2</i>	<i>10.2%</i>	<i>1.1%</i>	<i>93.0</i>	<i>98.2</i>	<i>103.6</i>	<i>7.6%</i>	<i>1.2%</i>
<i>Computer services</i>	<i>353.9</i>	<i>5.8%</i>	<i>4.7%</i>	<i>452.3</i>	<i>374.7</i>	<i>375.3</i>	<i>2.0%</i>	<i>4.7%</i>
<i>Payment contractors</i>	<i>2 261.2</i>	<i>4.7%</i>	<i>30.7%</i>	<i>2 332.8</i>	<i>2 472.7</i>	<i>2 608.7</i>	<i>4.9%</i>	<i>29.5%</i>
<i>Lease payments</i>	<i>371.3</i>	<i>9.0%</i>	<i>4.7%</i>	<i>405.9</i>	<i>449.3</i>	<i>452.3</i>	<i>6.8%</i>	<i>5.1%</i>
<i>Repairs and maintenance</i>	<i>13.2</i>	<i>-56.3%</i>	<i>1.3%</i>	<i>14.2</i>	<i>15.3</i>	<i>16.5</i>	<i>7.9%</i>	<i>0.2%</i>
Depreciation	32.5	-24.6%	1.2%	34.4	36.3	38.3	5.7%	0.4%
Transfers and subsidies	32.9	-8.1%	0.5%	35.5	37.5	39.5	6.3%	0.4%
Total expenses	7 463.0	5.8%	100.0%	8 276.2	8 418.9	8 651.6	5.0%	100.0%
Surplus/(Deficit)	(252.0)	-203.7%		(511.0)	(218.0)	-	-100.0%	

Table 17.17 South African Social Security Agency statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
R million	2017/18			2018/19	2019/20	2020/21		
Carrying value of assets	824.6	1.8%	47.1%	872.4	921.2	971.9	5.6%	63.1%
of which:								
Acquisition of assets	(152.7)	-16.7%	-10.6%	(161.6)	(161.6)	(170.5)	3.7%	-11.4%
Inventory	35.7	15.2%	1.4%	37.8	39.9	42.1	5.6%	2.7%
Receivables and prepayments	18.6	-0.9%	1.3%	19.7	20.8	22.0	5.6%	1.4%
Cash and cash equivalents	522.2	-23.4%	50.2%	421.7	445.3	469.8	-3.5%	32.7%
Total assets	1 401.1	-11.0%	100.0%	1 351.6	1 427.3	1 505.8	2.4%	100.0%
Accumulated surplus/(deficit)	729.2	-18.9%	60.2%	218.3	-	-	-100.0%	16.5%
Finance lease	0.3	15.2%	0.0%	0.3	0.3	0.4	5.7%	0.0%
Trade and other payables	301.2	-3.5%	21.9%	960.1	1 013.9	1 069.7	52.6%	56.2%
Provisions	370.5	9.2%	17.9%	391.1	413.0	435.8	5.6%	27.3%
Total equity and liabilities	1 401.1	-11.0%	100.0%	1 569.9	1 427.3	1 505.8	2.4%	100.0%

Personnel information**Table 17.18 South African Social Security Agency personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
South African Social Security Agency	9 794	19 121	9 349	2 895.7	0.3	9 565	3 181.9	0.3	9 794	3 464.0	0.4	9 794	3 657.9	0.4	9 794	3 778.6	0.4	5.9%	100.0%
1 – 6	6 000	11 081	6 028	1 366.0	0.2	5 962	1 341.9	0.2	6 000	1 416.7	0.2	6 000	1 488.8	0.2	6 000	1 541.6	0.3	4.7%	61.5%
7 – 10	3 116	7 290	2 819	1 093.4	0.4	2 937	1 202.1	0.4	3 116	1 360.0	0.4	3 116	1 440.7	0.5	3 116	1 486.5	0.5	7.3%	31.5%
11 – 12	424	424	402	334.7	0.8	424	366.3	0.9	424	386.3	0.9	424	409.5	1.0	424	421.8	1.0	4.8%	4.4%
13 – 16	254	326	100	101.6	1.0	242	271.6	1.1	254	301.0	1.2	254	319.0	1.3	254	328.7	1.3	6.6%	2.6%

1. Rand million.

Other entity

Comprehensive coverage of the following public entity is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **National Development Agency's** primary focus is on strengthening the institutional capacity of civil society organisations that provide services to poor communities. The agency also promotes consultation and dialogue between civil society and the state, debates policy development, and conducts research. The agency's projected expenditure for 2018/19 is R202.6 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
Departmental infrastructure									
Small projects (total project cost of less than R250 million over the project life cycle)									
R million									
Refurbishment of White Doors for Gender-Based Violence	Refurbishment of containers to serve as White Doors facilities for Gender-Based Violence	Complete	0.4	–	0.3	0.2	–	–	–
Construction of substance abuse treatment centres: Eastern Cape	Construction of substance abuse inpatient treatment centres	Complete	14.6	12.6	2.0	–	–	–	–
Construction of substance abuse treatment centres: Free State	Construction of substance abuse inpatient treatment centres	Construction	56.9	1.9	12.5	3.6	–	–	–
Construction of substance abuse treatment centres: North West	Construction of substance abuse inpatient treatment centres	Complete	28.0	11.0	17.0	–	–	–	–
Construction of substance abuse treatment centres: Northern Cape	Construction of substance abuse inpatient treatment centres	Complete	61.0	2.0	16.0	1.8	–	–	–
Total			161.0	27.5	47.8	5.5	–	–	–

Vote 18

Correctional Services

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	4 283.8	4 222.1	21.2	40.5	4 506.1	4 835.5
Incarceration	14 529.3	13 790.8	110.9	627.6	15 617.9	16 702.0
Rehabilitation	1 861.3	1 856.2	0.1	5.0	2 057.3	2 196.0
Care	2 275.3	2 274.8	0.4	0.1	2 360.2	2 503.5
Social Reintegration	898.9	897.1	0.2	1.7	946.1	1 014.4
Total expenditure estimates	23 848.5	23 040.9	132.7	674.9	25 487.6	27 251.4
Executive authority	Minister of Justice and Correctional Services					
Accounting officer	National Commissioner of Correctional Services					
Website address	www.dcs.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Contribute to a just, peaceful and safer South Africa through the effective and humane incarceration of inmates and the rehabilitation and social reintegration of offenders.

Mandate

The mandate of the Department of Correctional Services is derived from the Correctional Services Act (1998), the Criminal Procedure Act (1977), the 2005 White Paper on Corrections, and the 2014 White Paper on Remand Detention Management in South Africa. The legislation requires the department to contribute to maintaining and promoting a just, peaceful and safe society by correcting offending behaviour in a safe, secure and humane environment, which allows for optimal rehabilitation and reduced repeat offending.

Selected performance indicators

Table 18.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections ¹		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of inmates who escape from correctional centres and remand detention facilities per year	Incarceration	Outcome 3: All people in South Africa are and feel safe	0.031% (49/ 159 563)	0.044% (71/ 161 984)	0.031% (50/ 161 054)	0.034% (56/ 163 261)	0.034% (56/ 164 855)	0.034% (57/ 166 449)	0.034% (57/ 168 043)
Percentage of inmates injured as a result of reported assaults in correctional centres and remand detention facilities per year	Incarceration		4.9% (7 850/ 159 563)	5.4% (8 801/ 161 984)	4.6% (7 388/ 161 054)	4.7% (7 634/ 163 261)	4.7% (7 748/ 164 855)	4.7% (7 824/ 166 449)	4.7% (7 898/ 168 043)
Percentage of overcrowding in correctional centres and remand detention facilities in excess of approved capacity per year ²	Incarceration		31.9% (38 007 119 134)	33.7% (40 197/ 119 134)	34.5% (41 146/ 119 134)	38% (45 271/ 119 134)	39%	40%	41%
Percentage of sentenced offenders subjected to correctional programmes per year	Rehabilitation		68.9% (68 624/ 99 605)	74.3% (75 595/ 101 740)	77.3% (80 960/ 104 740)	76% (81 432/ 107 145)	80% (86 088/ 107 600)	80% (86 916/ 108 639)	80% (87 744/ 109 676)
Percentage of offenders participating in skills development programmes measured against the number of offenders enrolled per year	Rehabilitation		84.6% (7 825/ 9 244)	87.5% (7 407/ 8 467)	96.6% (13 430/ 13 899)	80% (9 136/ 11 420)	80% (10 049/ 12 562)	80% (11 054/ 13 819)	80% (11 846/ 14 809)

Table 18.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections ¹		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total percentage of inmates on antiretroviral therapy	Care	Outcome 3: All people in South Africa are and feel safe	97% (17 526/ 18 063)	98.1% (21 722/ 22 142)	97.9% (24 506/ 25 042)	99% (36 383/ 36 750)	98% (30 119/ 30 734)	98% (32 177/ 32 834)	98% (34 235/ 34 934)
Percentage of parolees without violations per year	Social Reintegration		98.2% (49 928/ 50 855)	98.8% (51 307/ 51 937)	98.8% (51 161/ 51 785)	97% (51 419/ 53 009)	97% (53 802/ 55 466)	97% (55 074/ 56 777)	97% (56 375/ 58 119)
Percentage of probationers without violations per year	Social Reintegration		97.7% (16 913/ 17 318)	98.6% (16 416/ 16 640)	99% (16 016/ 16 178)	96% (15 813/ 16 472)	97% (16 377/ 16 883)	97% (16 674/ 17 190)	97% (16 977/ 17 502)

1. Percentages remain constant over the MTEF period in line with available budgets.

2. Targets increase over the MTEF period due to new offender admissions, which are projected to increase at a much higher rate than the number of new bed spaces created over the period.

Expenditure analysis

Chapter 12 of the National Development Plan proposes a vision for building safer communities in South Africa by 2030. This vision is expressed in terms of outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework. The work of the Department of Correctional Services is closely aligned with this outcome. Accordingly, over the medium term, the department intends to focus on detaining inmates in safe, secure and humane conditions in correctional centres and remand detention facilities; providing sentenced offenders with needs-based rehabilitation programmes and interventions; and reintegrating offenders into communities as law abiding citizens by effectively managing non-custodial sentences and parole.

Providing detention that is humane, safe and secure

Funding for security operations, facilities, remand detention and offender management is provided in the *Incarceration* programme. To this end, the programme aims to ensure that there are safe and secure conditions of detention consistent with maintaining the human dignity of inmates, the department's personnel and members of the public. Funding for the proper administration and profiling of inmates, as well as the consideration of offenders for release or placement into the system of community corrections, is also made available in the *Incarceration* programme. Allocations to the programme account for 61.2 per cent (R46.8 billion) of the department's total budget over the medium term.

Prison escapes can largely be attributed to overcrowding and the failure of staff to adhere to basic security policies. To improve adherence to security procedures, daily security meetings are held in all correctional centres, and security awareness is provided during morning parades. The department also provides staff with appropriate security equipment such as body armour, ammunition, leg irons, handcuffs metal detectors, tonfas, gas or fire filters, pepper spray, neutralisers and movable parcel scanners. To ensure that this is provided for, R26.6 billion is allocated in the *Security Operations* subprogramme, which accounts for 35.1 per cent of the *Incarceration* programme's total budget over the medium term. As a result, and despite new offender admissions increasing at a higher rate than the number of new bed spaces created over the medium term, the number of inmates who escape from correctional centres and remand detention facilities is expected to remain at 0.034 per cent per year over the MTEF period, while the number of inmates injured as a result of reported assaults is expected to remain at 4.7 per cent.

Cabinet has approved baseline reductions of R605.1 million in 2018/19, R668.2 million in 2019/20 and R709.6 million in 2020/21 on the department's budget. Most of the reductions were effected on accommodation charges for the maintenance of facilities in the *Incarceration* programme. The number of funded posts in the *Incarceration* programme is expected to decrease from 27 057 in 2016/17 to 27 053 in 2020/21 through the gradual termination of contracts and natural attrition. These reductions are inclusive of the reprioritised amount of R63.7 million over the medium term to the Office of the Chief Justice to increase human resources capacity to service superior courts.

Needs-based rehabilitation

The National Development Plan upholds that the successful reintegration of released offenders into society is largely dependent on the quality of programmes they receive while incarcerated. In this regard, the department plays a vital role in rehabilitating offenders and reducing the likelihood of them reoffending by conducting proper assessments, and informing them about the programmes and interventions available within their facilities, such as correctional and skills development programmes; and psychological, social and spiritual care services. As a result, upon incarceration, all offenders serving sentences longer than 24 months are required to sign a correctional sentence plan based on an assessment of their needs. It is compulsory for all offenders serving a sentence of 24 months or longer to attend correctional programmes. The percentage of sentenced offenders in correctional programmes is expected to increase from 76 per cent in 2017/18 to 80 per cent in 2020/21, while the percentage of offenders participating in skills development programmes is expected to be maintained at 80 per cent over the MTEF period. This is expected to be achieved through the department's improved marketing of skills development programmes and the appointment of external service providers to provide more training opportunities for offenders.

To carry out these activities, R6.1 billion is allocated to the *Rehabilitation* programme over the MTEF period. An estimated 76.6 per cent (R4.7 billion) of this allocation is for spending on compensation of employees, with the remaining 23.4 per cent (R1.4 billion) allocated for supplies for departmental workshops (wood, steel and textiles), bakeries, a shoe factory and agricultural facilities among others. The department also manages 21 farms that provide work opportunities for offenders. A mixed farming system comprising plant and animal production is used on these farms, and the produce includes milk, chicken, eggs, vegetables, pork and fruit.

Reintegrating offenders into the community, and managing non-custodial sentences and parole

For the successful reintegration of offenders into communities, all parole considerations should include victim participation so that offenders are more likely to feel remorse and regret, and to facilitate reconciliation. The department has employed auxiliary social workers to assist in tracing victims to facilitate dialogue between victims and offenders. These facilitated dialogues foster reconciliation and healing, and are expected to improve the reintegration of offenders into their communities. The department plans to increase the number of victims participating in dialogues and other restorative justice programmes, from 6 250 in 2017/18 to 8 245 in 2020/21.

Over the medium term, R2.9 billion is allocated to the *Social Reintegration* programme, of which 85.4 per cent (R2.4 billion) is for compensation of employees.

Expenditure trends

Table 18.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Incarceration														
3. Rehabilitation														
4. Care														
5. Social Reintegration														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Annual Outcome/Annual budget (%)	Average: Annual Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	3 622.9	3 623.7	3 641.7	3 697.3	3 694.5	4 015.0	3 876.2	3 876.2	3 879.6	4 150.9	4 150.9	4 150.9	102.2%	102.2%
Programme 2	12 299.0	12 299.8	11 931.3	13 080.9	13 051.5	12 289.2	13 273.5	13 274.1	13 097.3	13 986.9	13 987.4	13 987.4	97.5%	97.5%
Programme 3	1 165.8	1 166.3	1 268.7	1 152.0	1 155.3	1 395.0	1 644.7	1 647.0	1 476.4	1 822.4	1 822.4	1 822.4	103.1%	103.0%
Programme 4	1 747.2	1 745.8	1 940.2	1 796.3	1 796.3	2 088.5	1 975.1	1 975.1	2 235.1	1 998.7	1 998.7	1 998.7	109.9%	109.9%
Programme 5	886.2	886.3	747.4	891.2	891.0	801.0	807.8	807.8	853.7	855.3	855.3	855.3	94.7%	94.7%
Total	19 721.1	19 721.8	19 529.3	20 617.6	20 588.6	20 588.7	21 577.3	21 580.2	21 542.2	22 814.1	22 814.6	22 814.6	99.7%	99.7%
Change to 2017 Budget estimate										0.5				

Table 18.2 Vote expenditure trends by programme and economic classification

Economic classification	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Current payments	18 585.5	18 583.9	18 382.1	19 514.3	19 192.5	19 236.3	20 453.1	20 453.1	20 529.0	21 744.7	21 927.7	21 927.7	99.7%	99.9%
Compensation of employees	13 315.6	13 315.6	12 611.5	14 034.1	13 155.1	13 189.5	14 821.4	14 821.4	14 417.2	15 776.7	15 776.7	15 776.7	96.6%	98.1%
Goods and services	5 269.9	5 268.3	5 770.2	5 480.2	6 037.4	6 045.2	5 631.7	5 631.7	6 111.5	5 968.0	6 151.0	6 151.0	107.7%	104.3%
Interest and rent on land	-	-	0.4	-	-	1.7	-	-	0.3	-	-	-	-	-
Transfers and subsidies	81.8	82.6	127.6	120.5	121.4	109.2	131.4	132.1	131.4	128.0	128.5	128.5	107.6%	106.9%
Provinces and municipalities	6.4	6.5	4.8	5.3	5.3	5.4	5.9	5.9	5.7	6.6	6.6	6.6	93.1%	92.9%
Departmental agencies and accounts	8.9	8.9	9.8	9.4	9.4	-	9.9	9.9	20.8	10.4	10.4	10.4	-	-
Public corporations and private enterprises	-	-	-	-	-	5.9	-	-	1.9	-	-	-	-	-
Households	66.5	67.2	113.0	105.8	106.8	97.9	115.6	116.3	103.0	111.0	111.5	111.5	106.6%	105.9%
Payments for capital assets	1 053.8	1 055.4	1 012.6	982.8	1 274.6	1 243.1	992.7	995.0	874.4	941.4	758.4	758.4	97.9%	95.2%
Buildings and other fixed structures	800.7	800.7	846.1	801.0	801.0	857.8	770.8	770.8	748.1	759.9	576.9	576.9	96.7%	102.7%
Machinery and equipment	251.4	253.0	163.4	179.4	458.6	382.3	219.7	221.9	123.7	176.0	176.0	176.0	102.3%	76.2%
Biological assets	1.6	1.6	3.2	2.0	2.5	3.0	2.2	2.2	2.7	5.6	5.6	5.6	126.7%	120.9%
Software and other intangible assets	-	-	-	0.5	12.5	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	6.9	-	-	-	-	-	7.4	-	-	-	-	-
Total	19 721.1	19 721.8	19 529.3	20 617.6	20 588.6	20 588.7	21 577.3	21 580.2	21 542.2	22 814.1	22 814.6	22 814.6	99.7%	99.7%

Expenditure estimates

Table 18.3 Vote expenditure estimates by programme and economic classification

Programmes										
1. Administration										
2. Incarceration										
3. Rehabilitation										
4. Care										
5. Social Reintegration										
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)		
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21			
Programme 1	4 150.9	4.6%	18.6%	4 283.8	4 506.1	4 835.5	5.2%	17.9%		
Programme 2	13 987.4	4.4%	60.7%	14 529.3	15 617.9	16 702.0	6.1%	61.2%		
Programme 3	1 822.4	16.0%	7.1%	1 861.3	2 057.3	2 196.0	6.4%	8.0%		
Programme 4	1 998.7	4.6%	9.8%	2 275.3	2 360.2	2 503.5	7.8%	9.2%		
Programme 5	855.3	-1.2%	3.9%	898.9	946.1	1 014.4	5.9%	3.7%		
Total	22 814.6	5.0%	100.0%	23 848.5	25 487.6	27 251.4	6.1%	100.0%		
Change to 2017 Budget estimate				(605.1)	(668.2)	(709.6)				
Economic classification										
Current payments	21 927.7	5.7%	94.8%	23 040.9	24 705.7	26 430.4	6.4%	96.7%		
Compensation of employees	15 776.7	5.8%	66.3%	16 994.9	18 293.6	19 668.6	7.6%	71.2%		
Goods and services	6 151.0	5.3%	28.5%	6 046.0	6 412.2	6 761.8	3.2%	25.5%		
Transfers and subsidies	128.5	15.8%	0.6%	132.7	162.5	171.5	10.1%	0.6%		
Provinces and municipalities	6.6	0.6%	0.0%	6.3	6.6	6.9	1.7%	0.0%		
Departmental agencies and accounts	10.4	5.3%	0.0%	8.4	8.8	9.3	-3.6%	0.0%		
Households	111.5	18.4%	0.5%	118.0	147.1	155.2	11.7%	0.5%		

Table 18.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R million								
Payments for capital assets	758.4	-10.4%	4.6%	674.9	619.3	649.5	-5.0%	2.7%
Buildings and other fixed structures	576.9	-10.4%	3.6%	601.5	540.5	570.2	-0.4%	2.3%
Machinery and equipment	176.0	-11.4%	1.0%	71.8	77.2	77.6	-23.9%	0.4%
Biological assets	5.6	51.2%	0.0%	1.6	1.6	1.7	-32.1%	0.0%
Total	22 814.6	5.0%	100.0%	23 848.5	25 487.6	27 251.4	6.1%	100.0%

Expenditure trends and estimates for significant spending items

Table 18.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Compensation of employees	6 438 842	7 230 058	7 718 063	7 648 986	5.9%	34.4%	7 153 222	8 057 298	8 503 470	3.6%	31.6%
Regional and local water and sanitation services	2 345 918	3 829 097	3 506 527	4 195 290	21.4%	16.4%	4 529 231	4 311 552	4 548 527	2.7%	17.7%
Operating leases	1 055 643	1 110 156	918 935	1 195 849	4.2%	5.1%	704 536	712 745	744 844	-14.6%	3.4%
Property payments	920 975	937 252	1 320 325	1 095 702	6.0%	5.1%	1 161 619	1 258 200	1 328 771	6.6%	4.9%
Agency and support/outsourced services	1 407 103	1 602 219	1 668 194	1 519 372	2.6%	7.3%	1 696 161	1 762 109	1 858 825	7.0%	6.9%
Inventory: Food and food supplies	362 983	377 233	396 109	405 883	3.8%	1.8%	522 043	550 794	581 087	12.7%	2.1%
Consumable supplies	278 699	303 686	285 080	233 701	-5.7%	1.3%	210 949	217 683	229 310	-0.6%	0.9%
Total	12 810 163	15 389 701	15 813 233	16 294 783	38.2%	71.4%	15 977 761	16 870 381	17 794 834	17.4%	67.5%

Goods and services expenditure trends and estimates

Table 18.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Administrative fees	7 066	5 993	5 541	6 449	-3.0%	0.1%	7 186	6 487	6 848	2.0%	0.1%
Advertising	25 633	11 063	6 475	12 402	-21.5%	0.2%	12 804	13 539	14 274	4.8%	0.2%
Minor assets	22 110	20 325	12 623	52 843	33.7%	0.4%	50 721	49 138	51 089	-1.1%	0.8%
Audit costs: External	47 545	42 737	36 647	48 271	0.5%	0.7%	52 900	57 300	60 452	7.8%	0.9%
Bursaries: Employees	3 602	3 885	4 769	3 530	-0.7%	0.1%	2 734	5 020	5 335	14.8%	0.1%
Catering: Departmental activities	39 028	36 149	15 839	17 014	-24.2%	0.4%	15 549	16 588	17 396	0.7%	0.3%
Communication	89 669	93 836	99 985	88 595	-0.4%	1.5%	79 446	83 442	87 900	-0.3%	1.3%
Computer services	76 365	113 844	105 421	144 592	23.7%	1.8%	148 206	155 531	164 097	4.3%	2.4%
Consultants: Business and advisory services	199 405	29 078	11 870	29 702	-47.0%	1.1%	23 130	26 782	28 179	-1.7%	0.4%
Infrastructure and planning services	2 459	2 685	2 925	1 210	-21.1%	-	2 506	2 630	2 769	31.8%	-
Laboratory services	11 252	13 019	17 487	12 407	3.3%	0.2%	16 728	17 471	18 350	13.9%	0.3%
Legal services	42 838	40 090	27 898	35 282	-6.3%	0.6%	36 924	38 771	40 905	5.1%	0.6%
Contractors	127 507	215 519	225 551	237 975	23.1%	3.3%	255 761	268 858	283 513	6.0%	4.1%
Agency and support/outsourced services	1 407 103	1 602 219	1 668 194	1 519 372	2.6%	25.7%	1 696 161	1 762 109	1 858 825	7.0%	26.9%
Entertainment	225	221	87	479	28.6%	-	499	524	552	4.8%	-
Fleet services (including government motor transport)	251 744	245 995	227 414	187 886	-9.3%	3.8%	276 798	291 656	316 565	19.0%	4.2%
Inventory: Clothing material and accessories	35 925	59 898	87 080	159 729	64.4%	1.4%	153 772	163 426	172 401	2.6%	2.6%
Inventory: Farming supplies	175 578	190 613	198 122	81 941	-22.4%	2.7%	113 448	220 986	227 539	40.6%	2.5%
Inventory: Food and food supplies	362 983	377 233	396 109	405 883	3.8%	6.4%	522 043	550 794	581 087	12.7%	8.1%
Inventory: Fuel, oil and gas	26 294	23 027	18 035	25 901	-0.5%	0.4%	24 661	25 790	27 181	1.6%	0.4%
Inventory: Learner and teacher support material	5 677	5 412	2 947	5 936	1.5%	0.1%	6 228	6 531	6 897	5.1%	0.1%

Table 18.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Inventory: Materials and supplies	77 028	86 887	56 775	71 785	-2.3%	1.2%	67 789	71 178	75 090	1.5%	1.1%
Inventory: Medical supplies	1 843	1 297	1 574	2 521	11.0%	-	2 084	2 187	2 307	-2.9%	-
Inventory: Medicine	71 451	79 352	84 314	57 934	-6.8%	1.2%	56 280	60 006	63 337	3.0%	0.9%
Inventory: Other supplies	6 336	4 779	1 422	65 376	117.7%	0.3%	54 220	27 305	29 112	-23.6%	0.7%
Consumable supplies	278 699	303 686	285 080	233 701	-5.7%	4.6%	210 949	217 683	229 310	-0.6%	3.5%
Consumables: Stationery, printing and office supplies	61 737	71 439	62 397	76 850	7.6%	1.1%	60 166	61 544	64 928	-5.5%	1.0%
Operating leases	1 055 643	1 110 156	918 935	1 195 849	4.2%	17.8%	704 536	712 745	744 844	-14.6%	13.2%
Rental and hiring	7 311	8 165	2 164	1 774	-37.6%	0.1%	1 709	2 202	2 669	14.6%	-
Property payments	920 975	937 252	1 320 325	1 095 702	6.0%	17.8%	1 161 619	1 258 200	1 328 771	6.6%	19.1%
Transport provided:	5 156	5 221	7 581	4 419	-5.0%	0.1%	5 098	5 326	5 607	8.3%	0.1%
Departmental activity											
Travel and subsistence	277 127	259 351	169 119	224 773	-6.7%	3.9%	177 889	183 087	194 256	-4.7%	3.1%
Training and development	7 970	12 638	4 828	12 414	15.9%	0.2%	15 935	16 979	17 348	11.8%	0.2%
Operating payments	23 901	29 266	23 807	22 121	-2.5%	0.4%	23 911	24 892	26 349	6.0%	0.4%
Venues and facilities	14 971	2 838	2 142	8 385	-17.6%	0.1%	5 599	5 453	5 734	-11.9%	0.1%
Total	5 770 156	6 045 168	6 111 482	6 151 003	2.2%	100.0%	6 045 989	6 412 160	6 761 816	3.2%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 18.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Households											
Social benefits											
Current	90 566	75 524	75 337	89 875	-0.3%	66.7%	93 863	121 470	128 158	12.6%	72.8%
Employee social benefits	88 997	75 524	75 329	89 875	0.3%	66.4%	93 863	121 470	128 158	12.6%	72.8%
Public corporations	1 569	-	8	-	-100.0%	0.3%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	9 830	-	20 823	10 395	1.9%	8.3%	8 414	8 837	9 323	-3.6%	6.2%
Safety and Security Sector Education and Training Authority	9 830	-	20 823	10 395	1.9%	8.3%	8 414	8 837	9 323	-3.6%	6.2%
Households											
Other transfers to households											
Current	22 433	22 388	27 692	21 581	-1.3%	18.9%	24 148	25 640	27 042	7.8%	16.5%
Employee social benefits	911	842	3 599	-	-100.0%	1.1%	-	-	-	-	-
Other transfers cash	-	-	66	-	-	-	-	-	-	-	-
Offender gratuity	21 522	18 887	24 027	21 581	0.1%	17.3%	24 148	25 640	27 042	7.8%	16.5%
Households	-	2 659	-	-	-	0.5%	-	-	-	-	-
Provinces and municipalities											
Municipal bank accounts											
Current	3 872	3 961	4 229	573	-47.1%	2.5%	14	15	19	-67.9%	0.1%
Vehicle licences	3 872	3 961	4 229	573	-47.1%	2.5%	14	15	19	-67.9%	0.1%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	-	5 935	1 857	-	-	1.6%	-	-	-	-	-
Private enterprises	-	5 935	1 857	-	-	1.6%	-	-	-	-	-
Provinces and municipalities											
Provincial agencies and funds											
Current	945	1 417	1 510	6 030	85.5%	2.0%	6 280	6 565	6 925	4.7%	4.3%
Employee social benefits	-	-	1 510	-	-	0.3%	-	-	-	-	-
Vehicle licences	945	1 417	-	6 030	85.5%	1.7%	6 280	6 565	6 925	4.7%	4.3%
Total	127 646	109 225	131 448	128 454	0.2%	100.0%	132 719	162 527	171 467	10.1%	100.0%

Personnel information

Table 18.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Incarceration																			
3. Rehabilitation																			
4. Care																			
5. Social Reintegration																			
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate					Average growth rate (%)	Average Salary level/Total (%)							
		2016/17	Unit cost	2017/18	Unit cost	2018/19	2019/20	2020/21	2017/18 - 2020/21										
Correctional Services		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Salary level	39 102	1 305	39 183	14 417.2	0.4	39 102	15 776.7	0.4	39 621	16 994.9	0.4	39 895	18 293.6	0.5	39 980	19 668.6	0.5	0.7%	100.0%
1 – 6	18 564	1 185	18 290	4 778.2	0.3	18 564	4 835.8	0.3	18 779	5 270.8	0.3	18 971	5 742.8	0.3	19 056	6 226.0	0.3	0.9%	47.5%
7 – 10	19 713	21	20 086	8 921.8	0.4	19 713	8 756.3	0.4	19 972	9 560.7	0.5	20 022	10 357.4	0.5	20 022	11 185.1	0.6	0.5%	50.3%
11 – 12	577	81	577	427.8	0.7	577	427.8	0.7	598	478.3	0.8	630	544.2	0.9	630	587.7	0.9	3.0%	1.5%
13 – 16	248	18	230	231.7	1.0	248	267.6	1.1	272	314.9	1.2	272	336.9	1.2	272	360.4	1.3	3.1%	0.7%
Other	–	–	–	57.7	–	–	1 489.2	–	–	1 370.4	–	–	1 312.3	–	–	1 309.5	–	–	–
Programme	39 102	1 305	39 183	14 417.2	0.4	39 102	15 776.7	0.4	39 621	16 994.9	0.4	39 895	18 293.6	0.5	39 980	19 668.6	0.5	0.7%	100.0%
Programme 1	5 699	70	6 166	2 857.4	0.5	5 699	3 181.5	0.6	5 826	3 319.7	0.6	5 947	3 494.1	0.6	5 963	3 759.2	0.6	1.5%	14.8%
Programme 2	26 677	1 107	27 057	8 886.3	0.3	26 677	9 687.2	0.4	26 831	10 595.2	0.4	26 984	11 559.0	0.4	27 053	12 425.9	0.5	0.5%	67.8%
Programme 3	2 464	74	2 148	1 171.2	0.5	2 464	1 392.3	0.6	2 677	1 474.5	0.6	2 677	1 550.2	0.6	2 677	1 666.4	0.6	2.8%	6.6%
Programme 4	2 041	48	1 816	771.7	0.4	2 041	790.3	0.4	2 041	837.3	0.4	2 041	881.7	0.4	2 041	947.8	0.5	–	5.1%
Programme 5	2 221	6	1 996	730.5	0.4	2 221	725.4	0.3	2 246	768.3	0.3	2 246	808.6	0.4	2 246	869.2	0.4	0.4%	5.6%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 18.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	139 752	129 317	147 484	148 798	141 115	0.3%	100.0%	148 310	155 645	163 101	4.9%	100.0%
Sales of goods and services produced by department	55 239	53 679	57 588	56 765	60 296	3.0%	40.7%	64 166	68 014	71 814	6.0%	43.5%
Sales by market establishments	30 912	32 183	35 583	36 765	36 971	6.1%	24.3%	39 441	41 805	44 032	6.0%	26.7%
of which:												
Rental: Dwellings	29 751	31 256	33 865	35 734	35 897	6.5%	23.4%	38 051	40 334	42 754	6.0%	25.8%
Rental: Non-residential	867	927	1 013	1 031	1 074	7.4%	0.7%	1 138	1 206	1 278	6.0%	0.8%
Rental machinery and equipment	1	–	–	–	–	-100.0%	–	–	–	–	–	–
Sale of wool/skin	293	–	705	–	–	-100.0%	0.2%	252	265	–	–	0.1%
Other sales	24 327	21 496	22 005	20 000	23 325	-1.4%	16.3%	24 725	26 209	27 782	6.0%	16.8%
of which:												
Services rendered:	12 833	13 245	15 171	–	16 081	7.8%	10.3%	17 046	18 069	19 153	6.0%	11.6%
Commission	263	2 121	1 270	–	1 346	72.3%	0.9%	1 427	1 513	1 604	6.0%	1.0%
Sales: Agricultural products	–	206	254	–	269	–	0.1%	285	302	320	6.0%	0.2%
Services rendered: Boarding services	11 231	5 924	5 310	20 000	5 629	-20.6%	5.0%	5 967	6 325	6 705	6.0%	4.0%
Other	–	–	–	–	–	–	–	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods	2 108	2 349	2 428	1 285	2 573	6.9%	1.7%	2 728	2 892	3 067	6.0%	1.9%
of which:												
Condemned linen	21	19	5	–	6	-34.1%	–	7	8	9	14.5%	–
Kitchen refuse	152	182	221	250	234	15.5%	0.1%	248	263	279	6.0%	0.2%
Scrap	1 920	1 975	2 136	1 000	2 264	5.6%	1.5%	2 400	2 544	2 697	6.0%	1.6%
Waste paper	15	173	66	25	69	66.3%	0.1%	73	77	82	5.9%	–
Other	–	–	–	10	–	–	–	–	–	–	–	–
Transfers received	–	–	2 250	–	–	–	0.4%	–	–	–	–	–
Fines, penalties and forfeits	18 159	20 087	21 757	20 648	23 063	8.3%	14.9%	24 447	25 913	27 467	6.0%	16.6%
Interest, dividends and rent on land	724	322	215	100	228	-32.0%	0.3%	242	257	272	6.1%	0.2%
Interest	–	–	–	–	–	–	–	–	–	–	–	–
Sales of capital assets	7 423	7 305	15 998	5 000	6 000	-6.8%	6.6%	6 000	6 000	6 000	–	3.9%
Transactions in financial assets and liabilities	56 099	45 575	47 248	65 000	48 955	-4.4%	35.5%	50 727	52 569	54 481	3.6%	34.0%
Total	139 752	129 317	147 484	148 798	141 115	0.3%	100.0%	148 310	155 645	163 101	4.9%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management, support and judicial inspection services to the department.

Expenditure trends and estimates

Table 18.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	30.8	23.1	25.1	36.5	5.9%	0.7%	32.6	35.3	37.6	1.0%	0.8%
Judicial Inspectorate for Correctional Services	38.2	39.5	41.5	69.4	22.0%	1.2%	71.2	75.1	80.6	5.1%	1.7%
Management	514.5	716.2	725.5	805.6	16.1%	17.6%	834.0	875.6	938.6	5.2%	19.4%
Human Resources	1 508.8	1 591.3	1 617.0	1 811.9	6.3%	41.6%	1 846.4	1 944.4	2 087.8	4.8%	43.3%
Finance	1 085.8	1 322.2	1 115.1	997.5	-2.8%	28.8%	1 068.6	1 121.4	1 209.0	6.6%	24.7%
Assurance Services	67.4	67.9	71.1	100.2	14.1%	2.0%	99.7	106.2	113.5	4.3%	2.4%
Information Technology	326.3	192.9	171.7	250.9	-8.4%	6.0%	248.6	261.1	276.5	3.3%	5.8%
Office Accommodation	70.0	62.0	112.6	78.8	4.1%	2.1%	82.6	87.0	91.8	5.2%	1.9%
Total	3 641.7	4 015.0	3 879.6	4 150.9	4.5%	100.0%	4 283.8	4 506.1	4 835.5	5.2%	100.0%
Change to 2017							(96.8)	(79.6)	(73.1)		
Budget estimate											
Economic classification											
Current payments	3 499.7	3 690.2	3 742.0	4 050.1	5.0%	95.5%	4 222.1	4 442.1	4 767.9	5.6%	98.3%
Compensation of employees	2 492.0	2 636.5	2 857.4	3 181.5	8.5%	71.2%	3 319.7	3 494.1	3 759.2	5.7%	77.4%
Goods and services ¹	1 007.6	1 052.1	884.5	868.6	-4.8%	24.3%	902.4	947.9	1 008.7	5.1%	21.0%
<i>of which:</i>											
<i>Audit costs: External</i>	47.5	42.7	36.6	48.3	0.5%	1.1%	52.9	57.3	60.5	7.8%	1.2%
<i>Computer services</i>	76.3	113.2	105.4	144.5	23.7%	2.8%	148.1	155.5	164.0	4.3%	3.4%
<i>Fleet services (including government motor transport)</i>	156.8	154.7	139.2	98.8	-14.3%	3.5%	183.0	191.0	210.5	28.7%	3.8%
<i>Inventory: Clothing material and accessories</i>	(6.5)	23.9	15.0	45.2	-291.4%	0.5%	52.2	56.8	59.9	9.8%	1.2%
<i>Operating leases</i>	72.7	62.6	83.6	59.6	-6.4%	1.8%	62.2	65.9	69.2	5.1%	1.4%
<i>Travel and subsistence</i>	151.4	159.8	110.6	138.4	-3.0%	3.6%	106.2	108.5	115.7	-5.8%	2.6%
<i>Interest and rent on land</i>	0.0	1.6	0.0	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	31.8	29.7	43.1	21.5	-12.3%	0.8%	21.2	22.4	23.6	3.2%	0.5%
Provinces and municipalities	4.8	5.4	5.7	6.6	11.1%	0.1%	6.3	6.6	6.9	1.7%	0.1%
Departmental agencies and accounts	9.8	-	20.8	10.4	1.9%	0.3%	8.4	8.8	9.3	-3.6%	0.2%
Public corporations and private enterprises	-	5.9	1.9	-	-	-	-	-	-	-	-
Households	17.2	18.4	14.6	4.5	-36.1%	0.3%	6.5	6.9	7.3	17.7%	0.1%
Payments for capital assets	106.0	295.1	94.5	79.3	-9.2%	3.7%	40.5	41.7	44.0	-17.8%	1.2%
Machinery and equipment	106.0	295.1	94.6	79.3	-9.2%	3.7%	40.5	41.7	44.0	-17.8%	1.2%
Payments for financial assets	4.2	-	-	-	-100.0%	-	-	-	-	-	-
Total	3 641.7	4 015.0	3 879.6	4 150.9	4.5%	100.0%	4 283.8	4 506.1	4 835.5	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	18.6%	19.5%	18.0%	18.2%	-	-	18.0%	17.7%	17.7%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	16.6	18.2	12.8	4.5	-35.4%	0.3%	6.5	6.9	7.3	17.8%	0.1%
Employee social benefits	15.0	18.2	12.8	4.5	-33.3%	0.3%	6.5	6.9	7.3	17.8%	0.1%
Public corporations	1.6	-	0.0	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	9.8	-	20.8	10.4	1.9%	0.3%	8.4	8.8	9.3	-3.6%	0.2%
Safety and Security Sector Education and Training Authority	9.8	-	20.8	10.4	1.9%	0.3%	8.4	8.8	9.3	-3.6%	0.2%
Provinces and municipalities											
Provinces											
Provincial agencies and funds											
Current	0.9	1.4	1.5	6.0	85.5%	0.1%	6.3	6.6	6.9	4.7%	0.1%
Employee social benefits	-	-	1.5	-	-	-	-	-	-	-	-
Vehicle licences	0.9	1.4	-	6.0	85.5%	0.1%	6.3	6.6	6.9	4.7%	0.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Incarceration

Programme purpose

Provide for safe and secure conditions of detention consistent with maintaining the human dignity of inmates. Administration, profiling and consideration of offenders for release or placement into the system of community corrections.

Objectives

- Enhance safety and security in correctional centres and remand detention facilities by:
 - maintaining the percentage of escapes at below 0.034 per cent between 2018/19 and 2020/21
 - maintaining the percentage of inmates injured as a result of reported assaults at 4.7 per cent over the medium term
 - maintaining the percentage of unnatural deaths at below 0.033 per cent between 2018/19 and 2020/21.
- Provide facilities that will contribute to humane incarceration by:
 - managing overcrowding to remain below 42 per cent between 2017/18 and 2020/21
 - upgrading facilities and constructing new facilities that will create 939 new bed spaces in 2018/19.
- Improve the effectiveness of the parole system by increasing the percentage of offender profiles submitted by case management committees that have been considered by correctional supervision and parole boards, from a projected 91 per cent in 2017/18 to 93 per cent in 2020/21.

Subprogrammes

- *Security Operations* funds activities aimed at providing safe and secure conditions for all incarcerated persons, consistent with human dignity, and provides protection for personnel and the public. There are 243 correctional centres across South Africa hosting sentenced offenders in the minimum, medium and maximum security categories.
- *Facilities* funds the construction, upgrading and rental of facilities accommodation; payments for municipal charges; and the replacement and the daily maintenance of facilities, to support the safe and humane incarceration of inmates.
- *Remand Detention* funds the development of a remand detention system and aims to improve the management of remand detainees. There are 24 dedicated remand detention facilities across South Africa.
- *Offender Management* funds administrative activities and operations for correctional services that create an environment supportive of the rehabilitation and safety of offenders. This subprogramme also funds the activities of correctional supervision and parole boards, and ensures that eligible offenders are considered for parole through cases submitted by case management committees.

Expenditure trends and estimates

Table 18.10 Incarceration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Security Operations	5 830.6	5 979.0	6 560.9	7 358.3	8.1%	50.1%	8 112.5	8 936.4	9 601.1	9.3%	55.9%
Facilities	3 879.0	4 010.3	4 094.1	4 118.2	2.0%	31.4%	3 765.1	3 882.5	4 094.1	-0.2%	26.1%
Remand Detention	574.9	555.5	576.4	688.8	6.2%	4.7%	732.4	771.6	828.5	6.3%	5.0%
Offender Management	1 646.8	1 744.3	1 866.1	1 822.1	3.4%	13.8%	1 919.3	2 027.5	2 178.3	6.1%	13.1%
Total	11 931.3	12 289.2	13 097.3	13 987.4	5.4%	100.0%	14 529.3	15 617.9	16 702.0	6.1%	100.0%
Change to 2017 Budget estimate				0.5			(544.0)	(686.1)	(729.8)		

Table 18.10 Incarceration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
Current payments	10 995.8	11 334.3	12 269.7	13 264.8	6.5%	93.3%	13 790.8	14 910.2	15 955.5	6.3%	95.2%
Compensation of employees	7 886.7	8 162.9	8 886.3	9 687.2	7.1%	67.5%	10 595.2	11 559.0	12 425.9	8.7%	72.8%
Goods and services ¹	3 108.9	3 171.3	3 383.1	3 577.6	4.8%	25.8%	3 195.5	3 351.3	3 529.6	-0.4%	22.4%
of which:											
Contractors	69.4	163.2	180.6	199.8	42.2%	1.2%	212.9	223.8	236.0	5.7%	1.4%
Agency and support/outsourced services	731.6	843.0	892.0	921.0	8.0%	6.6%	961.5	1 028.0	1 084.5	5.6%	6.6%
Fleet services (including government motor transport)	51.0	52.5	48.9	45.1	-4.0%	0.4%	49.7	52.1	54.8	6.7%	0.3%
Consumable supplies	58.5	57.2	50.1	62.8	2.4%	0.4%	58.6	60.7	63.7	0.5%	0.4%
Operating leases	926.7	969.3	768.0	1 071.8	5.0%	7.3%	573.1	573.9	598.6	-17.6%	4.6%
Property payments	910.8	927.0	1 279.0	1 068.0	5.5%	8.2%	1 131.1	1 226.1	1 294.9	6.6%	7.8%
Interest and rent on land	0.2	0.0	0.3	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	78.8	67.0	66.7	106.3	10.5%	0.6%	110.9	139.5	147.1	11.4%	0.8%
Households	78.8	67.0	66.7	106.3	10.5%	0.6%	110.9	139.5	147.1	11.4%	0.8%
Payments for capital assets	854.4	887.8	753.7	616.2	-10.3%	6.1%	627.6	568.2	599.4	-0.9%	4.0%
Buildings and other fixed structures	846.1	857.8	748.1	576.9	-12.0%	5.9%	601.5	540.5	570.2	-0.4%	3.8%
Machinery and equipment	7.5	28.9	4.7	37.8	71.8%	0.2%	24.6	26.1	27.5	-10.1%	0.2%
Biological assets	0.8	1.1	0.9	1.5	21.7%	-	1.6	1.6	1.7	5.7%	-
Payments for financial assets	2.3	-	7.4	-	-100.0%	-	-	-	-	-	-
Total	11 931.3	12 289.2	13 097.3	13 987.4	5.4%	100.0%	14 529.3	15 617.9	16 702.0	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	61.1%	59.7%	60.8%	61.3%	-	-	60.9%	61.3%	61.3%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	57.4	45.5	42.7	84.8	13.9%	0.4%	86.7	113.8	120.1	12.3%	0.7%
Employee social benefits	57.4	45.5	42.7	84.8	13.9%	0.4%	86.7	113.8	120.1	12.3%	0.7%
Households											
Other transfers to households											
Current	21.5	21.5	24.0	21.6	0.2%	0.2%	24.1	25.6	27.0	7.8%	0.2%
Offender gratuity	21.5	18.9	24.0	21.6	0.2%	0.2%	24.1	25.6	27.0	7.8%	0.2%
Households	-	2.7	-	-	-	-	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Rehabilitation

Programme purpose

Provide offenders with needs-based programmes and interventions to facilitate their rehabilitation and enable their social reintegration.

Objectives

- Enhance the level of literacy, education and skills competency among offenders by:
 - increasing the number of offenders completing adult education and training programmes, from 9 733 in 2016/17 to 10 948 in 2020/21
 - increasing the number of offenders completing mainstream further education and training programmes, from a projected 663 in 2017/18 to 747 in 2020/21
 - increasing the number of offenders participating in skills development programmes, from a projected 9 136 in 2017/18 to 11 846 in 2020/21.
- Enhance the social functioning and reintegration of offenders into communities by:
 - increasing the percentage of incarcerated offenders (inmates, probationers and parolees) who are involved in social work services, from a projected 50 per cent in 2017/18 to 53 per cent in 2020/21
 - increasing the percentage of inmates who are involved in psychological services, from a projected 17 per cent in 2017/18 to 20 per cent in 2020/21
 - increasing the percentage of inmates who benefit from spiritual care services, from a projected 59 per cent in 2017/18 to 64 per cent in 2020/21.

Subprogrammes

- *Correctional Programmes* provides needs-based correctional programmes in line with correctional sentence plans, which entail targeting elements associated with offending behaviour, focusing on the offences for which persons are incarcerated.
- *Offender Development* provides programmes and services aimed at developing competencies by providing inmates with opportunities for skills and social development. Services include technical training and education.
- *Psychological, Social and Spiritual Services* provides needs-based programmes and services aimed at maintaining the personal wellbeing of incarcerated persons by facilitating social functioning and spiritual, moral and psychological wellbeing.

Expenditure trends and estimates

Table 18.11 Rehabilitation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Correctional Programmes	277.0	290.6	318.3	506.3	22.3%	23.3%	535.2	561.9	603.8	6.0%	27.8%
Offender Development	650.7	727.8	729.9	874.7	10.4%	50.0%	859.3	1 004.3	1 064.6	6.8%	47.9%
Psychological, Social and Spiritual Services	341.0	376.7	428.2	441.5	9.0%	26.6%	466.7	491.1	527.5	6.1%	24.3%
Total	1 268.7	1 395.0	1 476.4	1 822.4	12.8%	100.0%	1 861.3	2 057.3	2 196.0	6.4%	100.0%
Change to 2017 Budget estimate				-			(90.7)	6.0	0.9		
Economic classification											
Current payments	1 219.1	1 336.7	1 449.0	1 773.2	13.3%	96.9%	1 856.2	2 052.8	2 191.3	7.3%	99.2%
Compensation of employees	961.2	1 038.9	1 171.2	1 392.3	13.1%	76.5%	1 474.5	1 550.2	1 666.4	6.2%	76.6%
Goods and services ¹	257.8	297.8	277.8	380.9	13.9%	20.4%	381.7	502.6	524.8	11.3%	22.6%
of which:											
<i>Inventory: Clothing material and accessories</i>	2.1	3.2	2.3	73.3	228.1%	1.4%	58.0	60.9	64.3	-4.3%	3.2%
<i>Inventory: Farming supplies</i>	116.7	143.3	157.9	79.3	-12.1%	8.3%	110.8	218.2	224.6	41.5%	8.0%
<i>Inventory: Materials and supplies</i>	17.1	21.6	9.2	31.1	22.2%	1.3%	30.8	32.4	34.2	3.2%	1.6%
<i>Inventory: Other supplies</i>	0.0	0.0	0.1	30.0	1523.7%	0.5%	15.3	16.1	17.1	-17.1%	1.0%
<i>Consumable supplies</i>	14.0	14.0	23.8	50.2	53.0%	1.7%	55.6	58.4	61.6	7.0%	2.8%
<i>Travel and subsistence</i>	27.0	30.7	18.5	22.7	-5.7%	1.7%	20.7	21.3	22.4	-0.3%	1.1%
Interest and rent on land	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	5.8	4.1	5.9	0.1	-78.0%	0.3%	0.1	0.1	0.1	5.6%	-
Households	5.8	4.1	5.9	0.1	-78.0%	0.3%	0.1	0.1	0.1	5.6%	-
Payments for capital assets	43.7	54.2	21.5	49.1	4.0%	2.8%	5.0	4.4	4.7	-54.4%	0.8%
Machinery and equipment	41.3	52.3	19.7	45.0	2.9%	2.7%	5.0	4.4	4.7	-53.1%	0.7%
Biological assets	2.3	1.9	1.8	4.1	20.4%	0.2%	-	-	-	-100.0%	0.1%
Payments for financial assets	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Total	1 268.7	1 395.0	1 476.4	1 822.4	12.8%	100.0%	1 861.3	2 057.3	2 196.0	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	6.5%	6.8%	6.9%	8.0%	-	-	7.8%	8.1%	8.1%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Care

Programme purpose

Provide needs-based care services for the personal wellbeing of all inmates in the department's custody.

Objectives

- Maintain the health and personal wellbeing of inmates by:
 - ensuring that the percentage of inmates on antiretroviral therapy remains at 98 per cent between 2018/19 and 2020/21
 - increasing the tuberculosis cure rate, from 83 per cent in 2016/17 to 90 per cent in 2020/21.

- Improve nutritional services to inmates by maintaining the provision of therapeutic diets at 12 per cent of the total inmate population between 2018/19 and 2020/21.

Subprogrammes

- *Nutritional Services* funds the provision of appropriate meals for inmates within correctional centres and remand detention facilities in accordance with the prescripts of the Department of Health.
- *Health and Hygiene Services* funds the provision of primary health care services for inmates within correctional centres and remand detention facilities, including referral services for secondary and tertiary levels of care, and the promotion of a hygienic environment and inmates' personal hygiene, in accordance with the prescripts of the Department of Health.

Expenditure trends and estimates

Table 18.12 Care expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Nutritional Services	1 177.5	1 268.2	1 318.2	1 161.2	-0.5%	59.6%	1 402.4	1 441.6	1 522.5	9.5%	60.5%
Health and Hygiene Services	762.7	820.3	916.9	837.5	3.2%	40.4%	872.9	918.6	981.1	5.4%	39.5%
Total	1 940.2	2 088.5	2 235.1	1 998.7	1.0%	100.0%	2 275.3	2 360.2	2 503.5	7.8%	100.0%
Change to 2017 Budget estimate				-			134.7	100.0	101.4		
Economic classification											
Current payments	1 929.5	2 080.3	2 223.2	1 987.0	1.0%	99.5%	2 274.8	2 356.0	2 502.9	8.0%	99.8%
Compensation of employees	642.5	688.6	771.7	790.3	7.1%	35.0%	837.3	881.7	947.8	6.2%	37.8%
Goods and services ¹	1 287.1	1 391.8	1 451.6	1 196.7	-2.4%	64.5%	1 437.5	1 474.4	1 555.1	9.1%	62.0%
of which:											
Laboratory services	11.1	12.9	17.3	11.9	2.3%	0.6%	16.3	17.0	17.8	14.3%	0.7%
Contractors	31.4	30.2	24.8	20.1	-13.9%	1.3%	22.2	23.3	24.6	7.0%	1.0%
Agency and support/outsourced services	653.4	715.9	740.7	567.1	-4.6%	32.4%	692.0	689.3	727.1	8.6%	29.3%
Inventory: Food and food supplies	341.2	339.1	389.3	404.9	5.9%	17.8%	521.0	549.7	580.0	12.7%	22.5%
Inventory: Medicine	52.5	56.3	80.3	55.2	1.7%	3.0%	51.9	54.2	57.2	1.2%	2.4%
Consumable supplies	142.0	185.1	153.1	77.9	-18.1%	6.8%	83.7	87.7	92.5	5.9%	3.7%
Transfers and subsidies ¹	4.6	4.3	8.9	0.4	-56.0%	0.2%	0.4	0.4	0.5	5.5%	-
Households	4.6	4.3	8.9	0.4	-56.0%	0.2%	0.4	0.4	0.5	5.5%	-
Payments for capital assets	6.0	3.8	3.0	11.3	23.3%	0.3%	0.1	3.7	0.1	-78.0%	0.2%
Machinery and equipment	6.0	3.8	3.0	11.3	23.3%	0.3%	0.1	3.7	0.1	-78.0%	0.2%
Payments for financial assets	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Total	1 940.2	2 088.5	2 235.1	1 998.7	1.0%	100.0%	2 275.3	2 360.2	2 503.5	7.8%	100.0%
Proportion of total programme expenditure to vote expenditure	9.9%	10.1%	10.4%	8.8%	-	-	9.5%	9.3%	9.2%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Social Reintegration

Programme purpose

Provide services focused on preparing offenders for release, effective supervision of offenders placed under the system of community corrections and facilitation of offender social reintegration into communities.

Objectives

- Improve the effectiveness of the parole system by:
 - ensuring that the percentage of parolees without violations remains at 97 per cent between 2018/19 and 2020/21
 - increasing the percentage of probationers without violations, from a projected 96 per cent in 2017/18 to 97 per cent in 2020/21.
- Facilitate the social acceptance and effective reintegration of offenders into society by:

- increasing the number of victims/offended persons who participate in restorative justice processes, from a projected 6 250 in 2017/18 to 8 245 in 2020/21
- increasing the number of inmates, parolees and probationers who participate in restorative justice processes, from a projected 6 250 in 2017/18 to 8 245 in 2020/21
- increasing the number of parolees and probationers reintegrated into communities through the provision of halfway houses, from 127 in 2016/17 to 180 in 2020/21.

Subprogrammes

- *Supervision* funds the effective administration and supervision of offenders placed under correctional and parole supervision in order to enhance public safety.
- *Community Reintegration* funds the reintegration of offenders into society, and stakeholder management in relation to community reintegration.
- *Office Accommodation: Community Corrections* funds the provision of community corrections offices (including satellite offices and service points) to enhance supervision and community reintegration. There are 218 community corrections offices countrywide.

Expenditure trends and estimates

Table 18.13 Social Reintegration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Supervision	684.9	743.3	788.5	775.5	4.2%	91.9%	816.3	858.9	921.7	5.9%	90.8%
Community Reintegration	33.7	35.0	30.1	45.7	10.7%	4.4%	45.8	48.2	51.5	4.0%	5.1%
Office Accommodation: Community Corrections	28.8	22.7	35.1	34.0	5.7%	3.7%	36.8	39.0	41.2	6.6%	4.1%
Total	747.4	801.0	853.7	855.3	4.6%	100.0%	898.9	946.1	1 014.4	5.9%	100.0%
Change to 2017				–			(8.3)	(8.6)	(8.9)		
Budget estimate											
Economic classification											
Current payments	737.9	794.8	845.1	852.5	4.9%	99.2%	897.1	944.6	1 012.8	5.9%	99.8%
Compensation of employees	629.1	662.6	730.5	725.4	4.9%	84.4%	768.3	808.6	869.2	6.2%	85.4%
Goods and services ¹	108.8	132.2	114.5	127.1	5.3%	14.8%	128.8	136.0	143.6	4.1%	14.4%
of which:											
Communication	9.8	10.0	10.4	10.5	2.3%	1.3%	9.9	10.4	10.9	1.3%	1.1%
Agency and support/outsourced services	1.9	2.7	2.3	3.0	15.9%	0.3%	3.5	3.7	3.9	8.4%	0.4%
Fleet services (including government motor transport)	24.0	21.3	21.8	24.8	1.2%	2.8%	23.9	27.4	28.9	5.2%	2.8%
Consumables: Stationery, printing and office supplies	3.4	3.3	5.3	4.8	11.6%	0.5%	4.8	4.8	5.1	2.2%	0.5%
Operating leases	56.0	78.0	67.4	64.2	4.7%	8.2%	68.9	72.7	76.8	6.1%	7.6%
Travel and subsistence	6.8	9.3	3.5	13.4	25.5%	1.0%	11.6	10.9	11.5	-5.0%	1.3%
Transfers and subsidies¹	6.6	4.0	6.9	0.2	-69.7%	0.5%	0.2	0.2	0.2	5.6%	–
Households	6.6	4.0	6.9	0.2	-69.7%	0.5%	0.2	0.2	0.2	5.6%	–
Payments for capital assets	2.6	2.2	1.8	2.5	-0.6%	0.3%	1.7	1.3	1.3	-19.0%	0.2%
Machinery and equipment	2.6	2.2	1.8	2.5	-0.6%	0.3%	1.7	1.3	1.3	-19.0%	0.2%
Payments for financial assets	0.3	–	–	–	-100.0%	–	–	–	–	–	–
Total	747.4	801.0	853.7	855.3	4.6%	100.0%	898.9	946.1	1 014.4	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	3.8%	3.9%	4.0%	3.7%	–	–	3.8%	3.7%	3.7%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
Departmental infrastructure									
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)									
R million									
Vanrhynsdorp correctional centre	Provision of 328 additional beds, support amenities, and administration and visitation block provided	Handed over	283.9	2.3	4.3	8.0	-	-	-
Burgersdorp correctional centre	Provision of 311 additional beds, support amenities, and development and care facilities; and upgrade of existing dilapidated structures	Design	298.0	-	10.7	-	20.1	20.0	75.0
Estcourt correctional centre	Provision of 309 additional beds and support facilities provided	Construction	307.2	33.3	32.0	102.1	25.0	3.3	-
Tzaneen correctional centre	Provision of 435 additional beds, support amenities, and development and care facilities provided	Construction	264.0	12.4	5.0	2.0	20.1	20.0	2.7
Ingwavuma correctional centre	Provision of 212 additional beds and support facilities for males; provided and refurbishment of old structures	Design	278.0	-	5.0	-	15.0	-	-
Standerton correctional centre	Provision of 787 additional beds and support facilities provided	Construction	375.5	84.5	96.0	79.6	55.0	6.8	2.4
Richards Bay Correctional Centre	Construction of new 1000 bed correctional centre, support amenities and administration	Design	-	-	-	-	-	-	25.0
St Albans Correctional Centre	Construction of new 500 bed space Juvenile correctional centre, support amenities and administration	Design	-	-	-	-	-	-	22.0
George Correctional Centre	Construction of new 500 bed correctional centre, support amenities and administration	Design	-	-	-	-	-	-	22.0
Nigel Correctional Centre	Construction of new 1500 bed Maximum security correctional centre, support amenities and administration	Design	-	-	-	-	-	-	12.0
Voorberg Correctional Centre	Construction of new 1000 bed Medium security correctional centre, support amenities and administration	Design	-	-	-	-	-	-	7.0
Port Shepstone Correctional Centre	Construction of new 1000 bed correctional centre, support amenities and administration	Design	-	-	-	-	-	-	5.6
East London Correctional Centre	Construction of new 500 bed Female correctional centre, support amenities and administration	Design	-	-	-	-	-	-	12.0
Polokwane Correctional Centre	Construction of new 1000 bed Maximum security correctional centre, support amenities and administration	Design	-	-	-	-	-	-	12.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million Leeuwkop Correctional Centre	Construction of new 1500 bed juvenile correctional centre, support amenities and administration	Design	–	–	–	–	–	–	7.0	
Small projects (total project cost of less than R250 million over the project life cycle)										
Zeerust correctional centre	Provision of 500 additional beds and support facilities	Design	230.0	–	–	–	–	10.0	30.0	20.0
Nongoma correctional centre	Provision of 191 additional beds and support facilities; and restoration of heritage building	Design	219.0	1.2	2.0	0.2	–	–	–	–
Nkandla correctional centre	Provision of 153 additional beds and support facilities; and restoration of heritage building	Design	225.0	–	2.0	–	–	–	–	–
Maphumulo correctional centre	Provision of 33 additional beds and support facilities; and restoration of parts of existing heritage building	Design	89.0	–	–	0.8	–	–	–	–
Pretoria C Max correctional centre	Provision of 12 additional beds and support facilities; upgrade of security	Construction	148.8	18.6	5.0	27.3	56.5	22.2	5.0	–
Parys correctional centre	Provision of 176 additional beds, support amenities, and development and care facilities; and upgrade of existing dilapidated structures	Design	94.4	5.5	2.0	2.3	50.0	55.0	67.0	47.0
Newcastle correctional centre	Provision of 186 additional beds and support facilities	On hold	100.0	–	–	4.1	–	–	–	–
Lichtenburg correctional centre	Upgrade of correctional centre; provision of 234 additional beds	Construction	251.2	0.8	2.0	5.5	37.2	16.0	87.0	87.0
Potchefstroom correctional centre	Upgrade of correctional centre, including provision of 761 additional beds	Construction	225.0	–	2.0	–	14.0	–	–	–
Bergville correctional centre	Upgrade of correctional centre, including provision of 6 cells erected (39 additional beds) and support facilities	Design	75.9	0.3	5.0	–	3.0	–	–	–
Matatiele correctional centre	Upgrade of correctional centre, including provision of 10 cells erected (24 additional beds) and support facilities; and restoration of parts of existing heritage building	Construction	60.7	24.7	5.0	3.5	5.0	3.0	–	–
Odi correctional centre	Construction of a new access control gate; provision of visitors' waiting rooms	Construction	9.8	0.6	–	–	2.6	–	–	–
Parole board offices	Construction of 53 parole board offices completed	Handed over	140.2	0.4	–	0.9	2.2	–	–	–
Various centres: Perimeter security fencing and intercoms	Installation of perimeter security fencing and intercoms; conducting of immovable asset management audits	Construction	766.1	364.8	403.1	247.6	40.0	40.7	30.0	–
Remand detention feasibility studies	Conducting of feasibility studies for remand detention facilities	Design	30.0	–	–	–	15.0	–	–	–
Head office	Conducting of feasibility study for a new head office building	Identification	132.0	–	15.0	–	29.0	45.0	–	–

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Audit of facilities	Auditing of correctional centre facilities audited in compliance with Government Immovable Asset Management Act (2007)	Design	15.0	56.2	10.0	–	20.0	15.0	30.0	10.0
Pietermaritzburg, Kokstad and Empangeni correctional centres	Provision of integrated security system	Construction	223.0	1.5	65.0	45.6	21.3	100.0	50.0	60.0
Kimberley, Brandvlei, Ceres, Goodwood, Malmesbury, Klerksdorp and Vanrhynsdorp correctional centres	Installation of integrated IT systems	On-going	63.0	–	–	6.0	6.5	70.7	70.0	70.0
King William's Town correctional centre	Upgrade of correctional centre	Design	6.0	–	5.0	–	–	–	–	–
Mtunzini correctional centre	Upgrade of correctional centre	Design	3.2	–	–	–	–	–	–	–
Kokstad correctional centre	Replacement of water and sewerage pipes replaced and other civil works	Identification	45.0	–	–	53.1	4.0	2.0	10.0	2.0
Brandvlei correctional centre	Repairs and maintenance of structures	Identification	46.7	36.1	–	–	–	5.0	21.9	10.0
North End correctional centre: Port Elizabeth	Repairs and maintenance of structures; major repairs and renovations of entire correctional centre and offices	Construction	121.4	15.8	41.1	5.5	–	–	–	–
Rustenburg correctional centre	Repairs and maintenance of structures; major repairs and renovations of entire correctional centre, offices and staff housing	Construction	184.4	36.0	5.0	21.9	46.2	10.6	–	–
Durban Westville correctional centre	Repairs and maintenance of structures; repairs of entire correctional centre complex, including civil works and buildings	Identification	69.4	35.4	–	–	20.0	10.0	15.0	30.0
Johannesburg correctional centre	Repairs and maintenance of structures; repairs of entire correctional centre complex, including civil works and buildings	Identification	53.8	20.8	–	–	10.0	10.0	15.0	30.0
St Albans correctional centre	Repairs and maintenance of structures; repairs of entire correctional centre complex, including civil works and buildings	Identification	53.0	20.4	–	–	–	–	–	12.0
Various centres: Standby generators	Installation of standby generators	Design	96.6	42.8	–	12.7	10.0	22.4	32.7	–
Various centres: School facilities	Construction of new school facilities	Design	135.0	2.9	40.0	7.4	11.6	–	15.0	20.0
Various centres: Replacement of equipment	Replacement of kitchen equipment, boilers, incinerators, and power, water and sewerage systems in compliance with the Occupational Health and Safety Act (1993)	Construction	343.0	–	11.5	4.7	10.0	89.8	33.9	20.0
Various centres: Structures repaired and maintained	Repairs of correctional centre facilities and planning of correctional centre facilities such as Brandvlei Maximum and Brits	Design	198.1	37.3	2.1	1.0	43.8	5.2	10.3	12.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Other small grouped projects	Installation of integrated security systems; replacement of kitchen equipment; and upgrades of standby generators and water and sewerage plants	Design	1 342.2	–	–	106.2	16.3	40.0	37.4	–
Warm Bokkeveld correctional centre	Provision of 282 additional beds, support amenities, and development and care facilities; and upgrade of existing dilapidated structures	Handed over	242.1	0.1	–	–	–	–	–	–
Glencoe correctional centre	Upgrade of fire damaged correctional facility	Construction	41.0	–	–	–	20.0	32.0	2.7	–
Emthonjeni correctional centre	Installation of integrated security system	Construction	55.0	–	–	–	10.0	–	40.0	31.8
Independent Development Trust	Maintenance of security fences	On-going	77.2	–	–	–	120.7	25.7	15.9	–
Engcobo Correctional Centre	Construction of new 500 bed correctional centre, support amenities and administration	Design	–	–	–	–	–	–	–	22.2
Khayelitsha Correctional Centre	Construction of new 500 bed female correctional centre, support amenities and administration	Design	–	–	–	–	–	–	–	20.0
Klerksdorp Correctional Centre	Construction of new 500 bed Medium security correctional centre, support amenities and administration	Design	–	–	–	–	–	–	–	20.0
Losperfontein Correctional Centre	Construction of new 500 bed Maximum security correctional centre, support amenities and administration	Design	–	–	–	–	–	–	–	25.0
Potchefstroom correctional centre	Construction of new 250 bed Medium correctional centre, support amenities and administration	Design	–	–	–	–	–	–	–	15.0
Zonderwater Correctional Centre	Provision of 788 additional bed spaces through upgrading of existing minimum security facility and support amenities	Design	–	–	–	–	–	–	–	15.0
Total			8 017.9	854.7	775.8	748.1	759.9	680.4	718.5	758.0

Vote 19

Defence and Military Veterans

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	5 548.9	4 856.8	674.6	17.5	5 839.6	6 252.2
Force Employment	3 375.6	3 016.4	266.5	92.6	3 596.0	3 761.2
Landward Defence	16 234.3	13 665.8	2 532.0	36.5	16 632.1	16 981.5
Air Defence	6 415.9	5 578.1	821.0	16.9	7 280.0	8 176.4
Maritime Defence	4 424.7	3 150.8	1 262.1	11.9	4 408.7	5 067.0
Military Health Support	4 714.1	4 650.5	15.0	48.6	5 264.1	5 806.8
Defence Intelligence	950.4	436.4	510.0	3.9	991.7	1 063.3
General Support	6 285.9	4 092.8	1 533.2	659.9	6 684.1	6 891.0
Total expenditure estimates	47 949.7	39 447.5	7 614.4	887.8	50 696.2	53 999.3

Executive authority Minister of Defence and Military Veterans

Accounting officer Secretary for Defence

Website address www.dod.mil.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Defend and protect the Republic of South Africa, its territorial integrity and its people, in accordance with the Constitution and the principles of international law regulating the use of force. Provide for military veterans' benefits.

Mandate

The Department of Defence derives its mandate from section 200 of the Constitution, the Defence Act (2002) as amended by the Defence Amendment Act (2010), the 1996 White Paper on Defence and the 2015 South African Defence Review. The department is required to provide, manage, prepare and employ defence capabilities that are commensurate with the needs of South Africa.

Selected performance indicators

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections ¹		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total number of defence attachè offices	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	43	44	44	44	44	44	44
Number of military skills development members in the system per year	Administration	Outcome 5: A skilled and capable workforce to support an inclusive growth path	3 889	3 944	3 759	3 651	3 568	3 510	3 570
Number of reserve force man days ²	Administration	Outcome 3: All people in South Africa are and feel safe	2 695 742	2 768 982	2 679 142	1 817 104	2 679 761 ²	2 693 048 ²	2 680 494 ²
Percentage compliance with the Southern African Development Community standby force pledge	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	79% (34/43)	100% (32/32)	100% (32/32)	100%	100%	100%	100%
Percentage compliance with number of ordered commitments (external operations)	Force Employment		140% (7/5) ³	100% (3/3)	100% (2/2)	100% ⁴	100% ⁴	100% ⁴	100% ⁴

Table 19.1 Performance indicators by programme and related outcome

Indicator	Programme	MTEF outcome	Past			Current	Projections ¹		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage compliance with number of ordered commitments (internal operations) ⁵	Force Employment	Outcome 3: All people in South Africa are and feel safe	100% (4/4)	100% (4/4)	100% (4/4)	100% ⁴	100% ⁴	100% ⁴	100% ⁴
Number of joint, interdepartmental, interagency and multinational military exercises conducted per year	Force Employment	Outcome 11: Create a better South Africa, a better Africa and a better world	5	6	4	3	4	0 ⁶	4
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Outcome 3: All people in South Africa are and feel safe	13	15	15	15	15	15	15
Number of hours flown per year ⁷	Air Defence	Outcome 11: Create a better South Africa, a better Africa and a better world	– ⁷	– ⁷	– ⁷	– ⁷	25 000	25 000	25 000
Number of hours at sea per year	Maritime Defence		8 951	10 711	8 132	12 000	12 000	10 000 ⁸	10 000 ⁸

- Over the MTEF period, most of the department's performance targets are maintained at the same level or decreased to align with available budgets.
- Indicator rephrased to align with the department's 2018/19 annual performance plan. A "man day" refers to a day regarded as the number of hours of work one person can complete in a day. The medium-term performance targets for this indicator have been revised upwards to align the targets with historical performance and operational requirements. The minimal increase in the target in 2019/20 is due to the 2019 national elections.
- 2 additional operations were conducted over and above the set target of 5 external operations.
- Only absolute numbers for executed operations are reported on. The number of ordered commitments cannot be predicted, thus no absolute values can be provided in 2017/18 and over the MTEF period.
- Internal operations include border safeguarding and operations in support of other departments.
- Due to the 2019 national elections, joint, interdepartmental, interagency and multinational military exercises will not be conducted in 2019/20.
- No historical data available as this is a new indicator replacing "Number of force employment hours flown per year". The new indicator includes force preparation hours and force employment hours.
- Targets in 2019/20 and 2020/21 decreased to align with historical performance and available budgets.

Expenditure analysis

Chapter 12 of the National Development Plan (NDP) calls for an integrated approach to building safety through a holistic view of safety and security. This vision is expressed in terms of outcome 3 (all people in South Africa are and feel safe) and outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium-term strategic framework. These outcomes are closely aligned with the functions of the Department of Defence. Over the medium term, the department intends to focus on sustaining South Africa's defence capabilities, safeguarding South Africa's borders and territorial integrity, and implementing the maritime security strategy. The department also plans to participate in peace support operations, internal operations, and expanding and maintaining infrastructure.

Due to the labour intensive nature of the department's work, compensation of employees continues to be its largest expenditure item over the medium term, spending on which accounts for a projected 57.1 per cent (R87.7 billion) of its total budget. Spending on goods and services such as computer services, contractors, operating leases, property payments and inventory is expected to amount to 25.2 per cent (R39 billion) of the total budget over the MTEF period. In 2017/18, the department expects to maintain its personnel establishment at 75 500. However, to remain within the government's expenditure ceiling for compensation of employees, the department plans to reduce its personnel establishment to 74 660 by 2020/21, mainly by means of natural attrition.

Cabinet has approved baseline reductions of R2.7 billion in 2018/19, R3.3 billion in 2019/20 and R3.5 billion in 2020/21, including baseline reductions of R33 million in 2018/19, R35 million in 2019/20 and R37 million in 2020/21 for the Department of Military Veterans. Budget reductions to the Department of Defence are mainly effected in the Air Defence, Maritime Defence and General Support programmes; and the special defence account in the Landward Defence programme. To mitigate the impact of these reductions, the department will defer some projects within the special defence account.

Sustaining South Africa's defence capabilities

The 2015 South African Defence Review provides a policy for South Africa's defence trajectory over the next 20 to 30 years. The review proposes a number of milestones, the first of which is aimed towards arresting the decline in critical defence capabilities. This is expected to be achieved by focusing on a number of core

measures and deliverables, such as conducting priority defence missions; and setting up measures to improve efficiency, sustainability and capability. The implementation of these measures is expected to cost R18.2 billion over the MTEF period in the *Landward Defence, Air Defence, Maritime Defence and Military Health Support* programmes. The cost of implementing the review's proposals is over and above the current allocation and is not yet provided for in the department's baseline over the medium term.

Safeguarding South Africa's borders and territorial integrity

As a sovereign state, South Africa has a duty to safeguard its borders against the possibility of transnational crime, international crime syndicates and cartels, the illegal flow of undocumented migrants, and illicit economic activities. Over the MTEF period, the department plans to deploy 15 landward sub-units along South Africa's borders with Zimbabwe, Swaziland, Mozambique, Lesotho, Botswana and Namibia. For this purpose, R3.1 billion is allocated over the medium term in the *Force Employment* programme.

Implementing the maritime security strategy

Over the next three years, the South African Navy plans to conduct maritime border patrols and combat piracy in the Mozambique Channel. A suite of surface (frigates), sub-surface (submarines) and offshore patrol vessels will be deployed to keep South Africa's maritime space safe and support the execution of the Southern African Development Community's maritime security strategy. The department aims to maintain the number of hours at sea per year at 12 000 until 2018/19, after which they are expected to decrease to 10 000 to align performance with the available budget following budget reductions of R1.6 billion approved by Cabinet in the *Maritime Defence* programme over the medium term. R1.5 billion is allocated over same period to implement the maritime security strategy, mainly in the *Maritime Defence* programme.

Participating in peace support operations

Peacekeeping missions are a critical element to respond to conflict, prevent conflict and deter potential aggressors. In this regard, over the MTEF period, the department expects to continue participating in peace support operations in the Democratic Republic of the Congo under the auspices of the United Nations stabilisation mission. To this end, over the medium term, the department intends to deploy an infantry battalion supported by Rooivalk and Oryx helicopters. The department also expects to continue its deployment of officers and military observers as part of the African Union Mission in Sudan. Over the medium term, the department aims to comply with all ordered commitments for external operations. R3.3 billion is provided over the MTEF period in the *Force Employment* programme for activities related to peace support operations.

Participating in internal operations

The department contributes to domestic safety and security by conducting internal operations such as border safeguarding and operations in support of other government departments. Over the MTEF period, the department aims to comply with all ordered commitments for internal operations through conducting operations in support of the South African Police Service; and providing disaster aid and relief, and search and rescue operations on request. A projected R48.8 million is provided over the medium term in the *Force Employment* programme for activities related to internal operations. The department also plans to focus on preparing and deploying the South African National Defence Force for the 2019 national elections, for which an additional allocation of R67.7 million in 2019/20 is provided to the department.

Expanding and maintaining infrastructure

The department's infrastructure programme channels resources into the construction and refurbishment of military health facilities, the refurbishment of military bases and units, and improvements to accommodation, kitchen and security facilities. The department's largest infrastructure project over the MTEF period is upgrading and refurbishing the military health service's training centre in Pretoria. Other projects include: constructing a base hospital in Port Elizabeth, which is in the design stage and is expected to be completed by 2023/24; upgrading and refurbishing 2 Military Hospital, which is expected to be completed by 2019/20; refurbishing the 6 South African Infantry Battalion in Grahamstown, which is in the design stage and is expected to be completed in 2021/22; refurbishing the school of engineers in Kroonstad, which is in the

planning stage and is expected to be completed by 2024/25; refurbishing air force bases in Bloemspruit and Overberg, which are in the design and construction stages and expected to be completed in 2024/25 and 2020/21, respectively; refurbishing the South African Army and South African Air Force headquarters in Pretoria, which is in the design stage and is expected to be completed in 2023/24; and refurbishing A-Mess military base in Thaba Tshwane, which is in the design stage and is expected to be completed in 2023/24. R1.6 billion is allocated for infrastructure projects over the medium term, mainly in the *General Support* programme.

The Defence Works Formation and its regional units are expected to continue to maintain facilities across South Africa over the MTEF period. A number of projects, such as the construction of houses at the military academy in Saldanha and the construction of single quarters at the Lord's Ground military base in Durban, will be undertaken by these units over the medium term. R2.4 billion is allocated over the medium term in the *General Support* programme to carry out these activities. The devolution of the facility management function pertaining to defence endowment property from the Department of Public Works to the Department of Defence is being managed by a joint task team in accordance with the memorandum of agreement between these departments. As a pilot project, the Defence Works Formation is expected to begin refurbishing the first floor at 1 Military Hospital.

Expenditure trends

Table 19.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Force Employment														
3. Landward Defence														
4. Air Defence														
5. Maritime Defence														
6. Military Health Support														
7. Defence Intelligence														
8. General Support														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	4 866.5	4 499.7	4 659.0	4 827.2	4 862.4	4 981.5	5 151.1	5 348.0	5 740.6	5 380.8	5 469.5	5 450.3	103.0%	103.2%
Programme 2	3 437.0	3 487.0	3 631.4	3 603.2	3 813.3	3 602.8	3 899.6	3 672.6	3 431.0	3 688.6	3 535.4	3 429.5	96.4%	97.1%
Programme 3	13 854.9	14 241.9	14 049.1	14 805.3	15 202.4	15 119.0	15 651.4	15 627.3	15 557.8	16 550.2	16 719.8	16 652.3	100.8%	99.3%
Programme 4	7 166.9	7 176.6	6 913.5	7 049.2	7 167.6	7 085.7	6 883.5	6 936.6	6 782.6	6 628.0	6 818.5	6 788.9	99.4%	98.1%
Programme 5	3 678.5	3 678.5	3 802.4	3 717.2	3 769.1	3 732.7	4 355.9	4 386.8	4 298.4	4 790.0	4 590.0	4 602.5	99.4%	100.1%
Programme 6	3 849.1	3 849.1	4 053.1	3 932.9	4 069.3	4 243.2	4 416.8	4 440.7	4 448.7	4 586.7	4 586.7	4 644.6	103.6%	102.6%
Programme 7	792.1	813.7	819.8	827.5	831.5	830.1	900.2	900.2	881.3	917.3	917.3	907.6	100.0%	99.3%
Programme 8	5 186.3	5 110.5	4 914.1	5 817.0	5 372.6	5 476.6	5 911.1	5 924.3	6 056.7	6 077.2	6 362.4	6 523.9	99.9%	100.9%
Total	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 197.1	48 618.8	48 999.6	48 999.6	100.5%	100.0%
Change to 2017 Budget estimate										380.8				
Economic classification														
Current payments	34 471.1	34 471.1	34 343.5	36 162.0	36 607.6	36 227.6	39 101.1	39 407.1	38 780.7	38 022.0	39 175.7	39 175.7	100.5%	99.2%
Compensation of employees	21 980.2	22 476.2	23 005.8	24 595.0	24 890.4	24 788.0	26 884.6	27 094.6	27 059.7	26 448.0	27 448.0	27 448.0	102.4%	100.4%
Goods and services	12 490.9	11 994.9	11 337.7	11 567.0	11 717.2	11 439.6	12 216.5	12 312.5	11 721.0	11 574.0	11 727.7	11 727.7	96.6%	96.8%
Transfers and subsidies	7 838.2	7 863.8	7 400.2	7 830.5	7 893.7	8 003.3	7 780.8	7 541.6	7 466.8	9 180.1	8 587.2	8 587.2	96.4%	98.7%
Provinces and municipalities	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.2	0.1	0.1	0.1	128.2%	128.2%
Departmental agencies and accounts	6 624.6	6 650.2	6 144.3	6 687.8	6 745.2	6 840.1	6 622.7	6 383.4	6 251.8	7 747.1	7 154.2	7 154.2	-	-
Foreign governments and international organisations	-	-	-	-	5.8	5.8	-	-	-	-	-	-	-	100.0%
Public corporations and private enterprises	1 096.3	1 096.3	1 114.1	1 025.9	1 025.9	1 022.4	1 025.4	1 025.4	1 067.7	1 296.9	1 296.9	1 296.9	101.3%	101.3%
Non-profit institutions	7.7	7.7	7.9	8.0	8.0	8.1	9.5	9.5	9.3	8.9	8.9	8.9	100.6%	100.6%
Households	109.6	109.6	133.8	108.8	108.8	126.8	123.2	123.2	137.9	127.1	127.1	127.1	112.1%	112.1%

Table 19.2 Vote expenditure trends by programme and economic classification

Economic classification	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Payments for capital assets	521.9	521.9	1 081.2	586.9	586.9	838.0	287.8	287.8	947.3	1 416.7	1 236.7	1 236.7	145.8%	155.8%
Buildings and other fixed structures	123.7	123.7	64.9	122.6	122.6	82.6	121.9	121.9	147.9	958.8	658.1	658.1	71.8%	92.9%
Machinery and equipment	347.1	347.1	1 010.5	451.2	451.2	696.7	164.5	164.5	696.9	455.7	455.7	455.7	201.6%	201.6%
Specialised military assets	45.3	45.3	4.4	12.1	12.1	58.1	1.0	1.0	7.6	1.7	1.7	1.7	119.3%	119.3%
Software and other intangible assets	5.9	5.9	1.4	1.0	1.0	0.6	0.3	0.3	95.0	0.4	121.1	121.1	2 865.0%	170.0%
Payments for financial assets	-	-	17.5	-	-	2.7	-	-	2.3	-	-	-	-	-
Total	42 831.2	42 856.9	42 842.4	44 579.4	45 088.2	45 071.5	47 169.7	47 236.5	47 197.1	48 618.8	48 999.6	48 999.6	100.5%	100.0%

Expenditure estimates

Table 19.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration 2. Force Employment 3. Landward Defence 4. Air Defence 5. Maritime Defence 6. Military Health Support 7. Defence Intelligence 8. General Support									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2017/18	2014/15	2017/18			2018/19
R million									
Programme 1	5 450.3	6.6%	11.3%	5 548.9	5 839.6	6 252.2	4.7%	11.5%	
Programme 2	3 429.5	-0.6%	7.7%	3 375.6	3 596.0	3 761.2	3.1%	7.0%	
Programme 3	16 652.3	5.4%	33.3%	16 234.3	16 632.1	16 981.5	0.7%	33.0%	
Programme 4	6 788.9	-1.8%	15.0%	6 415.9	7 280.0	8 176.4	6.4%	14.2%	
Programme 5	4 602.5	7.8%	8.9%	4 424.7	4 408.7	5 067.0	3.3%	9.2%	
Programme 6	4 644.6	6.5%	9.4%	4 714.1	5 264.1	5 806.8	7.7%	10.1%	
Programme 7	907.6	3.7%	1.9%	950.4	991.7	1 063.3	5.4%	1.9%	
Programme 8	6 523.9	8.5%	12.5%	6 285.9	6 684.1	6 891.0	1.8%	13.1%	
Total	48 999.6	4.6%	100.0%	47 949.7	50 696.2	53 999.3	3.3%	100.0%	
Change to 2017 Budget estimate				(2 660.6)	(3 270.2)	(3 521.5)			
Economic classification									
Current payments	39 175.7	4.4%	80.7%	39 447.5	42 121.5	45 111.8	4.8%	82.3%	
Compensation of employees	27 448.0	6.9%	55.6%	27 116.7	29 193.7	31 365.9	4.5%	57.1%	
Goods and services	11 727.7	-0.7%	25.1%	12 330.8	12 927.8	13 745.9	5.4%	25.2%	
Transfers and subsidies	8 587.2	3.0%	17.1%	7 614.4	7 701.7	7 980.6	-2.4%	15.8%	
Provinces and municipalities	0.1	-1.1%	0.0%	1.5	0.9	0.6	88.3%	0.0%	
Departmental agencies and accounts	7 154.2	2.5%	14.3%	6 011.4	5 979.0	6 238.8	-4.5%	12.6%	
Public corporations and private enterprises	1 296.9	5.8%	2.4%	1 422.7	1 497.8	1 575.4	6.7%	2.9%	
Non-profit institutions	8.9	5.2%	0.0%	9.3	9.7	10.2	4.8%	0.0%	
Households	127.1	5.1%	0.3%	169.4	214.2	155.6	7.0%	0.3%	
Payments for capital assets	1 236.7	33.3%	2.2%	887.8	873.0	906.8	-9.8%	1.9%	
Buildings and other fixed structures	658.1	74.6%	0.5%	529.7	544.0	558.0	-5.4%	1.1%	
Machinery and equipment	455.7	9.5%	1.6%	314.8	325.8	345.6	-8.8%	0.7%	
Specialised military assets	1.7	-66.2%	0.0%	2.8	2.0	2.1	6.3%	0.0%	
Software and other intangible assets	121.1	174.2%	0.1%	40.6	1.2	1.2	-78.7%	0.1%	
Total	48 999.6	4.6%	100.0%	47 949.7	50 696.2	53 999.3	3.3%	100.0%	

Expenditure trends and estimates for significant spending items

Table 19.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Compensation of employees	23 005 809	24 788 024	27 059 700	27 447 971	6.1%	55.6%	27 116 696	29 193 710	31 365 882	4.5%	57.1%
Contractors	2 735 529	2 207 794	2 114 847	2 106 763	-8.3%	5.0%	2 204 310	2 235 580	2 309 253	3.1%	4.4%
Property payments	2 151 430	1 465 752	1 555 229	1 181 585	-18.1%	3.5%	1 523 728	1 587 688	1 679 449	12.4%	3.0%
Special defence account	5 619 079	6 235 069	5 633 479	6 510 469	5.0%	13.0%	5 361 690	5 290 838	5 510 417	-5.4%	11.2%
Armaments Corporation of South Africa	1 096 252	1 021 899	1 043 387	1 296 901	5.8%	2.4%	1 422 725	1 497 819	1 575 448	6.7%	2.9%
Total	34 608 099	35 718 538	37 406 642	38 543 689	-9.5%	79.5%	37 629 149	39 805 635	42 440 449	21.3%	78.6%

Goods and services expenditure trends and estimates

Table 19.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	12 254	11 381	12 373	13 603	3.5%	0.1%	13 554	13 968	14 662	2.5%	0.1%
Advertising	12 463	8 431	98 673	7 797	-14.5%	0.3%	80 237	87 535	93 748	129.1%	0.5%
Minor assets	127 731	94 206	252 482	254 609	25.9%	1.6%	144 316	151 569	166 942	-13.1%	1.4%
Audit costs: External	73 179	60 979	50 617	64 981	-3.9%	0.5%	70 570	75 393	78 926	6.7%	0.6%
Catering: Departmental activities	20 874	27 218	22 761	29 498	12.2%	0.2%	30 226	25 420	27 466	-2.4%	0.2%
Communication	91 480	88 963	102 362	99 106	2.7%	0.8%	101 780	96 392	97 843	-0.4%	0.8%
Computer services	988 433	1 055 993	921 495	1 132 729	4.6%	8.9%	1 119 661	1 235 311	1 265 490	3.8%	9.4%
Consultants: Business and advisory services	274 352	300 594	219 068	248 927	-3.2%	2.3%	236 670	194 524	22 212	-55.3%	1.4%
Infrastructure and planning services	19 220	32 933	15 954	49 945	37.5%	0.3%	43 356	46 184	52 979	2.0%	0.4%
Laboratory services	26 855	32 069	46 249	24 544	-3.0%	0.3%	28 109	21 170	31 833	9.1%	0.2%
Legal services	30 016	54 853	34 569	31 389	1.5%	0.3%	31 957	38 367	40 285	8.7%	0.3%
Science and technological services	56 221	97 713	101 757	88 065	16.1%	0.7%	69 479	70 301	70 820	-7.0%	0.6%
Contractors	2 735 529	2 207 794	2 114 847	2 106 763	-8.3%	19.8%	2 204 310	2 235 580	2 309 253	3.1%	17.5%
Agency and support/outsourced services	490 354	583 755	645 770	660 123	10.4%	5.1%	568 667	533 356	530 851	-7.0%	4.5%
Entertainment	2 917	4 785	4 543	4 727	17.5%	-	2 490	2 828	2 865	-15.4%	-
Fleet services (including government motor transport)	96 765	136 107	108 860	57 450	-16.0%	0.9%	141 649	209 323	308 493	75.1%	1.4%
Inventory: Clothing material and accessories	208 087	160 038	90 305	176 198	-5.4%	1.4%	216 206	181 133	242 025	11.2%	1.6%
Inventory: Farming supplies	5 709	7 387	7 345	8 186	12.8%	0.1%	8 549	8 611	7 146	-4.4%	0.1%
Inventory: Food and food supplies	872 380	886 530	949 315	918 582	1.7%	7.8%	999 450	1 002 463	1 070 304	5.2%	7.9%
Inventory: Fuel, oil and gas	455 660	639 187	563 779	661 975	13.3%	5.0%	667 636	718 440	846 221	8.5%	5.7%
Inventory: Materials and supplies	138 448	107 893	64 874	115 032	-6.0%	0.9%	102 065	115 722	131 716	4.6%	0.9%
Inventory: Medical supplies	75 396	98 713	65 430	104 035	11.3%	0.7%	111 416	161 436	203 288	25.0%	1.1%
Inventory: Medicine	167 932	154 091	198 592	156 134	-2.4%	1.5%	196 591	352 896	358 718	32.0%	2.1%
Inventory: Other supplies	110 974	58 439	60 853	168 375	14.9%	0.9%	265 763	218 740	403 965	33.9%	2.1%
Consumable supplies	122 769	133 484	133 458	132 617	2.6%	1.1%	140 063	131 593	151 387	4.5%	1.1%
Consumables: Stationery, printing and office supplies	57 804	58 300	54 630	73 891	8.5%	0.5%	72 011	71 211	75 380	0.7%	0.6%
Operating leases	415 443	1 318 598	1 507 114	1 460 566	52.1%	10.2%	1 563 567	1 670 330	1 760 084	6.4%	12.7%
Rental and hiring	335	4 757	5 564	361	2.5%	-	383	66	68	-42.7%	-
Property payments	2 151 430	1 465 752	1 555 229	1 181 585	-18.1%	13.7%	1 523 728	1 587 688	1 679 449	12.4%	11.8%
Travel and subsistence	883 798	991 344	1 102 666	927 739	1.6%	8.4%	872 021	946 587	946 639	0.7%	7.3%
Training and development	256 804	228 253	239 660	275 871	2.4%	2.2%	304 962	330 089	340 883	7.3%	2.5%
Operating payments	342 034	316 593	358 877	473 887	11.5%	3.2%	382 564	375 715	395 230	-5.9%	3.2%
Venues and facilities	14 018	12 440	10 890	18 413	9.5%	0.1%	16 830	17 892	18 753	0.6%	0.1%
Total	11 337 664	11 439 573	11 720 961	11 727 703	1.1%	100.0%	12 330 836	12 927 833	13 745 924	5.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 19.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
Households											
Social benefits											
Current	87 532	115 981	133 255	127 093	13.2%	1.5%	169 419	214 196	155 583	7.0%	2.1%
Employee social benefits	87 532	115 981	133 255	127 093	13.2%	1.5%	169 419	214 196	155 583	7.0%	2.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	6 144 266	6 840 117	6 251 767	7 154 177	5.2%	83.9%	6 011 359	5 979 013	6 238 773	-4.5%	79.6%
Safety and Security Sector Education and Training Authority	21 014	22 590	20 677	21 073	0.1%	0.3%	21 971	23 070	24 051	4.5%	0.3%
Department of Military Veterans	504 160	582 201	597 607	622 111	7.3%	7.3%	627 087	664 527	703 606	4.2%	8.2%
Communication	13	257	4	524	242.9%	-	611	578	699	10.1%	-
Special defence account	5 619 079	6 235 069	5 633 479	6 510 469	5.0%	76.3%	5 361 690	5 290 838	5 510 417	-5.4%	71.1%
Non-profit institutions											
Current	7 909	8 081	9 303	8 901	4.0%	0.1%	9 324	9 744	10 231	4.8%	0.1%
Reserve Force Council	7 140	7 192	8 620	7 929	3.6%	0.1%	8 326	8 742	9 179	5.0%	0.1%
St Johns Ambulance Brigade	769	889	683	972	8.1%	-	998	1 002	1 052	2.7%	-
Households											
Other transfers to households											
Current	46 274	10 840	4 597	-	-100.0%	0.2%	-	-	-	-	-
Claims against the state	46 274	10 840	4 597	-	-100.0%	0.2%	-	-	-	-	-
Foreign governments and international organisations											
Current	-	5 804	-	-	-	-	-	-	-	-	-
Southern African Development Community	-	5 804	-	-	-	-	-	-	-	-	-
Provinces and municipalities											
Municipal bank accounts											
Current	54	28	185	91	19.0%	-	1 542	939	608	88.3%	-
Vehicle licences	54	28	185	91	19.0%	-	1 542	939	608	88.3%	-
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	1 024	480	312	-	-100.0%	-	-	-	-	-	-
Claims against the state	1 024	480	312	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	16 869	-	24 014	-	-100.0%	0.1%	-	-	-	-	-
Claims against the state	16 869	-	24 014	-	-100.0%	0.1%	-	-	-	-	-
Public corporations and private enterprises											
Subsidies on products and production											
Current	1 096 252	1 021 899	1 043 387	1 296 901	5.8%	14.2%	1 422 725	1 497 819	1 575 448	6.7%	18.2%
Armaments Corporation of South Africa	1 096 252	1 021 899	1 043 387	1 296 901	5.8%	14.2%	1 422 725	1 497 819	1 575 448	6.7%	18.2%
Provinces and municipalities											
Municipal agencies and funds											
Current	-	33	-	-	-	-	-	-	-	-	-
Vehicle licences	-	33	-	-	-	-	-	-	-	-	-
Total	7 400 180	8 003 263	7 466 820	8 587 163	5.1%	100.0%	7 614 369	7 701 711	7 980 643	-2.4%	100.0%

Personnel information

Table 19.7 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21		
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost
Defence and Military Veterans																		
Salary level	75 500	76 480	27 059.7	0.4	75 500	27 448.0	0.4	75 204	27 116.7	0.4	74 899	29 193.7	0.4	74 660	31 365.9	0.4	-0.4%	100.0%
1 – 6	50 444	51 278	12 138.5	0.2	50 444	12 528.2	0.2	50 267	12 505.2	0.2	50 098	13 630.2	0.3	50 041	14 510.9	0.3	-0.3%	66.9%
7 – 10	23 258	23 428	10 790.8	0.5	23 258	10 974.9	0.5	23 140	10 668.8	0.5	22 991	11 261.7	0.5	22 786	12 153.7	0.5	-0.7%	30.7%
11 – 12	1 382	1 367	1 217.5	0.9	1 382	1 210.2	0.9	1 385	1 210.3	0.9	1 384	1 276.1	0.9	1 379	1 391.9	1.0	-0.1%	1.8%
13 – 16	410	401	485.9	1.2	410	482.1	1.2	406	480.7	1.2	420	533.8	1.3	448	642.5	1.4	3.0%	0.6%
Other	6	6	2 427.1	404.5	6	2 252.5	375.4	6	2 251.8	375.3	6	2 492.0	415.3	6	2 666.8	444.5	–	0.0%
Programme	75 500	76 480	27 059.7	0.4	75 500	27 448.0	0.4	75 204	27 116.7	0.4	74 899	29 193.7	0.4	74 660	31 365.9	0.4	-0.4%	100.0%
Programme 1	3 814	3 796	2 105.2	0.6	3 814	1 910.4	0.5	3 887	1 891.5	0.5	3 875	2 027.0	0.5	3 878	2 242.7	0.6	0.6%	5.1%
Programme 2	1 925	1 943	1 948.6	1.0	1 925	1 939.7	1.0	1 965	1 909.1	1.0	1 989	2 131.4	1.1	1 982	2 270.7	1.1	1.0%	2.6%
Programme 3	39 044	39 397	11 470.7	0.3	39 044	11 626.5	0.3	38 300	11 499.3	0.3	37 593	12 367.1	0.3	37 335	12 856.8	0.3	-1.5%	50.7%
Programme 4	9 718	9 897	3 539.4	0.4	9 718	3 646.5	0.4	9 918	3 602.5	0.4	9 933	3 839.9	0.4	9 933	4 264.6	0.4	0.7%	13.2%
Programme 5	7 039	7 076	2 235.1	0.3	7 039	2 300.5	0.3	7 071	2 274.7	0.3	7 076	2 444.1	0.3	7 073	2 671.1	0.4	0.2%	9.4%
Programme 6	7 549	7 764	3 328.8	0.4	7 549	3 431.5	0.5	7 526	3 379.9	0.4	7 730	3 636.5	0.5	7 755	4 023.8	0.5	0.9%	10.2%
Programme 7	882	882	379.2	0.4	882	393.8	0.4	858	387.4	0.5	876	415.7	0.5	873	459.3	0.5	-0.3%	1.2%
Programme 8	5 529	5 725	2 052.7	0.4	5 529	2 199.0	0.4	5 679	2 172.3	0.4	5 827	2 331.9	0.4	5 831	2 576.8	0.4	1.8%	7.6%

1. The department aims to maintain personnel numbers at 75 500 over the 2018 MTEF. However, the indicated data in the table has been revised by the National Treasury to align personnel numbers and the related expenditure to the compensation of employees ceiling. As such, the indicated personnel data may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 19.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	923 792	1 082 623	1 387 310	1 051 761	1 051 761	4.4%	100.0%	1 085 741	1 145 273	1 202 886	4.6%	100.0%
Sales of goods and services produced by department	285 956	439 041	806 472	412 760	412 760	13.0%	43.7%	413 958	436 547	458 776	3.6%	38.4%
Administrative fees	28	19	9	23	23	-6.3%	–	24	26	27	5.5%	–
<i>of which:</i>												
Request for information: Receipt	28	19	9	23	23	-6.3%	–	24	26	27	5.5%	–
Other sales	285 928	439 022	806 463	412 737	412 737	13.0%	43.7%	413 934	436 521	458 749	3.6%	38.4%
<i>of which:</i>												
Rental capital assets	79 775	86 229	84 909	88 242	88 242	3.4%	7.6%	92 206	97 254	102 130	5.0%	8.5%
Sale of goods	12 497	7 325	12 161	9 672	9 672	-8.2%	0.9%	12 519	13 194	13 847	12.7%	1.1%
Services rendered	193 656	345 468	709 393	314 823	314 823	17.6%	35.2%	309 209	326 073	342 772	2.9%	28.8%
Sales of scrap, waste, arms and other used current goods	3 676	2 975	747	1 345	1 345	-28.5%	0.2%	1 419	1 497	1 542	4.7%	0.1%
<i>of which:</i>												
Sales: Scrap and waste	3 676	2 975	747	1 345	1 345	-28.5%	0.2%	1 419	1 497	1 542	4.7%	0.1%
Transfers received	542 149	524 130	441 660	538 922	538 922	-0.2%	46.0%	568 563	599 833	629 801	5.3%	52.1%
Fines, penalties and forfeits	1 733	600	1 164	1 150	1 150	-12.8%	0.1%	1 210	1 274	1 333	5.0%	0.1%
Interest, dividends and rent on land	3 558	3 890	3 928	3 840	3 840	2.6%	0.3%	3 938	4 154	4 372	4.4%	0.4%
Interest	3 558	3 890	3 928	3 840	3 840	2.6%	0.3%	3 938	4 154	4 372	4.4%	0.4%
Sales of capital assets	42 507	36 212	31 858	25 967	25 967	-15.1%	3.1%	27 394	28 901	30 345	5.3%	2.5%
Transactions in financial assets and liabilities	44 213	75 775	101 481	67 777	67 777	15.3%	6.5%	69 259	73 067	76 717	4.2%	6.4%
Total	923 792	1 082 623	1 387 310	1 051 761	1 051 761	4.4%	100.0%	1 085 741	1 145 273	1 202 886	4.6%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the Department of Defence; and provide for military veterans' benefits through the Department of Military Veterans.

Expenditure trends and estimates

Table 19.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	82.0	112.0	111.1	74.1	-3.3%	1.8%	76.5	80.7	87.1	5.6%	1.4%
Departmental Direction	43.7	67.0	70.8	58.6	10.3%	1.2%	47.7	49.9	55.1	-2.0%	0.9%
Policy and Planning	93.7	94.4	103.9	119.1	8.3%	2.0%	102.2	108.5	118.9	-0.1%	1.9%
Financial Services	325.2	324.3	620.6	372.6	4.6%	7.9%	343.9	364.6	401.5	2.5%	6.4%
Human Resources Support Services	714.4	736.4	791.5	808.5	4.2%	14.6%	776.2	821.4	899.2	3.6%	14.3%
Legal Services	266.3	278.6	291.3	300.1	4.1%	5.4%	297.8	312.1	343.9	4.6%	5.4%
Inspection and Audit Services	106.9	115.9	116.4	143.0	10.2%	2.3%	139.4	147.7	162.3	4.3%	2.6%
Acquisition Services	58.8	82.2	150.7	125.7	28.8%	2.0%	134.2	88.3	82.5	-13.1%	1.9%
Communication Services	48.5	43.8	100.7	46.4	-1.5%	1.1%	116.5	125.9	136.2	43.2%	1.8%
South African National Defence Force Command and Control	143.7	135.7	148.0	156.2	2.8%	2.8%	165.3	175.2	192.4	7.2%	3.0%
Religious Services	12.7	18.3	14.5	14.0	3.2%	0.3%	15.0	16.0	17.5	7.7%	0.3%
Defence Reserve Direction	24.6	25.2	28.1	28.5	5.1%	0.5%	29.4	30.9	33.5	5.5%	0.5%
Defence Foreign Relations	255.5	262.2	312.1	331.9	9.1%	5.6%	277.4	319.2	344.2	1.2%	5.5%
Office Accommodation	1 978.9	2 103.3	2 283.2	2 268.7	4.7%	41.4%	2 400.3	2 534.7	2 674.1	5.6%	42.7%
Military Veterans Management	504.2	582.2	597.6	622.1	7.3%	11.1%	627.1	664.5	703.6	4.2%	11.3%
Total	4 659.0	4 981.5	5 740.6	5 469.5	5.5%	100.0%	5 548.9	5 839.6	6 252.2	4.6%	100.0%
Change to 2017 Budget estimate				88.7			(228.1)	(107.6)	(231.7)		
Economic classification											
Current payments	4 029.1	4 309.6	5 063.6	4 775.4	5.8%	87.2%	4 856.8	5 108.6	5 479.2	4.7%	87.5%
Compensation of employees	1 535.0	1 689.6	2 105.2	1 929.6	7.9%	34.8%	1 891.5	2 027.0	2 242.7	5.1%	35.0%
Goods and services ¹	2 494.1	2 620.0	2 958.4	2 845.8	4.5%	52.4%	2 965.3	3 081.6	3 236.5	4.4%	52.5%
<i>of which:</i>											
Advertising	9.9	5.1	94.2	4.1	-25.6%	0.5%	76.0	82.9	89.1	179.0%	1.1%
Computer services	76.2	78.7	86.7	109.6	12.9%	1.7%	54.2	51.4	52.7	-21.6%	1.2%
Operating leases	376.0	1 295.5	1 478.1	1 384.4	54.4%	21.7%	1 483.4	1 590.8	1 677.7	6.6%	26.6%
Property payments	1 678.2	846.8	853.9	978.8	-16.4%	20.9%	1 039.7	1 095.9	1 158.0	5.8%	18.5%
Travel and subsistence	133.1	141.0	152.3	117.8	-4.0%	2.6%	83.5	87.3	91.6	-8.0%	1.6%
Training and development	38.5	37.5	39.5	38.1	-0.4%	0.7%	35.3	35.7	37.1	-0.9%	0.6%
Transfers and subsidies¹	557.1	628.3	647.7	667.5	6.2%	12.0%	674.6	710.6	751.2	4.0%	12.1%
Provinces and municipalities	0.0	0.0	0.0	0.0	23.5%	-	0.0	0.0	0.0	13.7%	-
Departmental agencies and accounts	525.2	604.8	618.3	643.2	7.0%	11.5%	649.1	687.6	727.7	4.2%	11.7%
Public corporations and private enterprises	0.2	-	0.1	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	7.1	7.2	8.6	7.9	3.6%	0.1%	8.3	8.7	9.2	5.0%	0.1%
Households	24.6	16.3	20.6	16.4	-12.7%	0.4%	17.2	14.3	14.3	-4.3%	0.3%
Payments for capital assets	59.7	43.4	29.1	26.6	-23.6%	0.8%	17.5	20.3	21.7	-6.5%	0.4%
Buildings and other fixed structures	0.0	0.0	0.2	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	58.8	42.8	28.9	26.6	-23.3%	0.8%	17.5	20.3	21.7	-6.5%	0.4%
Software and other intangible assets	0.9	0.6	-	0.0	-62.7%	-	0.0	0.1	-	-100.0%	-
Payments for financial assets	13.2	0.3	0.2	-	-100.0%	0.1%	-	-	-	-	-
Total	4 659.0	4 981.5	5 740.6	5 469.5	5.5%	100.0%	5 548.9	5 839.6	6 252.2	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	10.9%	11.1%	12.2%	11.2%	-	-	11.6%	11.5%	11.6%	-	-

Table 19.9 Administration expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Households											
Social benefits											
Current	13.7	16.2	20.6	16.2	5.7%	0.3%	17.2	14.1	14.3	-4.1%	0.3%
Employee social benefits	13.7	16.2	20.6	16.2	5.7%	0.3%	17.2	14.1	14.3	-4.1%	0.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	525.2	604.8	618.3	643.2	7.0%	11.5%	649.1	687.6	727.7	4.2%	11.7%
Safety and Security Sector Education and Training Authority	21.0	22.6	20.7	21.1	0.1%	0.4%	22.0	23.1	24.1	4.5%	0.4%
Department of Military Veterans	504.2	582.2	597.6	622.1	7.3%	11.1%	627.1	664.5	703.6	4.2%	11.3%
Non-profit institutions											
Current	7.1	7.2	8.6	7.9	3.6%	0.1%	8.3	8.7	9.2	5.0%	0.1%
Reserve Force Council	7.1	7.2	8.6	7.9	3.6%	0.1%	8.3	8.7	9.2	5.0%	0.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Force Employment

Programme purpose

Provide and employ defence capabilities, including an operational capability, to successfully conduct all operations as well as joint, interdepartmental, interagency and multinational military exercises.

Objectives

- Ensure successful joint force employment by:
 - providing and employing a special operations capability in accordance with national requirements over the medium term
 - ensuring full participation in the number of peace missions, as instructed by the president, over the medium term
 - conducting 8 joint, interdepartmental, interagency and multinational military force preparation exercises, excluding special forces exercises, from 2018/19 to 2020/21
 - conducting internal operations in the interest of protecting the territorial integrity and sovereignty of South Africa, supporting other government departments and complying with international obligations on an ongoing basis.

Subprogrammes

- *Strategic Direction* formulates and controls strategies, policies and plans for the employment of forces to promote peace, stability and security in the region and on the continent.
- *Operational Direction* provides operational direction to joint and multinational task forces and joint tactical headquarters through an operational level headquarters.
- *Special Operations* provides and employs a special operations capability within the approved Special Forces mandate for the South African National Defence Force.
- *Regional Security* provides for the external deployment of forces in support of South Africa's commitment to regional, continental and global security.
- *Support to the People* provides for the internal deployment of forces in support of the South African Police Service and other government departments. This includes safeguarding borders, assisting during disasters, and conducting search and rescue missions.

Expenditure trends and estimates

Table 19.10 Force Employment expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Strategic Direction	125.9	164.3	152.0	155.9	7.4%	4.2%	175.5	184.0	211.0	10.6%	5.1%
Operational Direction	257.0	286.2	288.4	331.4	8.8%	8.2%	340.1	359.2	391.9	5.7%	10.0%
Special Operations	708.7	756.5	810.1	864.4	6.8%	22.1%	844.3	903.4	979.1	4.2%	25.2%
Regional Security	1 638.6	1 573.0	1 068.8	1 114.6	-12.1%	38.0%	1 081.1	1 082.2	1 089.6	-0.8%	30.6%
Support to the People	901.2	822.8	1 111.7	1 069.0	5.9%	27.5%	934.6	1 067.1	1 089.6	0.6%	29.2%
Total	3 631.4	3 602.8	3 431.0	3 535.4	-0.9%	100.0%	3 375.6	3 596.0	3 761.2	2.1%	100.0%
Change to 2017				(153.2)			(51.3)	(153.8)	18.0		
Budget estimate											
Economic classification											
Current payments	3 053.1	3 038.3	2 885.7	3 079.2	0.3%	84.9%	3 016.4	3 245.1	3 370.6	3.1%	89.1%
Compensation of employees	1 854.5	1 898.3	1 948.6	2 045.6	3.3%	54.6%	1 909.1	2 131.4	2 270.7	3.5%	58.6%
Goods and services ¹	1 198.6	1 140.0	937.1	1 033.6	-4.8%	30.3%	1 107.4	1 113.7	1 099.9	2.1%	30.5%
<i>of which:</i>											
Contractors	427.3	364.8	212.7	306.6	-10.5%	9.2%	357.0	333.9	288.2	-2.0%	9.0%
Inventory: Food and food supplies	108.5	124.4	113.1	138.9	8.6%	3.4%	150.1	156.6	183.0	9.6%	4.4%
Inventory: Fuel, oil and gas	50.2	32.5	63.6	47.7	-1.7%	1.4%	53.7	56.3	77.7	17.7%	1.7%
Property payments	21.2	13.4	15.8	30.4	12.7%	0.6%	32.5	25.5	36.2	6.0%	0.9%
Travel and subsistence	221.4	248.2	214.2	172.9	-7.9%	6.0%	182.6	251.2	212.2	7.1%	5.7%
Operating payments	114.1	85.3	112.5	190.0	18.5%	3.5%	159.5	96.4	102.3	-18.6%	3.8%
Transfers and subsidies¹	288.0	431.6	257.3	272.9	-1.8%	8.8%	266.5	258.4	276.1	0.4%	7.5%
Departmental agencies and accounts	276.9	412.3	241.3	256.6	-2.5%	8.4%	251.8	241.7	259.0	0.3%	7.1%
Foreign governments and international organisations	-	5.8	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	8.1	8.0	8.4	8.9	3.1%	0.2%	9.3	9.8	10.3	5.1%	0.3%
Households	3.1	5.4	7.5	7.3	33.3%	0.2%	5.3	6.8	6.7	-3.2%	0.2%
Payments for capital assets	290.3	132.9	288.1	183.3	-14.2%	6.3%	92.6	92.5	114.5	-14.5%	3.4%
Buildings and other fixed structures	0.5	10.0	5.9	0.4	-6.6%	0.1%	2.6	1.0	2.6	86.2%	-
Machinery and equipment	289.8	123.0	282.1	181.9	-14.4%	6.2%	89.0	90.4	110.8	-15.2%	3.3%
Specialised military assets	-	-	-	1.0	-	-	1.0	1.0	1.1	3.3%	-
Total	3 631.4	3 602.8	3 431.0	3 535.4	-0.9%	100.0%	3 375.6	3 596.0	3 761.2	2.1%	100.0%
Proportion of total programme expenditure to vote expenditure	8.5%	8.0%	7.3%	7.2%	-	-	7.0%	7.1%	7.0%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	3.1	5.4	7.4	7.3	33.5%	0.2%	5.3	6.8	6.7	-3.2%	0.2%
Employee social benefits	3.1	5.4	7.4	7.3	33.5%	0.2%	5.3	6.8	6.7	-3.2%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	276.9	412.3	241.3	256.6	-2.5%	8.4%	251.8	241.7	259.0	0.3%	7.1%
Special defence account	276.9	412.3	241.3	256.6	-2.5%	8.4%	251.8	241.7	259.0	0.3%	7.1%
Foreign governments and international organisations											
Current	-	5.8	-	-	-	-	-	-	-	-	-
Southern African Development Community	-	5.8	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	8.0	8.0	8.4	8.9	3.5%	0.2%	9.3	9.8	10.3	5.1%	0.3%
Armaments Corporation of South Africa	8.0	8.0	8.4	8.9	3.5%	0.2%	9.3	9.8	10.3	5.1%	0.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Landward Defence

Programme purpose

Provide prepared and supported landward defence capabilities for the defence and protection of South Africa.

Objectives

- Defend and protect South Africa and its territory over the medium term by:

- providing 1 infantry capability, including the Chief of the South African National Defence Reaction Force, for external deployment and for internal safety and security, including border safeguarding
- exercising 1 tank and armoured car capability, and providing 1 squadron for internal deployment per year
- exercising 1 composite artillery capability and providing 1 battery for internal deployment per year
- exercising 1 air defence artillery capability and providing 1 battery for internal deployment per year
- providing 1 sustained composite engineer capability for external deployment, as well as for internal safety and security, and exercising 1 field engineer capability per year
- providing 1 signal capability for external deployment and for internal signal support, and exercising 1 composite signal capability per year.

Subprogrammes

- *Strategic Direction* directs, orchestrates and controls the South African Army in achieving its mission to prepare and provide supported landward capabilities for the defence and protection of South Africa.
- *Infantry Capability* provides combat ready infantry capabilities through training, preparing, exercising and supporting mechanised, motorised, specialised and airborne infantry units.
- *Armour Capability* provides combat ready armour capabilities through training, preparing, exercising and supporting tank and armoured car units.
- *Artillery Capability* provides combat ready artillery capabilities through training, preparing, exercising and supporting composite and light artillery units.
- *Air Defence Artillery Capability* provides combat ready air defence artillery capabilities through training, preparing, exercising and supporting air defence artillery units.
- *Engineering Capability* provides combat ready engineering capabilities to ensure mobility and establish infrastructure during exercises and deployments through training, preparing, exercising and supporting field and construction engineering units.
- *Operational Intelligence* provides combat ready operational intelligence capabilities to enable the successful planning and execution of operations through training, preparing, exercising and supporting intelligence units.
- *Command and Control Capability* provides combat ready tactical command and control capabilities for integrated forces during force preparation and force employment.
- *Support Capability* provides first, second and third line support capabilities to units and bases, and ensures support to deployed combat units through training, preparing, exercising and supporting first and second line maintenance units and workshops.
- *General Training Capability* provides general training capabilities through basic military training, junior leader training, common landward training, and command and management training at the training depot and decentralised units, the South African Army Gymnasium, the combat training centre and the South African Army College.
- *Signal Capability* provides combat ready signal capabilities to ensure command, control and communications during exercises and deployments through training, preparing, exercising and supporting signal units.

Expenditure trends and estimates

Table 19.11 Landward Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Strategic Direction	419.0	442.8	458.9	488.6	5.3%	2.9%	396.2	398.3	413.8	-5.4%	2.5%
Infantry Capability	5 404.0	6 102.5	6 208.9	6 972.8	8.9%	40.2%	6 626.6	6 545.4	6 444.6	-2.6%	39.9%
Armour Capability	374.7	399.3	446.6	449.5	6.3%	2.7%	472.8	502.1	522.0	5.1%	2.9%
Artillery Capability	425.6	527.6	471.6	486.5	4.6%	3.1%	482.8	725.1	643.5	9.8%	3.5%
Air Defence Artillery Capability	478.1	561.6	571.4	681.7	12.6%	3.7%	547.8	492.5	520.0	-8.6%	3.4%
Engineering Capability	623.1	675.9	755.4	745.9	6.2%	4.6%	795.3	823.3	857.5	4.8%	4.8%
Operational Intelligence	188.3	202.5	206.4	236.7	7.9%	1.4%	233.5	245.3	257.7	2.9%	1.5%
Command and Control Capability	177.8	188.9	199.0	209.3	5.6%	1.3%	218.1	234.9	246.5	5.6%	1.4%
Support Capability	4 428.2	4 414.8	4 531.2	4 705.1	2.0%	29.4%	4 595.5	4 707.3	5 037.1	2.3%	28.6%
General Training Capability	411.5	397.7	413.1	474.1	4.8%	2.8%	528.2	561.2	584.3	7.2%	3.2%
Signal Capability	1 119.0	1 205.2	1 295.5	1 269.6	4.3%	8.0%	1 337.6	1 396.7	1 454.5	4.6%	8.2%
Total	14 049.1	15 119.0	15 557.8	16 719.8	6.0%	100.0%	16 234.3	16 632.1	16 981.5	0.5%	100.0%
Change to 2017				169.6			(911.2)	(1 528.7)	(1 930.9)		
Budget estimate											
Economic classification											
Current payments	11 652.1	12 484.2	13 179.4	13 409.2	4.8%	82.6%	13 665.8	14 548.4	15 265.6	4.4%	85.5%
Compensation of employees	9 795.6	10 584.0	11 470.7	11 693.9	6.1%	70.9%	11 499.3	12 367.1	12 856.8	3.2%	72.7%
Goods and services ¹	1 856.5	1 900.2	1 708.7	1 715.3	-2.6%	11.7%	2 166.5	2 181.3	2 408.8	12.0%	12.7%
<i>of which:</i>											
Contractors	352.5	357.2	197.4	122.9	-29.6%	1.7%	266.9	287.3	223.6	22.1%	1.4%
Fleet services (including government motor transport)	48.5	84.9	65.3	20.0	-25.6%	0.4%	81.4	157.7	234.8	127.4%	0.7%
Inventory: Clothing material and accessories	148.1	88.0	39.1	103.7	-11.2%	0.6%	131.5	103.7	152.7	13.8%	0.7%
Inventory: Food and food supplies	473.4	476.9	588.2	479.4	0.4%	3.3%	547.2	566.1	587.6	7.0%	3.3%
Inventory: Fuel, oil and gas	152.0	211.2	164.5	198.6	9.3%	1.2%	262.3	272.7	283.0	12.5%	1.5%
Travel and subsistence	251.4	277.3	339.6	321.0	8.5%	1.9%	323.4	316.7	325.0	0.4%	1.9%
Transfers and subsidies¹	2 251.8	2 528.6	2 225.1	3 259.6	13.1%	16.7%	2 532.0	2 040.4	1 668.3	-20.0%	14.3%
Provinces and municipalities	0.0	0.0	0.1	-	-100.0%	-	0.0	0.0	0.0	-	-
Departmental agencies and accounts	2 158.4	2 451.2	2 144.8	3 191.4	13.9%	16.2%	2 446.3	1 873.0	1 556.4	-21.3%	13.6%
Public corporations and private enterprises	50.2	33.6	38.7	35.2	-11.2%	0.3%	27.8	28.8	35.5	0.3%	0.2%
Households	43.2	43.8	41.5	33.0	-8.6%	0.3%	57.9	138.5	76.3	32.3%	0.5%
Payments for capital assets	144.5	104.9	152.6	51.0	-29.3%	0.7%	36.5	43.3	47.5	-2.3%	0.3%
Buildings and other fixed structures	0.9	0.1	34.5	5.1	76.6%	0.1%	3.1	3.4	3.6	-11.1%	-
Machinery and equipment	143.5	104.8	118.1	45.9	-31.6%	0.7%	32.3	39.0	42.9	-2.2%	0.2%
Specialised military assets	-	-	-	-	-	-	1.1	1.0	1.0	-	-
Software and other intangible assets	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.8	1.3	0.8	-	-100.0%	-	-	-	-	-	-
Total	14 049.1	15 119.0	15 557.8	16 719.8	6.0%	100.0%	16 234.3	16 632.1	16 981.5	0.5%	100.0%
Proportion of total programme expenditure to vote expenditure	32.8%	33.5%	33.0%	34.1%	-	-	33.9%	32.8%	31.4%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	29.5	40.8	40.0	33.0	3.8%	0.2%	57.9	138.5	76.3	32.3%	0.5%
Employee social benefits	29.5	40.8	40.0	33.0	3.8%	0.2%	57.9	138.5	76.3	32.3%	0.5%
Households											
Other transfers to households											
Current	13.6	2.5	1.1	-	-100.0%	-	-	-	-	-	-
Claims against the state	13.6	2.5	1.1	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 158.4	2 451.2	2 144.8	3 191.3	13.9%	16.2%	2 446.2	1 873.0	1 556.4	-21.3%	13.6%
Special defence account	2 158.4	2 451.2	2 144.8	3 191.3	13.9%	16.2%	2 446.2	1 873.0	1 556.4	-21.3%	13.6%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	49.7	33.1	38.4	35.2	-10.9%	0.3%	27.8	28.8	35.5	0.3%	0.2%
Armaments Corporation of South Africa	49.7	33.1	38.4	35.2	-10.9%	0.3%	27.8	28.8	35.5	0.3%	0.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Air Defence

Programme purpose

Provide prepared and supported air defence capabilities for the defence and protection of South Africa.

Objectives

- Defend and protect South Africa and its airspace over the medium term by providing:
 - 4 helicopter squadrons and 1 combat support helicopter squadron per year
 - 3 medium transport squadrons (1 VIP squadron, 1 maritime and transport squadron, and 1 light transport squadron) and 9 reserve squadrons per year
 - 1 air combat squadron per year
 - 24-hour air command and control capability.

Subprogrammes

- *Strategic Direction* provides strategic direction to the programme by formulating and controlling strategies, policies and plans through the air force office to prepare and provide the capabilities required by the Chief of the South African National Defence Force.
- *Operational Direction* provides operational direction to the programme by means of an air command.
- *Helicopter Capability* provides and sustains operationally ready light utility helicopters, medium transport helicopters and combat support helicopters crewed by appropriately qualified personnel.
- *Transport and Maritime Capability* provides and sustains operationally ready transport and maritime aircraft crewed by appropriately qualified personnel.
- *Air Combat Capability* provides and sustains operationally ready fighter aircraft crewed by appropriately qualified personnel.
- *Operational Support and Intelligence Capability* prepares, develops, provides and supports protection, intelligence systems and counterintelligence support to the South African Air Force through protection squadrons, intelligence subsystems and intelligence training unique to the air force.
- *Command and Control Capability* supplies and maintains operationally ready command and control elements in support of air battle space operations.
- *Base Support Capability* provides air base infrastructure facilities to squadrons and resident units on bases, including the maintenance of all relevant systems and personnel, to support flying operations.
- *Command Post* renders command and control over all missions flown.
- *Training Capability* provides for the general education, training and development of air force personnel.
- *Technical Support Services* establishes, maintains and prepares optimised technical and tactical logistic support capabilities to provide support to system groups and manage air service units.

Expenditure trends and estimates

Table 19.12 Air Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Strategic Direction	18.3	20.8	24.1	30.6	18.7%	0.3%	31.0	33.4	35.4	4.9%	0.5%
Operational Direction	183.8	255.3	225.8	170.2	-2.5%	3.0%	97.3	191.4	193.8	4.4%	2.3%
Helicopter Capability	817.1	619.7	728.4	1 074.0	9.5%	11.7%	713.6	774.6	830.1	-8.2%	11.8%
Transport and Maritime Capability	1 138.8	684.4	594.1	798.3	-11.2%	11.7%	675.8	1 278.5	1 242.9	15.9%	13.9%
Air Combat Capability	1 108.3	1 368.8	1 230.1	793.2	-10.6%	16.3%	840.1	723.6	1 132.4	12.6%	12.2%
Operational Support and Intelligence Capability	270.9	297.7	322.8	297.0	3.1%	4.3%	343.3	371.4	408.6	11.2%	5.0%
Command and Control Capability	508.7	884.6	606.2	510.4	0.1%	9.1%	692.0	893.3	962.6	23.5%	10.7%
Base Support Capability	1 848.1	1 823.7	1 947.3	1 994.1	2.6%	27.6%	1 803.8	1 752.0	1 963.3	-0.5%	26.2%
Command Post	57.4	60.5	62.6	63.6	3.5%	0.9%	68.9	72.0	79.0	7.5%	1.0%
Training Capability	200.6	492.2	480.5	612.8	45.1%	6.5%	586.3	607.0	694.3	4.2%	8.7%
Technical Support Services	761.5	577.8	560.8	474.1	-14.6%	8.6%	563.9	582.8	634.1	10.2%	7.9%
Total	6 913.5	7 085.7	6 782.6	6 818.5	-0.5%	100.0%	6 415.9	7 280.0	8 176.4	6.2%	100.0%
Change to 2017				190.5			(545.8)	(1 292.2)	(498.0)		
Budget estimate											
Economic classification											
Current payments	5 162.9	5 146.5	5 569.9	5 906.6	4.6%	78.9%	5 578.1	5 901.9	6 549.4	3.5%	83.4%
Compensation of employees	3 148.9	3 325.2	3 539.4	3 676.2	5.3%	49.6%	3 602.5	3 839.9	4 264.6	5.1%	53.6%
Goods and services ¹	2 014.0	1 821.3	2 030.5	2 230.4	3.5%	29.3%	1 975.5	2 062.0	2 284.8	0.8%	29.8%
<i>of which:</i>											
Contractors	1 329.4	1 086.5	1 322.3	1 238.4	-2.3%	18.0%	1 121.2	1 157.6	1 305.3	1.8%	16.8%
Inventory: Fuel, oil and gas	154.1	244.3	189.9	276.0	21.5%	3.1%	173.0	218.2	256.6	-2.4%	3.2%
Inventory: Other supplies	49.7	17.6	23.5	71.5	12.9%	0.6%	77.1	81.0	66.2	-2.5%	1.0%
Travel and subsistence	86.6	103.2	128.0	83.5	-1.2%	1.5%	78.3	78.1	85.2	0.7%	1.1%
Training and development	45.1	26.3	24.0	84.9	23.5%	0.7%	123.5	125.2	136.8	17.2%	1.6%
Operating payments	135.4	128.6	162.0	145.9	2.5%	2.1%	107.8	159.7	166.5	4.5%	2.0%
Transfers and subsidies¹	1 630.9	1 852.9	1 139.0	894.4	-18.1%	20.0%	821.0	1 360.6	1 608.3	21.6%	16.3%
Provinces and municipalities	0.0	0.0	0.0	0.0	14.5%	-	0.0	0.0	0.0	-	-
Departmental agencies and accounts	1 618.1	1 837.6	1 120.6	876.5	-18.5%	19.8%	785.1	1 335.1	1 584.3	21.8%	16.0%
Public corporations and private enterprises	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Households	12.6	15.3	18.4	17.9	12.4%	0.2%	35.8	25.5	24.0	10.2%	0.4%
Payments for capital assets	119.2	86.1	73.3	17.5	-47.3%	1.1%	16.9	17.5	18.7	2.3%	0.2%
Buildings and other fixed structures	0.1	12.7	1.4	-	-100.0%	0.1%	-	-	-	-	-
Machinery and equipment	119.0	73.4	71.7	17.5	-47.2%	1.0%	16.9	17.5	18.7	2.3%	0.2%
Specialised military assets	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	-	-	0.2	-	-	-	-	-	-	-	-
Payments for financial assets	0.6	0.2	0.3	-	-100.0%	-	-	-	-	-	-
Total	6 913.5	7 085.7	6 782.6	6 818.5	-0.5%	100.0%	6 415.9	7 280.0	8 176.4	6.2%	100.0%
Proportion of total programme expenditure to vote expenditure	16.1%	15.7%	14.4%	13.9%	-	-	13.4%	14.4%	15.1%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	12.1	13.6	18.3	17.8	13.9%	0.2%	35.8	25.5	24.0	10.3%	0.4%
Employee social benefits	12.1	13.6	18.3	17.8	13.9%	0.2%	35.8	25.5	24.0	10.3%	0.4%
Households											
Other transfers to households											
Current	-	1.7	-	-	-	-	-	-	-	-	-
Claims against the state	-	1.7	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 618.1	1 837.6	1 120.6	876.5	-18.5%	19.8%	785.1	1 335.1	1 584.3	21.8%	16.0%
Special defence account	1 618.1	1 837.6	1 120.6	876.5	-18.5%	19.8%	785.1	1 335.1	1 584.3	21.8%	16.0%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Maritime Defence

Programme purpose

Provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.

Objectives

- Defend and protect South Africa and its maritime zones over the medium term by providing:

- a surface combat and patrol capability of 3 frigates, 1 combat support vessel, 2 offshore patrol vessels and 3 inshore patrol vessels in each annual operational cycle
- a sub-surface combat capability of 2 submarines in each annual operational cycle
- a mine warfare capability of 2 vessels in each annual operational cycle to ensure safe access to South Africa's harbours and mine clearance where required
- a maritime reaction squadron capability, comprising an operational boat division, an operational diving division and a naval reaction division in each annual operational cycle
- a hydrographic survey capability to ensure safe navigation by charting areas and to meet international obligations.

Subprogrammes

- *Maritime Direction* provides strategic direction to the programme by formulating and controlling strategies, policies, plans and advice to prepare and provide maritime defence capabilities.
- *Maritime Combat Capability* provides mission ready and supported maritime combat capabilities in accordance with the approved force design of the department.
- *Maritime Logistic Support Capability* sustains the availability of the force structure elements in the naval force design to ensure compliance with ordered operational commitments.
- *Maritime Human Resources and Training Capability* ensures that the maritime combat and support capability requirements are met in terms of qualified personnel.
- *Base Support Capability* provides a general base support capability to ships and submarines, shore units and other identified clients to ensure that the fleet complies with specified operational readiness levels.

Expenditure trends and estimates

Table 19.13 Maritime Defence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Maritime Direction	524.9	586.2	607.3	582.2	3.5%	14.0%	569.3	608.2	654.7	4.0%	13.1%
Maritime Combat Capability	1 129.3	1 238.8	1 694.7	1 873.1	18.4%	36.1%	1 570.4	1 378.8	1 747.6	-2.3%	35.5%
Maritime Logistic Support Capability	1 104.0	803.9	841.8	940.7	-5.2%	22.5%	1 133.1	1 193.9	1 303.6	11.5%	24.7%
Maritime Human Resources and Training Capability	445.2	497.7	529.6	538.6	6.6%	12.2%	545.2	594.1	663.3	7.2%	12.7%
Base Support Capability	599.0	606.2	625.1	655.4	3.0%	15.1%	606.6	633.8	697.9	2.1%	14.0%
Total	3 802.4	3 732.7	4 298.4	4 590.0	6.5%	100.0%	4 424.7	4 408.7	5 067.0	3.4%	100.0%
Change to 2017 Budget estimate				(200.0)			(506.8)	(73.6)	(569.5)		
Economic classification											
Current payments	2 886.5	2 803.5	2 889.5	3 009.2	1.4%	70.6%	3 150.8	3 304.0	3 718.4	7.3%	71.3%
Compensation of employees	1 968.7	2 102.8	2 235.1	2 288.0	5.1%	52.3%	2 274.7	2 444.1	2 671.1	5.3%	52.3%
Goods and services ¹	917.8	700.7	654.4	721.2	-7.7%	18.2%	876.1	859.9	1 047.3	13.2%	19.0%
<i>of which:</i>											
Contractors	473.4	258.5	238.2	184.5	-27.0%	7.0%	254.0	247.7	258.2	11.9%	5.1%
Inventory: Food and food supplies	114.9	77.2	56.1	102.9	-3.6%	2.1%	120.6	131.9	138.8	10.5%	2.7%
Inventory: Fuel, oil and gas	29.9	92.6	85.2	73.1	34.7%	1.7%	109.2	96.9	150.4	27.2%	2.3%
Inventory: Other supplies	54.9	25.1	34.9	75.6	11.2%	1.2%	126.8	95.2	192.4	36.5%	2.7%
Travel and subsistence	57.3	71.0	77.3	53.3	-2.4%	1.6%	56.1	60.0	68.8	8.9%	1.3%
Operating payments	43.9	50.4	47.7	56.8	9.0%	1.2%	47.4	53.3	55.9	-0.6%	1.2%
Transfers and subsidies¹	867.6	836.7	1 383.1	1 569.4	21.8%	28.4%	1 262.1	1 094.0	1 337.4	-5.2%	28.5%
Departmental agencies and accounts	648.9	602.0	1 123.0	1 284.0	25.5%	22.3%	957.3	786.6	1 013.1	-7.6%	21.9%
Public corporations and private enterprises	208.9	219.9	244.3	270.0	8.9%	5.7%	283.7	298.4	313.4	5.1%	6.3%
Households	9.8	14.8	15.8	15.5	16.3%	0.3%	21.1	9.0	11.0	-10.9%	0.3%
Payments for capital assets	48.0	92.3	25.6	11.3	-38.2%	1.1%	11.9	10.7	11.2	-0.4%	0.2%
Buildings and other fixed structures	0.6	1.5	0.3	1.5	36.3%	–	–	–	–	-100.0%	–
Machinery and equipment	47.4	32.7	15.8	9.8	-40.8%	0.6%	11.2	10.0	10.5	2.1%	0.2%
Specialised military assets	–	58.1	7.6	–	–	0.4%	–	–	–	–	–
Software and other intangible assets	–	–	2.0	–	–	–	0.7	0.7	0.7	–	–
Payments for financial assets	0.2	0.3	0.1	–	-100.0%	–	–	–	–	–	–
Total	3 802.4	3 732.7	4 298.4	4 590.0	6.5%	100.0%	4 424.7	4 408.7	5 067.0	3.4%	100.0%
Proportion of total programme expenditure to vote expenditure	8.9%	8.3%	9.1%	9.4%	–	–	9.2%	8.7%	9.4%	–	–

Table 19.13 Maritime Defence expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	648.9	602.0	1 123.0	1 284.0	25.5%	22.3%	957.3	786.6	1 013.1	-7.6%	21.9%
Special defence account	648.9	602.0	1 123.0	1 284.0	25.5%	22.3%	957.3	786.6	1 013.1	-7.6%	21.9%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	208.6	219.9	244.3	270.0	9.0%	5.7%	283.7	298.4	313.4	5.1%	6.3%
Armaments Corporation of South Africa	208.6	219.9	244.3	270.0	9.0%	5.7%	283.7	298.4	313.4	5.1%	6.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Military Health Support

Programme purpose

Provide prepared and supported health capabilities and services for the defence and protection of South Africa.

Objectives

- Ensure prepared and supported health capabilities and services on an annual basis by providing: a health support capability of 5 medical battalion groups and 1 specialist medical battalion group for deployed and contingency forces
- a comprehensive, multidisciplinary military health service to a projected patient population of 302 000 members.

Subprogrammes

- *Strategic Direction* formulates strategy, policies and plans; and provides advice from the surgeon general's office to prepare and provide the capabilities required by the Chief of the South African National Defence Force.
- *Mobile Military Health Support* provides health support elements for deployed and contingency forces, and provides health services to provincial hospitals and the Department of Health as and when ordered.
- *Area Military Health Service* provides a comprehensive, self-supporting, multidisciplinary geographic military health service through a formation headquarters, and commanding and controlling 9 area military health units to ensure a healthy military community. The military hospitals also attend to health care activities, medical support and health activities in the specialist aviation environment.
- *Specialist/Tertiary Health Service* provides a specialist health service to develop and maintain tertiary military health capabilities within the parameters of relevant legislation, as contained in the South African military health service strategy.
- *Military Health Product Support Capability* provides for warehousing pharmaceuticals, sundries, military health mobilisation equipment and unique stock; the procurement of unique military health products, materials and services; and an asset management service, military health product systems and cooperative common military health logistics.
- *Military Health Maintenance Capability* provides general base support services to identified military health service units to sustain and maintain the approved force design and structure.
- *Military Health Training Capability* provides a military health training service to develop and maintain military health training capabilities within the parameters of relevant legislation and policies.

Expenditure trends and estimates

Table 19.14 Military Health Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Strategic Direction	218.3	168.3	184.3	176.1	-6.9%	4.3%	191.7	199.6	219.9	7.7%	3.9%
Mobile Military Health Support	120.8	120.7	120.9	134.1	3.5%	2.9%	131.6	198.3	239.7	21.4%	3.5%
Area Military Health Service	1 455.5	1 597.7	1 672.3	1 676.4	4.8%	36.9%	1 672.2	1 907.2	2 106.0	7.9%	36.1%
Specialist/Tertiary Health Service	1 433.3	1 553.4	1 718.5	1 754.6	7.0%	37.3%	1 876.5	2 077.4	2 269.9	9.0%	39.2%
Military Health Product Support Capability	212.9	134.5	182.0	197.5	-2.5%	4.2%	295.0	307.5	332.6	19.0%	5.6%
Military Health Maintenance Capability	256.4	319.6	235.7	271.0	1.9%	6.2%	175.8	183.0	201.1	-9.5%	4.1%
Military Health Training Capability	355.9	348.9	335.1	376.9	1.9%	8.2%	371.3	391.1	437.7	5.1%	7.7%
Total	4 053.1	4 243.2	4 448.7	4 586.7	4.2%	100.0%	4 714.1	5 264.1	5 806.8	8.2%	100.0%
Change to 2017 Budget estimate				-			(102.7)	(107.2)	(6.1)		
Economic classification											
Current payments	3 886.4	4 170.0	4 374.0	4 521.7	5.2%	97.8%	4 650.5	5 142.7	5 664.9	7.8%	98.1%
Compensation of employees	2 865.5	3 136.3	3 328.8	3 373.7	5.6%	73.3%	3 379.9	3 636.5	4 023.8	6.0%	70.8%
Goods and services ¹	1 021.0	1 033.7	1 045.2	1 148.1	4.0%	24.5%	1 270.6	1 506.2	1 641.1	12.6%	27.3%
of which:											
Contractors	56.2	40.0	40.1	81.6	13.3%	1.3%	79.1	77.6	87.8	2.5%	1.6%
Agency and support/outsourced services	362.2	406.1	422.0	433.5	6.2%	9.4%	436.3	480.0	497.9	4.7%	9.1%
Inventory: Food and food supplies	53.5	85.1	54.4	49.7	-2.4%	1.4%	60.8	66.8	73.3	13.8%	1.2%
Inventory: Medical supplies	75.1	71.5	59.9	102.0	10.7%	1.8%	109.5	159.4	201.2	25.4%	2.8%
Inventory: Medicine	166.3	154.1	198.0	155.1	-2.3%	3.9%	194.5	328.7	356.5	32.0%	5.1%
Travel and subsistence	62.9	79.4	84.9	69.6	3.5%	1.7%	81.1	83.3	93.4	10.3%	1.6%
Transfers and subsidies¹	46.1	26.2	15.5	26.9	-16.4%	0.7%	15.0	73.9	108.3	59.1%	1.1%
Provinces and municipalities	-	-	-	0.0	-	-	1.4	0.8	0.5	396.0%	-
Departmental agencies and accounts	15.4	6.7	-	11.1	-10.2%	0.2%	0.1	62.7	97.3	106.1%	0.8%
Public corporations and private enterprises	0.1	0.0	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	0.8	0.9	0.7	1.0	8.1%	-	1.0	1.0	1.1	2.7%	-
Households	29.9	18.6	14.9	14.8	-20.9%	0.5%	12.5	9.3	9.4	-14.1%	0.2%
Payments for capital assets	120.2	46.3	58.6	38.1	-31.8%	1.5%	48.6	47.5	33.7	-4.0%	0.8%
Buildings and other fixed structures	0.2	0.3	0.3	2.6	143.5%	-	0.0	-	-	-100.0%	-
Machinery and equipment	119.2	46.0	58.3	34.7	-33.7%	1.5%	47.8	47.5	33.7	-1.0%	0.8%
Specialised military assets	0.9	-	-	0.8	-4.1%	-	0.7	-	-	-100.0%	-
Payments for financial assets	0.4	0.6	0.7	-	-100.0%	-	-	-	-	-	-
Total	4 053.1	4 243.2	4 448.7	4 586.7	4.2%	100.0%	4 714.1	5 264.1	5 806.8	8.2%	100.0%
Proportion of total programme expenditure to vote expenditure	9.5%	9.4%	9.4%	9.4%	-	-	9.8%	10.4%	10.8%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	20.2	3.9	2.7	-	-100.0%	0.2%	-	-	-	-	-
Claims against the state	20.2	3.9	2.7	-	-100.0%	0.2%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	15.4	6.7	-	11.1	-10.4%	0.2%	-	62.7	97.3	106.5%	0.8%
Special defence account	15.4	6.7	-	11.1	-10.4%	0.2%	-	62.7	97.3	106.5%	0.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 7: Defence Intelligence

Programme purpose

Provide defence intelligence and counterintelligence capabilities.

Objective

- Ensure prepared and supported intelligence services annually by providing an intelligence capability, a counterintelligence capability and a defence foreign relations capability.

Subprogrammes

- *Strategic Direction* provides advice on defence intelligence, policy and doctrine in support of the department's decision-making and policy formulation processes.

- *Operations* provides timely defence prediction, intelligence and counterintelligence capabilities and services.
- *Defence Intelligence Support Services* provides human resources, logistics, planning, security, labour relations, and training and information support services to the defence intelligence community.

Expenditure trends and estimates

Table 19.15 Defence Intelligence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
Operations	472.6	459.8	472.4	465.4	-0.5%	54.2%	529.2	543.6	568.8	6.9%	53.7%
Defence Intelligence Support Services	347.2	370.3	408.9	451.9	9.2%	45.8%	421.2	448.1	494.5	3.0%	46.3%
Total	819.8	830.1	881.3	917.3	3.8%	100.0%	950.4	991.7	1 063.3	5.0%	100.0%
Change to 2017 Budget estimate				-			(16.1)	(10.5)	(24.7)		
Economic classification											
Current payments	358.7	382.1	422.7	462.6	8.8%	47.2%	436.4	466.6	513.1	3.5%	47.9%
Compensation of employees	327.8	347.9	379.2	403.6	7.2%	42.3%	387.4	415.7	459.3	4.4%	42.5%
Goods and services ¹	30.9	34.2	43.5	59.0	24.1%	4.9%	49.0	50.9	53.7	-3.1%	5.4%
<i>of which:</i>											
Communication	1.5	1.6	1.9	2.4	16.1%	0.2%	2.4	2.6	2.7	4.4%	0.3%
Inventory: Food and food supplies	10.2	10.4	11.9	12.0	5.5%	1.3%	14.3	14.7	15.1	7.9%	1.4%
Inventory: Fuel, oil and gas	1.9	1.9	2.1	3.3	20.4%	0.3%	3.4	3.6	3.8	3.9%	0.4%
Operating leases	6.4	7.6	8.3	6.8	1.8%	0.8%	6.6	6.9	7.6	3.9%	0.7%
Travel and subsistence	3.9	6.3	6.9	8.9	31.3%	0.8%	9.0	9.5	9.9	3.8%	1.0%
Training and development	1.6	1.3	1.6	2.7	18.0%	0.2%	2.7	2.9	3.0	4.2%	0.3%
Transfers and subsidies¹	456.5	445.0	457.7	451.0	-0.4%	52.5%	510.0	520.9	545.9	6.6%	51.7%
Provinces and municipalities	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	455.8	442.3	452.1	444.5	-0.8%	52.0%	505.5	519.1	543.3	6.9%	51.3%
Public corporations and private enterprises	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Households	0.7	2.7	5.6	6.5	110.0%	0.4%	4.5	1.8	2.6	-26.8%	0.4%
Payments for capital assets	4.5	3.0	0.9	3.6	-7.0%	0.3%	3.9	4.1	4.3	6.1%	0.4%
Machinery and equipment	4.5	3.0	0.9	3.6	-7.0%	0.3%	3.9	4.1	4.3	6.1%	0.4%
Payments for financial assets	0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Total	819.8	830.1	881.3	917.3	3.8%	100.0%	950.4	991.7	1 063.3	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.9%	1.8%	1.9%	1.9%	-	-	2.0%	2.0%	2.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	455.8	442.3	452.1	444.5	-0.8%	52.0%	505.5	519.1	543.3	6.9%	51.3%
Communication	-	0.2	-	0.3	-	-	0.4	0.4	0.4	7.9%	-
Special defence account	455.8	442.0	452.1	444.2	-0.9%	52.0%	505.1	518.7	542.9	6.9%	51.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 8: General Support

Programme purpose

Provide general support capabilities and services to the department.

Objectives

- Provide ongoing general support capabilities and services through effective and efficient centralised common logistical support in respect of ordered commitments, in accordance with the defence policy and strategy, by providing:
 - appropriate, ready and sustained centralised common matériel management to the department
 - appropriate, ready and sustained centralised facilities management to the department
 - appropriate, ready and sustained centralised common logistic services and movement management to the department
 - sound logistic strategic direction to the department.

- Provide ICT prime systems integration and strategic direction to the department over the medium term by providing:
 - strategic direction and staff support services
 - integrated ICT solutions and enablers
 - an information warfare strategic direction capability
 - maintenance and support for information systems.
- Provide a military policing capability to the department by:
 - conducting 124 deliberate crime prevention operations each year over the medium term
 - investigating 100 per cent of corruption and fraud cases reported each year over the medium term
 - sustaining a provost company for operational deployment on an ongoing basis
 - sustaining 4 regional headquarters, 22 area offices and 22 detachments for crime prevention and the investigation of criminal cases over the medium term
 - sustaining 2 military correctional facilities for detention and rehabilitation over the medium term.

Subprogrammes

- *Joint Logistic Services* provides logistics services to the department in terms of warehousing for ammunition, main equipment and stores. It also provides the defence works capability, the capital works programme and the defence facility refurbishment programme.
- *Command and Management Information Systems* provides command and management information systems and related services to the department.
- *Military Police* provides a military policing capability to the department.
- *Technology Development* provides for establishing and sustaining selected science and technology capabilities in the defence industry.
- *Departmental Support* provides for the payment of corporate departmental obligations such as transfer payments to public entities, legal fees, external audits and bank charges.

Expenditure trends and estimates

Table 19.16 General Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Joint Logistic Services	2 125.7	2 546.7	2 925.3	3 227.1	14.9%	47.5%	2 938.9	3 109.2	3 136.8	-0.9%	47.3%
Command and Management Information Systems	865.7	1 096.5	1 143.7	1 025.2	5.8%	18.1%	1 048.2	1 137.6	1 197.0	5.3%	16.8%
Military Police	539.6	529.2	589.5	576.1	2.2%	9.8%	665.9	712.2	783.0	10.8%	10.4%
Technology Development	442.3	424.0	515.9	441.3	-0.1%	8.0%	466.0	487.6	472.2	2.3%	7.1%
Departmental Support	940.7	880.2	882.3	1 092.7	5.1%	16.6%	1 167.0	1 237.5	1 302.0	6.0%	18.3%
Total	4 914.1	5 476.6	6 056.7	6 362.4	9.0%	100.0%	6 285.9	6 684.1	6 891.0	2.7%	100.0%
Change to 2017				285.2			(298.5)	3.5	(278.6)		
Budget estimate											
Economic classification											
Current payments	3 314.7	3 893.4	4 395.9	4 011.7	6.6%	68.5%	4 092.8	4 404.2	4 550.7	4.3%	65.1%
Compensation of employees	1 509.8	1 704.0	2 052.7	2 037.5	10.5%	32.0%	2 172.3	2 331.9	2 576.8	8.1%	34.8%
Goods and services ¹	1 804.9	2 189.4	2 343.2	1 974.2	3.0%	36.4%	1 920.5	2 072.3	1 973.9	-	30.3%
of which:											
Audit costs: External	61.8	60.0	50.6	64.0	1.2%	1.0%	68.8	73.4	77.0	6.4%	1.1%
Computer services	727.9	804.1	682.1	803.4	3.3%	13.2%	881.7	956.9	991.8	7.3%	13.9%
Consultants: Business and advisory services	262.3	240.9	127.0	183.7	-11.2%	3.6%	160.1	171.2	14.2	-57.4%	2.0%
Contractors	83.8	90.5	96.1	159.1	23.8%	1.9%	115.7	121.2	135.2	-5.3%	2.0%
Property payments	345.0	515.2	599.8	60.8	-43.9%	6.7%	304.9	313.9	321.5	74.2%	3.8%
Travel and subsistence	67.2	64.9	99.5	100.7	14.4%	1.5%	58.1	60.5	60.5	-15.6%	1.1%
Transfers and subsidies¹	1 302.2	1 254.1	1 341.4	1 445.4	3.5%	23.4%	1 533.2	1 642.9	1 685.1	5.2%	24.0%
Provinces and municipalities	0.0	0.0	0.0	0.1	21.5%	-	0.1	0.1	0.1	4.3%	-
Departmental agencies and accounts	445.7	483.2	551.6	446.8	0.1%	8.4%	416.2	473.1	457.4	0.8%	6.8%
Public corporations and private enterprises	846.6	760.9	776.2	982.9	5.1%	14.8%	1 101.9	1 160.7	1 216.2	7.4%	17.0%
Households	9.9	9.9	13.5	15.7	16.5%	0.2%	15.1	9.0	11.4	-10.1%	0.2%

Table 19.16 General Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
R million											
Payments for capital assets	294.8	329.1	319.1	905.4	45.4%	8.1%	659.9	637.0	655.2	-10.2%	10.9%
Buildings and other fixed structures	62.6	58.1	105.3	648.5	118.0%	3.8%	523.9	539.6	551.8	-5.2%	8.6%
Machinery and equipment	228.3	271.0	121.0	135.8	-15.9%	3.3%	96.2	97.0	102.9	-8.8%	1.6%
Specialised military assets	3.4	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	0.6	0.1	92.8	121.1	490.6%	0.9%	39.8	0.4	0.4	-84.6%	0.6%
Payments for financial assets	2.3	0.1	0.3	-	-100.0%	-	-	-	-	-	-
Total	4 914.1	5 476.6	6 056.7	6 362.4	9.0%	100.0%	6 285.9	6 684.1	6 891.0	2.7%	100.0%
Proportion of total programme expenditure to vote expenditure	11.5%	12.2%	12.8%	13.0%	-	-	13.1%	13.2%	12.8%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	8.5	8.9	13.2	15.7	22.6%	0.2%	15.1	9.0	11.4	-10.1%	0.2%
Employee social benefits	8.5	8.9	13.2	15.7	22.6%	0.2%	15.1	9.0	11.4	-10.1%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	445.7	483.2	551.6	446.8	0.1%	8.4%	416.2	473.1	457.4	0.8%	6.8%
Special defence account	445.7	483.2	551.6	446.8	0.1%	8.4%	416.2	473.1	457.4	0.8%	6.8%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	829.9	760.9	752.3	982.9	5.8%	14.6%	1 101.9	1 160.7	1 216.2	7.4%	17.0%
Armaments Corporation of South Africa	829.9	760.9	752.3	982.9	5.8%	14.6%	1 101.9	1 160.7	1 216.2	7.4%	17.0%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Other departments within the vote

Department of Military Veterans

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	127.6	124.0	-	3.5	136.1	144.9
Socioeconomic Support	336.8	103.3	230.1	3.3	356.8	377.6
Empowerment and Stakeholder Management	162.8	158.7	4.0	0.0	171.7	181.2
Total expenditure estimates	627.1	386.0	234.2	6.9	664.5	703.6

Executive authority: Minister of Defence and Military Veterans
Accounting officer: Director General of Military Veterans
Website address: www.dmv.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Department purpose

Formulate policies and standards aimed at providing a comprehensive delivery system to military veterans and their dependants in recognition of their role in the democratisation of South Africa.

Mandate

The Department of Military Veterans derives its mandate from the Military Veterans Act (2011), which requires the department to provide national policy and standards on socioeconomic support to military veterans and to their dependants, including benefits and entitlement to help realise a dignified, unified, empowered and self-sufficient community of military veterans.

Selected performance indicators

Table 19.17 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Total number of military veterans with access to health care services ¹	Socioeconomic Support	Outcome 2: A long and healthy life for all South Africans	6 795	8 264	15 740	15 000	17 000	18 000	19 000
Number of military veterans provided with newly built houses per year ^{2,3}	Socioeconomic Support	Outcome 8: Sustainable human settlements and improved quality of household life	— ³	130 ³	168 ³	1 000 ³	1 000 ³	1 000 ³	1 000 ³
Total number of bursaries provided to military veterans and their dependents ^{4,5}	Socioeconomic Support	Outcome 1: Quality basic education	645	5 482	7 146	8 700	10 700	12 700	14 700
Number of military veterans memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 14: Nation building and social cohesion	2	2	2	2	3 ⁶	3 ⁶	3 ⁶

- Increases over the MTEF period are mainly due to the approval of regulations for military veterans' benefits, resulting in the increased marketing of benefits and recruitment of additional personnel.
- This indicator has been reworded to align with the department's annual performance plan.
- Although the department has significantly underperformed in the past, a memorandum of understanding signed between the Department of Human Settlements and the Department of Military Veterans provides for the indicated targets over the MTEF period. There are ongoing engagements between the Department of Military Veterans and the Department of Human Settlements to expedite the delivery of housing to military veterans. Targets over the MTEF period remain constant to align with the available budget and the implementation plan outlined in the memorandum of understanding with the Department of Human Settlements.
- The target for 2015/16 was 600, but the increased prioritisation of education support resulted in an increase in bursary disbursements, leading to actual performance exceeding the target. This prompted the upward revision of targets from 2016/17.
- Indicator reworded to reflect cumulative numbers.
- Targets over the MTEF period remain constant to align with the available budget using the 2017/18 target as the baseline. This is in line with the agreement reached with all stakeholders involved in the erection of memorial sites.

Expenditure analysis

Chapter 13 of the NDP sets out goals towards establishing a developmental, capable and ethical state that treats its citizens with dignity. This vision is expressed through outcome 1 (quality basic education), outcome 2 (a long and healthy life for all South Africans), outcome 5 (a skilled and capable workforce to support an inclusive growth path) and outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework, all of which are directly aligned with the work of the Department of Military Veterans. Over the medium term, the department plans to continue delivering key benefits such as housing, education, training and skills development, and access to health care to military veterans and their dependants. The department also plans to amend legislation and develop policies to improve the services it provides to military veterans and their dependants.

Delivering key benefits to military veterans and their dependants

Over the MTEF period, 79.1 per cent (R1.6 billion) of the department's total budget is allocated to the *Socioeconomic Support*, and *Empowerment and Stakeholder Management* programmes. Through these programmes, the department expects to deliver 3 000 houses at a projected cost of R264 million over the medium term.

At the end of 2016/17, the department provided 7 146 bursaries to military veterans and their dependants. This was significantly higher than the target of 4 000 as a result of the increased prioritisation of education support, which was provided through reprioritising funds from machinery and equipment, and other social benefits. The department expects to continue this upward trend and award 14 700 bursaries at a projected cost of R465 million over the medium term. A memorandum of understanding between the department, the National Student Financial Aid Scheme and the Department of Basic Education is being implemented. Once in place, the scheme will assist the department with the disbursement of funds at public tertiary institutions on behalf of military veterans and their dependants. A projected 16 500 veterans and their dependants will benefit from training and skills development programmes such as driver training, short courses and hard skills offered through accredited service providers over the MTEF period. The provision of training and skills development is expected to cost R224 million over the medium term in the *Empowerment and Stakeholder Management* programme.

The department plans to increase military veterans' access to health care services, from 15 000 in 2017/18 to 19 000 in 2020/21. This is reflected by a projected 5.9 per cent increase in spending over the MTEF period,

from R78.9 million in 2017/18 to R91.2 million in 2020/21, in the *Health Care and Wellbeing Support* subprogramme in the *Socioeconomic Support* programme.

Development of legislation and policies

To improve the delivery of benefits to military veterans, the department is in the process of amending the Military Veterans Act (2011) to include a clear definition of military veterans. This will improve the administration and management of the database of military veterans, which is central to the department's functioning. Over the MTEF period, the department also expects to finalise and implement the education and pension policies provided for in the Military Veterans Act (2011), for which a projected R62.3 million is allocated in the *Strategic Planning, Policy Development and Monitoring and Evaluation* subprogramme in the *Administration* programme.

Expenditure trends

Table 19.18 Departmental expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Socioeconomic Support														
3. Empowerment and Stakeholder Management														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	178.2	178.2	143.6	157.5	157.5	131.3	143.7	143.7	159.2	149.8	149.8	138.7	91.0%	91.0%
Programme 2	168.1	168.1	255.2	266.3	266.3	136.4	294.1	294.1	243.9	307.4	307.4	317.0	92.0%	92.0%
Programme 3	157.9	157.9	64.3	158.4	158.4	80.2	159.8	159.8	101.5	164.9	164.9	166.5	64.4%	64.4%
Total	504.2	504.2	463.1	582.2	582.2	348.0	597.6	597.6	504.6	622.1	622.1	622.1	-	84.0%
Change to 2017 Budget estimate														
Economic classification														
Current payments	496.2	496.2	239.3	360.7	360.7	280.3	347.5	347.5	327.0	378.9	378.9	378.9	77.4%	77.4%
Compensation of employees	92.2	92.2	83.6	97.5	97.5	100.6	102.7	102.7	108.5	113.8	113.8	113.8	100.1%	100.1%
Goods and services	404.1	404.1	155.5	263.2	263.2	179.6	244.8	244.8	218.5	265.1	265.1	265.1	69.5%	69.5%
Interest and rent on land	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	218.8	218.5	218.5	57.6	243.6	243.6	166.1	232.8	232.8	232.8	97.2%	97.2%
Departmental agencies and accounts	-	-	175.6	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	43.2	218.5	218.5	57.6	243.6	243.6	166.1	232.8	232.8	232.8	71.9%	71.9%
Payments for capital assets	7.9	7.9	5.1	3.0	3.0	10.1	6.5	6.5	11.5	10.4	10.4	10.4	133.6%	133.6%
Machinery and equipment	7.9	7.9	5.1	3.0	3.0	10.1	5.2	5.2	7.3	4.6	4.6	4.6	130.4%	130.4%
Heritage assets	-	-	-	-	-	-	-	-	4.3	3.4	3.4	3.4	226.0%	226.0%
Software and other intangible assets	-	-	-	-	-	0.0	1.3	1.3	-	2.4	2.4	2.4	66.2%	66.2%
Total	504.2	504.2	463.1	582.2	582.2	348.0	597.6	597.6	504.6	622.1	622.1	622.1	84.0%	84.0%

Expenditure estimates

Table 19.19 Departmental expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Socioeconomic Support								
3. Empowerment and Stakeholder Management								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	138.7	-8.0%	29.6%	127.6	136.1	144.9	1.5%	20.9%
Programme 2	317.0	23.5%	49.2%	336.8	356.8	377.6	6.0%	53.0%
Programme 3	166.5	1.8%	21.3%	162.8	171.7	181.2	2.9%	26.1%
Total	622.1	7.3%	100.0%	627.1	664.5	703.6	4.2%	100.0%
Change to 2017 Budget estimate				(33.0)	(35.0)	(37.0)		

Table 19.19 Departmental expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Current payments	378.9	-8.6%	63.2%	386.0	410.0	435.1	4.7%	61.5%
Compensation of employees	113.8	7.3%	21.0%	122.3	131.5	141.4	7.5%	19.4%
Goods and services	265.1	-13.1%	42.2%	263.8	278.4	293.6	3.5%	42.1%
Transfers and subsidies	232.8	-	34.8%	234.2	247.3	260.9	3.9%	37.3%
Households	232.8	-	25.8%	234.2	247.3	260.9	3.9%	37.3%
Payments for capital assets	10.4	9.5%	1.9%	6.9	7.3	7.7	-9.6%	1.2%
Machinery and equipment	4.6	-16.7%	1.4%	4.4	4.6	4.9	2.2%	0.7%
Heritage assets	3.4	-	0.4%	-	-	-	-100.0%	0.1%
Software and other intangible assets	2.4	-	0.1%	2.5	2.6	2.8	5.0%	0.4%
Total	622.1	7.3%	100.0%	627.1	664.5	703.6	4.2%	100.0%

Expenditure trends and estimates for significant spending items**Table 19.20 Expenditure trends and estimates for significant spending items**

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Social benefits	7 512	9 199	35 496	227 841	211.9%	14.5%	53 908	55 309	58 351	-36.5%	15.1%
Contractors	4 389	56 949	61 486	35 290	100.3%	8.2%	58 544	62 103	65 794	23.1%	8.5%
Infrastructure and planning services	-	37	-	561	-	-	14 779	16 051	17 374	214.0%	1.9%
Training and development	3 497	16 543	24 690	70 944	172.7%	6.0%	60 245	62 267	64 876	-2.9%	9.9%
Travel and subsistence	44 287	37 310	41 227	58 975	10.0%	9.4%	55 771	58 894	62 132	1.8%	9.0%
Total	59 685	120 038	162 900	393 611	494.9%	38.1%	243 247	254 624	268 527	199.5%	44.4%

Goods and services expenditure trends and estimates**Table 19.21 Departmental goods and services expenditure trends and estimates**

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Administrative fees	5 431	3 669	4 347	1 322	-37.6%	1.8%	150	158	165	-50.0%	0.2%
Advertising	2 545	12 055	5 972	4 563	21.5%	3.1%	1 392	1 471	1 553	-30.2%	0.8%
Minor assets	1 220	1 844	374	7 126	80.1%	1.3%	7 608	8 032	8 478	6.0%	2.8%
Audit costs: External	7 466	7 891	5 961	4 476	-15.7%	3.2%	4 736	5 001	5 276	5.6%	1.8%
Bursaries: Employees	374	526	592	648	20.1%	0.3%	651	688	726	3.9%	0.2%
Catering: Departmental activities	4 050	1 933	1 591	4 762	5.5%	1.5%	4 973	5 251	5 540	5.2%	1.9%
Communication	11 064	2 707	2 975	4 861	-24.0%	2.6%	10 543	11 133	11 745	34.2%	3.5%
Computer services	28 941	888	34 640	16 109	-17.7%	9.8%	2 098	2 216	2 338	-47.4%	2.1%
Consultants: Business and advisory services	3 267	1 646	1 226	3 669	3.9%	1.2%	9 094	9 603	10 128	40.3%	3.0%
Infrastructure and planning services	-	37	-	561	-	0.1%	14 779	16 051	17 374	214.0%	4.4%
Legal services	-	833	1 239	1 647	-	0.5%	4 388	4 634	4 889	43.7%	1.4%
Contractors	4 389	56 949	61 486	35 290	100.3%	19.3%	58 544	62 103	65 794	23.1%	20.1%
Agency and support/outsourced services	934	380	735	1 244	10.0%	0.4%	469	495	522	-25.1%	0.2%
Entertainment	-	-	-	43	-	-	105	111	117	39.6%	-
Fleet services (including government motor transport)	1 738	1 512	1 889	3 297	23.8%	1.0%	1 364	1 441	1 520	-22.7%	0.7%
Consumable supplies	1 916	1 038	1 005	3 606	23.5%	0.9%	5 889	6 219	6 562	22.1%	2.0%
Consumables: Stationery, printing and office supplies	2 917	5 162	6 134	7 061	34.3%	2.6%	4 947	5 225	5 513	-7.9%	2.1%
Operating leases	21 481	15 382	16 834	18 625	-4.6%	8.8%	1 743	1 841	1 942	-52.9%	2.2%
Rental and hiring	457	756	337	1 736	56.0%	0.4%	1 308	1 381	1 457	-5.7%	0.5%
Property payments	1 569	6 133	2 943	5 557	52.4%	2.0%	2 705	2 856	3 013	-18.5%	1.3%
Transport provided: Departmental activity	-	-	25	-	-	-	-	-	-	-	-
Travel and subsistence	44 287	37 307	41 226	58 975	10.0%	22.2%	55 771	58 894	62 132	1.8%	21.4%
Training and development	3 497	16 546	24 690	70 944	172.7%	14.1%	60 245	62 267	64 876	-2.9%	23.5%
Operating payments	1 818	611	446	85	-64.0%	0.4%	69	73	77	-3.2%	-
Venues and facilities	6 170	3 807	1 821	8 848	12.8%	2.5%	10 209	11 285	11 905	10.4%	3.8%
Total	155 531	179 612	218 488	265 055	19.4%	100.0%	263 780	278 429	293 642	3.5%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 19.22 Departmental transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	7 512	9 199	35 471	227 841	211.9%	41.5%	53 908	55 309	58 351	-36.5%	40.5%
Households	7 512	9 199	35 471	227 841	211.9%	41.5%	53 908	55 309	58 351	-36.5%	40.5%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	175 550	-	-	-	-100.0%	26.0%	-	-	-	-	-
Households	175 550	-	-	-	-100.0%	26.0%	-	-	-	-	-
Households											
Other transfers to households											
Current	35 692	48 371	130 638	5 000	-48.1%	32.5%	180 258	191 971	202 529	243.4%	59.5%
Households	35 692	48 371	130 638	5 000	-48.1%	32.5%	180 258	191 971	202 529	243.4%	59.5%
Total	218 754	57 570	166 109	232 841	2.1%	100.0%	234 166	247 280	260 880	3.9%	100.0%

Personnel information

Table 19.23 Departmental personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Socioeconomic Support																			
3. Empowerment and Stakeholder Management																			
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2016/17	Unit cost	2017/18	Unit cost	2018/19	Unit cost	2019/20	Unit cost	2020/21	Unit cost	2017/18 - 2020/21							
Military Veterans																			
Salary level	169	109	160	108.5	0.7	117	113.8	1.0	116	122.3	1.1	116	131.5	1.1	116	141.4	1.2	-0.3%	100.0%
1 – 6	29	85	47	11.5	0.2	4	17.5	4.4	4	18.9	4.7	4	20.4	5.1	4	22.0	5.5	-	3.4%
7 – 10	61	18	49	33.6	0.7	40	27.3	0.7	40	29.6	0.7	40	31.9	0.8	40	34.5	0.9	-	34.4%
11 – 12	48	5	43	39.5	0.9	42	35.5	0.8	31	26.1	0.8	31	28.2	0.9	31	30.4	1.0	-9.6%	29.0%
13 – 16	31	1	21	23.8	1.1	31	33.5	1.1	41	47.7	1.2	41	51.0	1.2	41	54.5	1.3	9.8%	33.1%
Programme	169	109	160	108.5	0.7	117	113.8	1.0	116	122.3	1.1	116	131.5	1.1	116	141.4	1.2	-0.3%	100.0%
Programme 1	102	55	111	65.1	0.6	58	51.8	0.9	47	43.7	0.9	47	47.0	1.0	47	50.5	1.1	-6.8%	42.8%
Programme 2	21	48	16	18.6	1.2	21	32.4	1.5	26	40.6	1.6	26	43.7	1.7	26	47.0	1.8	7.4%	21.3%
Programme 3	46	6	33	24.8	0.8	38	29.7	0.8	43	38.0	0.9	43	40.8	0.9	43	43.9	1.0	4.2%	35.9%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 19.24 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2017/18	Revised estimate	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
Departmental receipts	3 049	789	330	62	62	-72.7%	100.0%	62	62	62	-	100.0%
Sales of goods and services produced by department	-	-	-	32	32	-	0.8%	32	32	32	-	51.6%
Other sales	-	-	-	32	32	-	0.8%	32	32	32	-	51.6%
<i>of which:</i>												
Other	-	-	-	32	32	-	0.8%	32	32	32	-	51.6%
Transactions in financial assets and liabilities	3 049	789	330	30	30	-78.6%	99.2%	30	30	30	-	48.4%
Total	3 049	789	330	62	62	-72.7%	100.0%	62	62	62	-	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 19.25 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
R million											
Management	12.4	8.4	10.2	8.8	-10.9%	6.8%	6.9	7.1	7.6	-4.7%	5.4%
Corporate Services	83.2	67.5	94.3	66.4	-7.3%	53.3%	54.1	58.8	62.4	-2.0%	43.3%
Financial Administration	11.2	16.4	22.3	20.8	22.8%	12.1%	16.7	17.2	18.3	-4.2%	13.1%
Internal Audit	11.0	12.6	10.6	10.8	-0.5%	7.7%	10.1	10.9	11.5	2.2%	7.7%
Strategic Planning, Policy Development and Monitoring and Evaluation	9.6	9.6	9.4	16.6	20.1%	7.7%	19.9	20.6	21.9	9.7%	14.1%
Office Accommodation	16.2	16.7	12.5	26.5	17.9%	12.3%	20.0	21.6	23.2	-4.3%	16.3%
Total	143.6	131.3	159.2	149.8	1.4%	100.0%	127.6	136.1	144.9	-1.1%	100.0%
Change to 2017 Budget estimate				11.2			(34.8)	(37.0)	(39.3)		
Economic classification											
Current payments	139.8	121.9	152.7	146.1	1.5%	96.0%	124.0	132.3	140.9	-1.2%	97.3%
Compensation of employees	47.4	57.1	65.1	63.0	9.9%	39.8%	43.7	47.0	50.5	-7.1%	36.6%
Goods and services ¹	92.3	64.8	87.6	83.1	-3.4%	56.2%	80.3	85.3	90.4	2.9%	60.7%
of which:											
Audit costs: External	7.5	7.9	6.0	4.5	-15.7%	4.4%	4.7	5.0	5.3	5.6%	3.5%
Communication	11.0	2.7	3.0	4.9	-23.9%	3.7%	10.4	11.0	11.6	33.7%	6.8%
Consultants: Business and advisory services	2.7	1.6	1.2	1.9	-12.0%	1.3%	8.5	8.9	9.4	71.9%	5.1%
Infrastructure and planning services	–	0.0	–	0.6	–	0.1%	14.8	16.1	17.4	214.0%	8.7%
Contractors	0.0	0.7	0.0	0.9	179.4%	0.3%	4.8	5.1	5.4	84.8%	2.9%
Travel and subsistence	4.4	6.2	7.0	6.3	13.0%	4.1%	7.3	7.7	8.2	9.0%	5.3%
Interest and rent on land	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies ¹	0.1	0.3	0.0	–	-100.0%	0.1%	–	–	–	–	–
Households	0.1	0.3	0.0	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	3.7	9.1	6.4	3.8	0.9%	3.9%	3.5	3.7	3.9	1.5%	2.7%
Machinery and equipment	3.7	9.0	6.4	3.8	0.9%	3.9%	3.5	3.7	3.9	1.5%	2.7%
Total	143.6	131.3	159.2	149.8	1.4%	100.0%	127.6	136.1	144.9	-1.1%	100.0%
Proportion of total programme expenditure to vote expenditure	31.0%	37.7%	31.5%	24.1%	–	–	20.3%	20.5%	20.6%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Socioeconomic Support

Programme purpose

Develop and monitor the implementation of legislation, policy frameworks and service delivery cooperation agreements on compensation for injury in military service, counselling, education, health care, public transport, pension and housing benefits to military veterans eligible for such support.

Objectives

- Establish an enabling environment to provide socioeconomic support services to military veterans by:
 - maintaining the credibility and security of the national database of military veterans through consolidating data, updating software and updating the personal files of military veterans on an ongoing basis
 - facilitating access to benefits espoused in section 5 of the Military Veterans Act (2011) for eligible military veterans by March 2021.

- Advance the delivery of social services to military veterans and their dependants by developing strategic partnerships with other organs of the state and in broader society, where applicable, to ensure that:
 - 3 000 military veterans are provided with newly built houses over the medium term
 - 19 000 military veterans have access to health care services by March 2021
 - 14 700 eligible military veterans and their dependants are provided with ongoing education support across the country by March 2021.
- Provide strategic leadership to the socioeconomic sector by conducting ongoing research on pertinent issues affecting military veterans and developing requisite policies; and implementing norms and standards, strategies, guidelines and frameworks by March 2021.

Subprogrammes

- *Database and Benefits Management* establishes systems for the seamless transition of servicemen and servicewomen from active military service to civilian life. This subprogramme also consolidates and ensures the credibility and security of the national military veterans' database, and exercises oversight of governance obligations and resources allocated to the unit based on the provisions of the Military Veterans Act (2011).
- *Health Care and Wellbeing Support* facilitates the provision of health care services and wellbeing support to military veterans, including initiatives to prevent disease.
- *Socioeconomic Support Management* develops norms and standards for the provision of education, public transport, pension, housing and social relief of distress for military veterans eligible for such support. This subprogramme also establishes strategic partnerships to advance service delivery, tracks delivery by service providers on agreed targets, ensures continual improvement, and reports on service delivery.

Expenditure trends and estimates

Table 19.26 Socioeconomic Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Database and Benefits Management	12.3	11.7	6.5	11.0	-3.7%	4.4%	15.6	17.0	18.1	18.1%	4.5%
Health Care and Wellbeing Support	17.8	67.3	70.5	76.7	62.6%	24.6%	80.9	86.0	91.2	5.9%	24.3%
Socio Economic Support Management	225.0	57.4	167.0	219.7	-0.8%	71.0%	240.3	253.8	268.2	6.9%	71.2%
Total	255.2	136.4	243.9	307.4	6.4%	100.0%	336.8	356.8	377.6	7.1%	100.0%
Change to 2017 Budget estimate				(9.6)			12.3	14.0	15.5		
Economic classification											
Current payments	41.9	82.5	86.9	76.3	22.1%	30.5%	103.3	110.2	117.5	15.5%	29.5%
Compensation of employees	17.5	19.8	18.6	22.8	9.3%	8.3%	40.6	43.7	47.0	27.3%	11.2%
Goods and services ¹	24.4	62.6	68.3	53.5	29.9%	22.2%	62.7	66.5	70.4	9.6%	18.4%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.5	0.2	0.2	0.8	16.3%	0.2%	0.9	0.9	1.0	5.7%	0.3%
<i>Consultants: Business and advisory services</i>	0.3	–	–	1.8	87.3%	0.2%	0.6	0.7	0.7	-26.7%	0.3%
<i>Contractors</i>	4.3	55.6	61.5	34.4	99.9%	16.5%	53.7	57.0	60.4	20.6%	14.9%
<i>Travel and subsistence</i>	13.2	4.8	3.2	10.9	-6.2%	3.4%	4.2	4.5	4.7	-24.4%	1.8%
<i>Training and development</i>	–	0.0	0.0	1.5	–	0.2%	1.4	1.0	1.0	-10.7%	0.4%
<i>Venues and facilities</i>	2.8	0.0	0.0	1.1	-26.5%	0.4%	0.4	0.9	1.0	-3.4%	0.2%
Transfers and subsidies¹	213.0	53.4	156.9	227.8	2.3%	69.1%	230.1	243.0	256.4	4.0%	69.5%
Departmental agencies and accounts	175.6	–	–	–	-100.0%	18.6%	–	–	–	–	–
Households	37.4	53.4	156.9	227.8	82.6%	50.4%	230.1	243.0	256.4	4.0%	69.5%
Payments for capital assets	0.3	0.6	0.1	3.2	125.2%	0.4%	3.3	3.5	3.7	5.1%	1.0%
Machinery and equipment	0.3	0.6	0.1	0.8	42.0%	0.2%	0.8	0.9	0.9	5.2%	0.3%
Software and other intangible assets	–	–	–	2.4	–	0.3%	2.5	2.6	2.8	5.0%	0.7%
Total	255.2	136.4	243.9	307.4	6.4%	100.0%	336.8	356.8	377.6	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	55.1%	39.2%	48.3%	49.4%	–	–	53.7%	53.7%	53.7%	–	–

Table 19.26 Socioeconomic Support expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Households											
Social benefits											
Current	2.5	5.2	26.2	227.8	351.2%	27.8%	49.9	51.1	53.9	-38.2%	27.8%
Households	2.5	5.2	26.2	227.8	351.2%	27.8%	49.9	51.1	53.9	-38.2%	27.8%
Households											
Other transfers to households											
Current	35.0	48.2	130.6	–	-100.0%	22.7%	180.3	192.0	202.5	–	41.7%
Households	35.0	48.2	130.6	–	-100.0%	22.7%	180.3	192.0	202.5	–	41.7%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	175.6	–	–	–	-100.0%	18.6%	–	–	–	–	–
Households	175.6	–	–	–	-100.0%	18.6%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Empowerment and Stakeholder Management

Programme purpose

Manage and facilitate the implementation of military veteran empowerment and stakeholder management programmes.

Objectives

- Ensure the empowerment of deserving military veterans by:
 - facilitating business opportunities for military veterans over the medium term
 - forming partnerships with 20 private sector companies and other organs of state, and entering into service level agreements and memorandums of understanding with them over the medium term
 - monitoring and evaluating the implementation of the agreements and memorandums of understanding to ensure that support is provided annually
 - providing 16 500 military veterans with access to relevant training and skills development, and concluding 12 formal agreements with institutions of higher learning for the provision of skills development over the medium term
 - facilitating the association of military veterans with the international community through the establishment of relevant exchange programmes by March 2021
 - facilitating the integration of military veterans into the national workforce on an ongoing basis.

Subprogrammes

- *Provincial Offices and Stakeholder Relations* facilitates and coordinates military veteran stakeholder institutions and provides administrative support to identify stakeholders from public and private institutions willing to contribute towards the wellbeing of military veterans.
- *Empowerment and Skills Development* provides skills programmes and related activities to ensure that military veterans contribute positively to mainstream economic activities.
- *Heritage, Memorials, Burials and Honours* provides services to honour the contributions made by military veterans in the struggle for democracy; and ensures that their memorials are adequately secured, articulated in a dignified manner, and captured in historical texts.

Expenditure trends and estimates**Table 19.27 Empowerment and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Provincial Offices and Stakeholder Relations	30.7	38.8	32.3	49.1	16.9%	36.7%	59.6	63.4	67.5	11.2%	35.2%
Empowerment and Skills Development	22.7	29.3	34.3	94.0	60.7%	43.9%	83.7	87.7	91.7	-0.8%	52.5%
Heritage, Memorials, Burials and Honours	10.9	12.1	34.9	21.8	25.9%	19.4%	19.5	20.7	21.9	0.2%	12.3%
Total	64.3	80.2	101.5	164.9	36.9%	100.0%	162.8	171.7	181.2	3.2%	100.0%
Change to 2017				(1.6)			(10.5)	(11.9)	(13.2)		
Budget estimate											
Economic classification											
Current payments	57.5	75.8	87.3	156.5	39.6%	91.8%	158.7	167.5	176.7	4.1%	96.9%
Compensation of employees	18.7	23.7	24.8	28.1	14.5%	23.2%	38.0	40.8	43.9	16.1%	22.2%
Goods and services ¹	38.8	52.2	62.5	128.4	49.0%	68.6%	120.7	126.6	132.8	1.1%	74.7%
of which:											
Minor assets	0.1	0.4	0.2	3.6	310.7%	1.0%	3.8	4.0	4.3	5.8%	2.3%
Catering: Departmental activities	1.2	1.0	1.0	2.5	27.8%	1.4%	3.7	3.9	4.1	18.2%	2.1%
Consumables: Stationery, printing and office supplies	0.1	0.8	1.1	2.9	182.7%	1.2%	2.9	3.0	3.2	2.9%	1.8%
Travel and subsistence	26.7	26.3	31.0	41.8	16.1%	30.6%	44.2	46.7	49.3	5.6%	26.7%
Training and development	3.3	15.9	23.3	66.4	171.9%	26.5%	55.1	57.3	59.7	-3.5%	35.1%
Venues and facilities	3.0	3.5	1.4	6.9	31.5%	3.6%	7.3	7.7	8.1	5.6%	4.4%
Transfers and subsidies¹	5.7	3.9	9.2	5.0	-4.2%	5.8%	4.0	4.2	4.5	-3.6%	2.6%
Households	5.7	3.9	9.2	5.0	-4.2%	5.8%	4.0	4.2	4.5	-3.6%	2.6%
Payments for capital assets	1.1	0.5	5.0	3.4	45.6%	2.4%	0.0	0.0	0.0	-82.9%	0.5%
Machinery and equipment	1.1	0.5	0.7	0.0	-76.2%	0.6%	0.0	0.0	0.0	4.3%	-
Heritage assets	-	-	4.3	3.4	-	1.9%	-	-	-	-100.0%	0.5%
Total	64.3	80.2	101.5	164.9	36.9%	100.0%	162.8	171.7	181.2	3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	13.9%	23.1%	20.1%	26.5%	-	-	26.0%	25.8%	25.7%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	5.0	3.7	9.2	-	-100.0%	4.4%	4.0	4.2	4.5	-	1.9%
Households	5.0	3.7	9.2	-	-100.0%	4.4%	4.0	4.2	4.5	-	1.9%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity¹**Armaments Corporation of South Africa****Mandate**

The Armaments Corporation of South Africa derives its mandate from the Armscor Act (2003). Its mission is to meet the acquisition, maintenance and disposal needs of the Department of Defence and other clients in terms of defence matériel, and related products and services. The corporation maintains strategic capabilities and technologies, and promotes the local defence related industry, ensuring that the South African National Defence Force receives quality equipment to carry out its mandate.

¹ This section has been compiled with the latest available information from the entity concerned.

Selected performance indicators

Table 19.28 Armaments Corporation of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of capital requirements from the Department of Defence converted into orders placed per year	Management of defence matériel acquisition	Outcome 3: All people in South Africa are and feel safe	100% (R1bn)	100% (R1.8bn/ R1.8bn)	100% (R597.9m/ R597.9m)	95% ¹	95% ¹	95% ¹	95% ¹
Percentage of technology requirements executed per year	Management of strategic facilities: Research and development		98.7% (R247.3m/ R250.6m) ²	99.6% (R223.2m/ R224.1m)	96.7% (R219.7m/ R227.3m)	95% ¹	95% ¹	95% ¹	95% ¹
Defence industrial participation credits ³ awarded in terms of contractually agreed milestones per year	Management of defence matériel acquisition		R696m	R103.8m	R135.5m	R235.6m	R51.7m ⁴	R107m	R98.4m ⁴

1. The corporation cannot predict actual rand values as it is dependent on capital requirements from the Department of Defence. Performance targets are maintained at the same level to align with available budgets.
2. The outcome was revised following publication of the 2017 Estimates of National Expenditure to align with the corporation's 2014/15 annual report.
3. Defence industrial participation credits are contracted with foreign suppliers who have been awarded defence contracts to reciprocate defence business in South Africa. This creates a quantified monetary obligation on the foreign party. In the execution of the contract, and subject to the foreign supplier meeting the defence industrial participation requirements, credits are awarded that reduce the liability.
4. The decrease in targets for 2018/19 and 2020/21 is due to the tapering down of most current defence industrial participation agreements based on the contractually agreed milestones of applicable contracts.

Expenditure analysis

The Armaments Corporation of South Africa supports the NDP's vision of creating an environment for sustainable employment and economic growth through procurement approaches that stimulate the domestic defence industry and job creation, and through greater investment in research and development. In line with outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework, the corporation plans to meet the defence matériel requirements of the country, and the requirements of the Department of Defence in defence technology, research and development, tests and evaluation. Over the medium term, the corporation intends to focus on improving its systems and processes, and expanding revenue sources. It also intends to support the local defence industry through acquiring armaments and unearthing new technologies. The corporation is implementing a new enterprise resource planning system to assist it to meet the acquisition, maintenance and disposal requirements of the department in an efficient manner.

Over the MTEF period, the corporation's services and facilities will continue to be used for researching, testing and evaluating defence systems used in military and civilian environments. Facilities used for civilian purposes include Gerotek, a specialised track where car manufacturers can test their vehicles.

The corporation's mandate is to acquire matériel for the department or any other organ of state. The department usually stipulates its technology and/or matériel orders in rand values, requiring them to be fulfilled within a certain timeframe. The corporation is therefore using the enterprise resource planning system to ensure that 95 per cent of all orders that are received are met. Spending on activities to fulfil its contractual obligations with the department is projected to increase from R434.7 million in 2017/18 to R1.5 billion over the MTEF period in the management of strategic facilities: research and development programme.

To maintain competitiveness, the corporation aims to acquire capital assets such as armoured vehicles and helicopters in an economically viable manner. Internal controls are to be improved to ensure adherence to and compliance with procurement regulations by assigning responsibilities to individuals and having proper processes in place during the procurement process. As a result, the percentage of the department's capital requirements will be maintained at 95 per cent over the MTEF period. To improve compliance with procurement regulations, the corporation plans to spend R1.3 billion over the medium term in the management of defence matériel acquisition programme.

Vacancies in senior management are to be filled over the MTEF period to enable the corporation to implement the recommendations of the turnaround strategy that were made in 2016. The corporation is in the process of restructuring to steer itself towards new markets, particularly in Africa, for its products and services. The

corporation's staff complement is expected to increase from 1 858 in 2017/18 to 1 863 in 2020/21, due to new positions being identified during the restructuring process. As a result, spending on compensation of employees is expected to increase at an average annual rate of 6.4 per cent, from R1.2 billion in 2017/18 to R1.4 billion in 2020/21.

transfers from the department. These transfers increase at an average annual rate of 5.8 per cent, from R1.3 billion in 2017/18 to R1.6 billion in 2020/21. The corporation also generates revenue from interest earned from investments. These funds are to be used to finance operational expenditure, administrative expenses, training, the maintenance of buildings, and other goods and services. To make itself less reliant on transfers from the department, the corporation is considering other revenue streams, such as the commercialisation of intellectual property, commercial income from some assets such as Gerotek and the Alkantpan ammunition test range, and the brokering of defence deals in Africa.

Programmes/Objectives/Activities

Table 19.29 Armaments Corporation of South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	456.9	392.0	413.1	453.0	-0.3%	25.4%	504.3	511.8	541.4	6.1%	24.2%
Quality assurance	87.8	118.5	101.9	115.6	9.6%	6.2%	122.5	130.1	139.2	6.4%	6.1%
Management of defence matériel acquisition	291.3	328.3	337.1	382.6	9.5%	19.6%	405.8	427.1	456.8	6.1%	20.1%
Logistics support	173.5	217.7	215.5	235.6	10.7%	12.3%	276.3	208.9	218.2	-2.5%	11.4%
Management of strategic facilities: Armscor dockyard	197.7	250.9	250.5	283.7	12.8%	14.4%	302.2	318.1	339.8	6.2%	15.0%
Management of strategic facilities: Research and development	312.7	371.0	386.2	434.7	11.6%	22.0%	470.0	497.1	528.7	6.7%	23.2%
Total	1 519.9	1 678.3	1 704.4	1 905.2	7.8%	100.0%	2 081.1	2 093.2	2 224.0	5.3%	100.0%

Statement of historical financial performance and position

Table 19.30 Armaments Corporation of South Africa statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	880.9	690.8	383.4	1 006.7	453.6	453.6	554.3	554.3	119.1%
Sale of goods and services other than capital assets	760.1	400.5	291.3	479.5	353.0	353.0	370.9	370.9	90.3%
<i>of which:</i>									
<i>Sales by market establishment</i>	760.1	400.5	291.3	479.5	353.0	353.0	370.9	370.9	90.3%
Other non-tax revenue	120.8	290.3	92.1	527.2	100.6	100.6	183.4	183.4	221.7%
Transfers received	1 101.5	913.3	1 025.9	858.7	1 042.1	1 042.1	1 325.4	1 325.4	92.1%
Total revenue	1 982.4	1 604.1	1 409.3	1 878.4	1 495.7	1 495.7	1 879.7	1 879.7	101.3%
Expenses									
Current expenses	1 981.5	1 502.3	1 636.0	1 678.3	1 704.4	1 704.4	1 865.1	1 905.2	94.5%
Compensation of employees	935.5	872.1	1 029.2	940.1	1 049.0	1 049.0	1 162.5	1 202.5	97.3%
Goods and services	1 006.6	565.9	535.5	673.2	576.5	576.5	620.8	620.8	88.9%
Depreciation	39.5	64.3	71.3	64.9	78.9	78.9	81.9	81.9	106.8%
Total expenses	1 981.5	1 519.9	1 636.0	1 678.3	1 704.4	1 704.4	1 865.1	1 905.2	94.7%
Surplus/(Deficit)	-	84.0	(227.0)	200.0	(209.0)	(209.0)	15.0	(25.0)	

Table 19.30 Armaments Corporation of South Africa statements of historical financial performance and position

Statement of financial position									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
R million	2014/15		2015/16		2016/17		2017/18		
Carrying value of assets	1 347.0	1 300.0	1 396.2	1 596.1	1 654.6	1 548.9	1 758.7	1 586.4	98.0%
<i>of which:</i>									
Acquisition of assets	(35.7)	(24.0)	(54.9)	(25.0)	(104.5)	(33.4)	(143.8)	(117.5)	59.0%
Investments	–	1.3	–	–	0.1	3.1	0.1	0.1	2,236.0%
Inventory	12.2	8.1	9.6	7.5	8.0	29.6	8.4	8.8	141.5%
Receivables and prepayments	136.9	100.7	106.8	199.9	211.8	162.7	222.4	196.2	97.3%
Cash and cash equivalents	695.6	877.5	760.5	865.8	615.5	764.9	533.5	743.1	124.8%
Non-current assets held for sale	–	0.1	–	0.5	–	0.4	–	–	–
Defined benefit plan assets	118.3	–	130.0	–	0.0	–	0.0	–	–
Taxation	–	2.1	–	25.9	–	26.0	–	–	–
Derivatives financial instruments	–	747.7	–	129.1	–	131.4	–	–	–
Total assets	2 310.0	3 037.5	2 403.1	2 824.8	2, 90.0	2 667.0	2 523.1	2 534.7	113.8%
Accumulated surplus/(deficit)	613.8	1 920.0	834.6	608.5	(208.6)	(126.9)	14.6	(25.5)	189.4%
Capital and reserves	1 231.6	75.0	1 083.7	1 583.7	2 042.2	2 200.6	1 833.6	1 930.5	93.5%
Deferred income	81.0	128.9	114.0	101.2	101.2	78.6	88.5	65.9	97.4%
Trade and other payables	254.1	214.5	179.1	281.8	295.2	251.8	310.0	289.7	99.9%
Taxation	–	17.8	–	5.0	–	5.0	–	–	–
Provisions	129.6	681.3	191.7	244.6	260.0	257.8	276.4	274.1	170.0%
Total equity and liabilities	2 310.0	3 037.5	2 403.1	2 824.8	2 490.0	2 667.0	2 523.1	2 534.7	113.8%

Statements of estimates of financial performance and position**Table 19.31 Armaments Corporation of South Africa statements of estimates of financial performance and position**

Statement of financial performance									Average: Expenditure/ Total (%)
	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Revenue									
Non-tax revenue	554.3	-7.1%	39.1%	681.9	624.2	668.4	6.4%	30.4%	
Sale of goods and services other than capital assets	370.9	-2.5%	23.5%	525.5	472.9	513.0	11.4%	22.6%	
<i>of which:</i>									
Sales by market establishment	370.9	-2.5%	23.5%	525.5	472.9	513.0	11.4%	22.6%	
Other non-tax revenue	183.4	-14.2%	15.7%	156.4	151.2	155.3	-5.4%	7.8%	
Transfers received	1 325.4	13.2%	60.7%	1 399.3	1 485.9	1 568.0	5.8%	69.6%	
Total revenue	1 879.7	5.4%	100.0%	2 081.3	2 110.1	2 236.4	6.0%	100.0%	
Expenses									
Current expenses	1 905.2	8.2%	99.7%	2 081.1	2 093.2	2 224.0	5.3%	100.0%	
Compensation of employees	1 202.5	11.3%	59.5%	1 251.9	1 345.7	1 446.7	6.4%	63.2%	
Goods and services	620.8	3.1%	35.9%	746.8	660.9	686.5	3.4%	32.7%	
Depreciation	81.9	8.4%	4.3%	82.4	86.5	90.9	3.5%	4.1%	
Total expenses	1 905.2	7.8%	100.0%	2 081.1	2 093.2	2 224.0	5.3%	100.0%	
Surplus/(Deficit)	(25.0)			–	17.0	12.0			
Statement of financial position									
Carrying value of assets	1 586.4	6.9%	55.0%	1 639.3	1 618.3	1 596.2	0.2%	62.5%	
<i>of which:</i>									
Acquisition of assets	(117.5)	69.8%	-1.9%	(135.2)	(65.5)	(68.8)	-16.3%	-3.8%	
Investments	0.1	-57.5%	0.0%	0.1	0.1	0.1	–	0.0%	
Inventory	8.8	2.9%	0.5%	9.3	9.7	10.2	5.0%	0.4%	
Receivables and prepayments	196.2	24.9%	6.1%	206.1	216.4	227.2	5.0%	8.2%	
Cash and cash equivalents	743.1	-5.4%	29.4%	699.6	748.3	794.5	2.3%	28.9%	
Total assets	2 534.7	-5.9%	100.0%	2 554.3	2 592.8	2 628.2	1.2%	100.0%	
Accumulated surplus/(deficit)	(25.5)	-123.7%	19.7%	0.2	16.9	12.4	-178.6%	0.0%	
Capital and reserves	1 930.5	195.3%	54.3%	1 905.0	1 905.2	1 922.1	-0.1%	74.3%	
Deferred income	65.9	-20.0%	3.3%	57.9	49.9	41.9	-14.0%	2.1%	
Trade and other payables	289.7	10.5%	9.5%	304.2	319.4	335.4	5.0%	12.1%	
Provisions	274.1	-26.2%	12.9%	287.0	301.3	316.4	4.9%	11.4%	
Total equity and liabilities	2 534.7	-5.9%	100.0%	2 554.3	2 592.8	2 628.2	1.2%	100.0%	

Personnel information**Table 19.32 Armaments Corporation of South Africa personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost	
Armaments Corporation of South Africa		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21		
Salary level	1 858	1 858	1 676	1 049.0	0.6	1 858	1 202.5	0.6	1 863	1 251.9	0.7	1 863	1 345.7	0.7	1 863	1 446.7	0.8	6.4%	100.0%
1 – 6	332	332	365	52.4	0.1	332	53.5	0.2	429	70.9	0.2	429	76.2	0.2	429	81.9	0.2	15.3%	21.7%
7 – 10	954	954	806	370.0	0.5	954	440.4	0.5	915	474.3	0.5	915	509.9	0.6	915	548.1	0.6	7.6%	49.7%
11 – 12	228	228	190	171.5	0.9	228	210.0	0.9	244	256.4	1.1	244	275.6	1.1	244	296.3	1.2	12.2%	12.9%
13 – 16	338	338	309	439.4	1.4	338	483.6	1.4	269	430.7	1.6	269	463.0	1.7	269	497.7	1.9	1.0%	15.4%
17 – 22	6	6	6	15.6	2.6	6	14.9	2.5	6	19.6	3.3	6	21.1	3.5	6	22.7	3.8	15.0%	0.3%

1. Rand million.

Other entity

Comprehensive coverage of the following public entity is provided with the more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Castle Control Board** preserves and protects the military and cultural heritage of the Castle of Good Hope in Cape Town. The board's total budget for 2018/19 is R9.3 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
R million										
Rebuilding of the runway at Waterkloof Air Force Base	Upgrade of runway	Handed over	1 113.6	2.2	–	–	–	–	–	–
Upgrade and refurbishment of the South African Military Health Training Centre: Phase 2 (nurses college)	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Design	1 803.2	–	–	–	–	7.7	79.0	222.4
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	3 257.6	–	0.7	7.3	69.0	96.4	109.9	127.1
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Construction	610.0	–	0.8	2.7	10.0	1.3	76.4	41.9
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Construction	936.2	25.5	24.2	36.8	133.3	57.7	–	–
Construction of medical facilities	Construction of military base health care centres and support capabilities	Construction	581.0	–	1.6	0.7	17.3	17.6	37.4	45.9
Demolition of infrastructure	Demolition of infrastructure	Various	80.3	–	–	–	–	–	–	–
Refurbishment of military hospitals	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	77.7	3.7	–	3.5	0.8	15.7	2.3	–
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards and mechanical systems	Various	199.1	0.0	0.8	3.3	–	20.1	20.0	3.9
Upgrading of kitchens	Construction and upgrade of kitchens at military bases (capital projects)	Site identification	550.6	1.1	4.9	11.2	18.0	83.6	40.1	5.3
Construction of accommodation	Construction of single and married housing units (in the form of houses and flats) to accommodate military personnel	Various	–	–	–	–	33.0	–	–	–
Refurbishment of military bases and units	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	3 277.5	24.8	45.7	63.7	138.3	131.5	110.0	80.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Refurbishment of messes	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works, as well as replacement of kitchen equipment	Various	91.4	0.4	0.5	0.2	–	33.9	6.4	1.4
Construction of office accommodation	Construction of offices and other facilities to accommodate military personnel and equipment	Various	24.2	–	0.0	–	167.7	–	–	–
Upgrading of infrastructure for disabled members	Upgrade of buildings and pathways through the construction of ramps, installations of water closets and hand wash basins for members with disabilities	Various	8.9	0.6	0.0	0.2	7.7	–	–	–
Resurface of access roads	Resurfacing and tarring of access roads to military facilities	Various	30.3	0.1	0.0	0.9	–	0.9	2.1	0.8
Fuel tank and pump	Repairs of fuel spillage at Air Force Base Ysterplaai	Site identification	5.0	–	0.0	–	–	–	–	–
Security construction	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitoring systems	Various	48.0	0.5	0.1	0.1	15.5	10.0	–	–
Refurbishment of family and single quarters	Refurbishment of existing brick and concrete buildings (comprising all structures), replacement of mechanical systems and ground works	Various	25.4	–	0.0	1.4	0.3	–	1.5	–
Specialised shipping containers	Construction of buildings to comply with legislation in the storage of ordnance	Various	–	–	–	–	3.9	–	–	–
Training facilities	Construction and upgrades of training facilities	Various	119.1	–	–	0.4	7.4	4.8	14.9	11.2
Water and electricity systems	Upgrades of water and electricity supply systems and sewerage reticulation	Various	241.2	5.9	3.2	15.0	–	7.3	17.3	0.3
Workshops and stores	Construction of workshops and stores	Various	22.5	–	–	0.0	1.7	0.1	–	–
Fences and gates	Replacement or erection of fences	Various	249.8	0.0	–	0.2	34.1	41.2	27.4	17.6
Recoverable projects	Upgrades of buildings in military bases	Various	129.4	0.0	–	–	0.2	–	(0.7)	–
Total			13 481.8	64.9	82.6	147.9	658.1	529.7	544.0	558.0

Vote 20

Independent Police Investigative Directorate

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	109.0	103.9	0.6	4.5	116.3	124.1
Investigation and Information Management	190.1	190.1	0.0	–	203.1	216.8
Compliance Monitoring and Stakeholder Management	16.0	16.0	–	–	17.2	18.5
Total expenditure estimates	315.1	310.0	0.6	4.5	336.7	359.4

Executive authority: Minister of Police
 Accounting officer: Executive Director of the Independent Police Investigative Directorate
 Website address: www.ipid.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Ensure independent oversight of the South African Police Service and the Municipal Police Services. Conduct independent and impartial investigations of identified criminal offences allegedly committed by members of the South African Police Service and the Municipal Police Services; and make appropriate recommendations.

Mandate

The Independent Police Investigative Directorate exercises its functions in accordance with the Independent Police Investigative Directorate Act (2011). The act gives effect to the provisions of section 206(6) of the Constitution, which provides for the establishment of an independent police complaints body that must investigate any alleged misconduct of, or offence committed by, a member of the police service. The thrust of the directorate's work is to investigate serious and priority crimes allegedly committed by members of the South African Police Service and Municipal Police Services.

The Independent Police Investigative Directorate Act (2011), which came into effect on 1 April 2012, grants the directorate an extended mandate and changes the focus of the directorate's work from a complaints-driven organisation to one that prioritises the investigative function. The act further places stringent obligations on the South African Police Service and Municipal Police Services to report matters that must be investigated by the directorate and ensure the implementation of resultant disciplinary recommendations made by the directorate.

Selected performance indicators

Table 20.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF Outcome	Past			Current	Projections ¹		
			2014/15	2015/16 ²	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of cases registered and allocated within 72 hours of written notification per year	Investigation and Information Management	Outcome 3: All people in South Africa are and feel safe	73% (4 298/5 879)	93% (5 126/5 519)	79% (5 543/7 014)	91% ³	91%	91%	91%
Number of investigations of deaths while in police custody that are decision ready per year ⁴	Investigation and Information Management		40% (162/403)	69% (229/333)	46% (140/302)	62% ³	150	150	150
Number of investigations of deaths as a result of police action that are decision ready per year ⁴	Investigation and Information Management		22% (164/740)	66% (470/713)	29% (115/394)	52% ³	130	130	130

Table 20.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF Outcome	Past			Current	Projections ¹		
			2014/15	2015/16 ²	2016/17	2017/18	2018/19	2019/20	2020/21
Number of investigations of rape by a police officer that are decision ready per year ⁴	Investigation and Information Management	Outcome 3: All people in South Africa are and feel safe	36% (67/185)	74% (130/176)	54% (61/112)	65% ³	65	65	65
Number of investigations of rape while in police custody that are decision ready per year ⁴	Investigation and Information Management		65% (22/34)	89% (25/28)	25% (5/20)	65% ³	10	10	10
Number of community outreach events conducted per year ⁵	Compliance Monitoring and Stakeholder Management	Outcome 12: An efficient, effective and development oriented public service	232	244	98	108	80	80	80

1. The directorate's performance targets remain constant over the MTEF period to align targets with available budget.
2. Actual performance in 2015/16 was higher compared with 2014/15 and 2016/17 due to the implementation of various interventions intended to improve performance, such as the establishment of the national specialised investigative team, the deployment of the backlog task team to various provinces and the filling of critical vacant positions in the directorate.
3. No absolute values are provided as the directorate cannot predict the number of cases it will receive.
4. From 2018/19, indicators are measured as absolute numbers rather than percentages to reflect performance that is within the directorate's control. The absolute numbers reflect the total number of cases that the directorate will be able to investigate based on past performance and taking into account available budgets and personnel over the MTEF period.
5. Decrease in the number of community outreach events over the MTEF period reflects alignment with projected performance in relation to available budget and personnel.

Expenditure analysis

Chapter 12 of the National Development Plan calls for building safer communities in South Africa. This is given expression by outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework. The work of the Independent Police Investigative Directorate is directly aligned with this outcome as the directorate seeks to ensure that all people in South Africa live safely in a society free of corruption, and with an independent and fair criminal justice system. Over the medium term, the directorate intends to focus on investigating high impact cases; finalising the review of its governing legislation, which is scheduled for completion in September 2018; enhancing its security measures to safeguard sensitive information and data; and conducting community outreach events. To assist the directorate in carrying out activities related to some of these focus areas, additional funding of R158.5 million has been reprioritised from the South African Police Service over the medium term.

As the directorate's work is labour intensive, 68.2 per cent (R687.6 million) of its total budget over the MTEF period is allocated to compensation of employees, mainly for investigators. The directorate's funded personnel establishment is set to increase by 27 posts, from 388 in 2017/18 to 415 in 2018/19, and remains constant over the MTEF period. This explains the 11.7 per cent increase in spending on compensation of employees, from R176.9 million in 2017/18 to R246.5 million in 2020/21.

The 27 additional appointments are expected to enable the directorate to strengthen its capacity across all programmes to address queries raised by the auditor general in relation to weaknesses in its internal control and case management system. The directorate plans to appoint 6 interns additional to the funded establishment on one-year contracts in each year over the period. This is expected to increase the directorate's total staff complement from 415 to 421 in 2018/19, and remain constant over the medium term.

Another major cost driver for the directorate is goods and services, specifically spending on contractual obligations such as audit costs, office accommodation, municipal services, cleaning services, security services, fleet services and computer services. In this regard, R72.7 million of the reprioritised funds from the South African Police Service will be used to cover the shortfall in payments for and accommodate higher than inflation increases on contractual obligations over the medium term.

Investigating high impact cases

High impact cases include, but are not limited to, corruption, systemic corruption, death while in police custody, death as a result of police action, rape by a police officer whether on or off duty, and rape while in police custody. The directorate's focus on high impact cases over the medium term will ensure that it is able to deal effectively with cases that are generally more complex to investigate. This is also expected to decrease the likelihood of the occurrence of other criminal offences by the police, such as assault, torture and discharge of an official firearm, which the directorate has a legislative obligation to investigate.

The focus on investigating high impact cases will ensure that the directorate is able to, in each year over the MTEF period, investigate at least 150 cases for death while in police custody, 130 cases for death as a result of police action, 65 cases for rape by a police officer and 10 cases for rape while in police custody. The bulk of the resources allocated to the *Investigation and Information Management* programme, which has 177 investigators and a total budget of R610 million over the medium term, is earmarked for the investigation of high impact cases.

Finalising the review of governing legislation

In September 2016, the Constitutional Court declared several sections of the Independent Police Investigative Directorate Act (2011) to be inconsistent with section 206(6) of the Constitution and ruled that the act should be reviewed within 24 months from the date of the ruling. To conduct this review, R500 000 was shifted from various goods and services items in the *Compliance Monitoring and Stakeholder Management* programme in 2017/18, while R1.2 million is allocated to the same programme in 2018/19 from the reprioritised funds from the South African Police Service to finalise the review. These funds mainly provide for costs associated with stakeholder and public consultation such as travel and subsistence, stationery, and printing. Consequently, spending on travel and subsistence is expected to increase at an average annual rate of 49.4 per cent over the MTEF period, from R477 000 in 2017/18 to R1.6 million in 2020/21. It is anticipated that the amendment act will be tabled in Parliament for consideration towards the end of 2017/18, and the wider public consultation process will commence at the beginning of 2018/19. Once finalised, the amendment act is expected to ensure that the directorate has the necessary operational and structural independence to execute its mandate.

Safeguarding information and data

In executing its legislative mandate, the directorate collects and stores sensitive information and evidence from crime scenes. Over the medium term, the directorate aims to improve its internal security measures for the collection and storage of this data. The directorate intends to do this by implementing suggestions based on the findings of the report on security threats compiled by the State Security Agency in 2016/17. The report identified that the directorate's internal security measures did not comply with minimum information security standards, prompting the need to strengthen them.

For this purpose, R15 million is allocated over the MTEF period to the *Administration* programme for the procurement and installation of specialised security items such as access controls and biometrics, and safes and steel cabinets, in all district offices. In addition, the directorate intends to prioritise the appointment of 1 director and 4 assistant directors in 2018/19, who will be responsible for security and vetting, respectively. This accounts for the projected increase of 14.2 per cent in spending on compensation of employees in the *Administration* programme over the medium term, from R50.1 million in 2017/18 to R74.6 million in 2020/21.

In addition to the procurement and installation of specialised security measures, R14.1 million is allocated over the MTEF period to revamp and upgrade the directorate's information security system and infrastructure, including networks, servers and desktop equipment. This accounts for the projected 10.5 per cent increase in expenditure on computer services across all programmes over the medium term, from R7.1 million in 2017/18 to R9.5 million in 2020/21. The implementation of improved ICT infrastructure and security measures will ensure compliance with minimum information security standards and improve efficiencies in the directorate's case management system. This is expected to enable the registration and allocation of at least 91 per cent of cases received within 72 hours of written notification over the MTEF period.

Conducting community outreach events

Although community outreach is still a key focus area for the directorate, the number of community outreach events to be conducted has been reduced from 108 in 2017/18 to 80 in each year over the medium term, as the directorate has no dedicated personnel to conduct these events and makes use of its investigators to perform this work. The increasing number of cases received by the directorate each year means that there are fewer investigators available to assist with community outreach events. As a result of the projected decrease in the number of outreach events to be held over the MTEF period, spending on advertising in the *Compliance Monitoring and Stakeholder Management* programme, which provides the funding to conduct these events, is

expected to decrease at an average annual rate of 15.5 per cent, from R295 000 in 2017/18 to R178 000 in 2020/21.

Expenditure trends

Table 20.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Investigation and Information Management														
3. Compliance Monitoring and Stakeholder Management														
Programme	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	76.7	81.5	81.0	77.7	77.8	75.5	78.0	77.1	76.1	87.1	87.1	87.1	100.1%	98.8%
Programme 2	153.3	149.7	148.0	152.5	152.5	154.4	159.2	156.3	157.0	157.2	156.9	156.9	99.1%	100.1%
Programme 3	4.7	3.6	3.4	4.6	4.5	4.2	8.9	8.7	8.6	11.1	11.4	11.4	94.4%	98.5%
Total	234.7	234.7	232.4	234.8	234.8	234.2	246.1	242.1	241.7	255.5	255.5	255.5	99.2%	99.7%
Change to 2017 Budget estimate											-			
Economic classification														
Current payments	231.3	230.1	215.8	234.4	231.9	231.2	244.7	241.4	239.9	254.7	254.4	254.4	97.5%	98.3%
Compensation of employees	162.3	137.0	119.5	169.8	159.6	149.6	178.5	169.6	169.2	186.2	176.9	176.9	88.3%	95.7%
Goods and services	68.9	93.1	96.3	64.6	72.3	81.6	66.3	71.8	70.7	68.5	77.5	77.5	121.6%	103.7%
Transfers and subsidies	0.5	0.7	0.7	0.4	0.5	0.6	0.5	0.6	1.4	0.6	1.1	1.1	192.0%	131.6%
Departmental agencies and accounts	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	-	-
Households	-	0.2	0.3	-	0.2	0.3	-	0.1	0.9	-	0.5	0.5	-	210.6%
Payments for capital assets	2.9	3.9	15.9	-	2.4	2.4	0.8	0.2	0.3	0.2	-	-	465.6%	287.2%
Machinery and equipment	2.9	3.9	15.9	-	2.4	2.4	0.8	0.2	0.3	0.2	-	-	465.6%	287.2%
Payments for financial assets	-	-	0.0	-	-	0.0	-	-	0.1	-	-	-	-	-
Total	234.7	234.7	232.4	234.8	234.8	234.2	246.1	242.1	241.7	255.5	255.5	255.5	99.2%	99.7%

Expenditure estimates

Table 20.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Investigation and Information Management								
3. Compliance Monitoring and Stakeholder Management								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	87.1	2.3%	33.2%	109.0	116.3	124.1	12.5%	34.5%
Programme 2	156.9	1.6%	64.0%	190.1	203.1	216.8	11.4%	60.6%
Programme 3	11.4	47.6%	2.9%	16.0	17.2	18.5	17.4%	5.0%
Total	255.5	2.9%	100.0%	315.1	336.7	359.4	12.0%	100.0%
Change to 2017 Budget estimate				48.2	50.8	53.6		
Economic classification								
Current payments	254.4	3.4%	97.7%	310.0	331.3	353.7	11.6%	98.6%
Compensation of employees	176.9	8.9%	63.8%	212.3	228.8	246.5	11.7%	68.2%
Goods and services	77.5	-5.9%	33.8%	97.7	102.5	107.2	11.4%	30.4%
Transfers and subsidies	1.1	16.4%	0.4%	0.6	0.7	0.7	-12.6%	0.3%
Departmental agencies and accounts	0.6	4.8%	0.2%	0.6	0.7	0.7	9.4%	0.2%
Households	0.5	37.2%	0.2%	-	-	-	-100.0%	0.0%
Payments for capital assets	-	-100.0%	1.9%	4.5	4.7	4.9	-	1.1%
Machinery and equipment	-	-100.0%	1.9%	4.5	4.7	4.9	-	1.1%
Total	255.5	2.9%	100.0%	315.1	336.7	359.4	12.0%	100.0%

Expenditure trends and estimates for significant spending items

Table 20.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15	2017/18	2018/19	2019/20	2020/21	2017/18	2020/21
Compensation of employees	119 519	149 559	169 177	176 882	14.0%	63.8%	212 257	228 759	246 546	11.7%	68.2%
Travel and subsistence	18 062	22 778	19 087	10 497	-16.5%	7.3%	14 176	14 970	15 729	14.4%	4.4%
Operating leases	26 562	20 400	13 243	23 112	-4.5%	8.6%	28 197	29 340	30 548	9.7%	8.8%
Property payments	7 770	9 560	10 129	10 912	12.0%	4.0%	17 593	18 491	19 309	21.0%	5.2%
Total	171 913	202 297	211 636	221 403	5.0%	83.7%	272 223	291 560	312 132	56.8%	86.6%

Goods and services expenditure trends and estimates

Table 20.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15	2017/18	2018/19	2019/20	2020/21	2017/18	2020/21
Administrative fees	850	661	757	598	-11.1%	0.9%	481	507	533	-3.8%	0.6%
Advertising	2 211	520	231	584	-35.8%	1.1%	469	494	518	-3.9%	0.5%
Minor assets	1 618	985	156	43	-70.2%	0.9%	2 094	2 196	2 299	276.7%	1.7%
Audit costs: External	4 201	3 396	2 174	4 300	0.8%	4.3%	3 500	3 674	3 784	-4.2%	4.0%
Bursaries: Employees	236	125	155	214	-3.2%	0.2%	454	476	500	32.7%	0.4%
Catering: Departmental activities	301	220	199	90	-33.1%	0.2%	131	138	140	15.9%	0.1%
Communication	3 579	3 919	5 251	4 719	9.7%	5.4%	4 401	4 672	4 914	1.4%	4.9%
Computer services	13 105	5 637	8 856	7 064	-18.6%	10.6%	8 731	9 146	9 543	10.5%	9.0%
Consultants: Business and advisory services	999	507	330	351	-29.4%	0.7%	376	393	414	5.7%	0.4%
Legal services	701	2 300	1 016	5 088	93.6%	2.8%	5 000	5 243	5 488	2.6%	5.4%
Contractors	795	322	494	898	4.1%	0.8%	912	956	1 003	3.8%	1.0%
Agency and support/outourced services	84	44	-	27	-31.5%	-	100	106	111	60.2%	0.1%
Fleet services (including government motor transport)	8 023	5 726	4 461	5 267	-13.1%	7.2%	5 988	6 323	6 667	8.2%	6.3%
Consumable supplies	786	839	552	509	-13.5%	0.8%	264	277	290	-17.1%	0.3%
Consumables: Stationery, printing and office supplies	2 698	1 419	757	1 207	-23.5%	1.9%	1 614	1 698	1 794	14.1%	1.6%
Operating leases	26 562	20 400	13 243	23 112	-4.5%	25.5%	28 197	29 340	30 548	9.7%	28.9%
Property payments	7 770	9 560	10 129	10 912	12.0%	11.8%	17 593	18 491	19 309	21.0%	17.2%
Travel and subsistence	18 062	22 778	19 087	10 497	-16.5%	21.6%	14 176	14 970	15 729	14.4%	14.4%
Training and development	1 977	524	657	931	-22.2%	1.3%	2 008	2 118	2 232	33.8%	1.9%
Operating payments	1 484	1 722	1 804	1 073	-10.2%	1.9%	1 239	1 312	1 381	8.8%	1.3%
Venues and facilities	273	13	421	-	-100.0%	0.2%	-	-	-	-	-
Total	96 315	81 617	70 730	77 484	-7.0%	100.0%	97 728	102 530	107 197	11.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 20.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15	2017/18	2018/19	2019/20	2020/21	2017/18	2020/21
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	361	365	549	569	16.4%	47.4%	643	692	746	9.4%	82.9%
Safety and Security Sector Education and Training Authority	357	364	537	558	16.1%	46.7%	637	686	740	9.9%	82.0%
Communication	4	1	12	11	40.1%	0.7%	6	6	6	-18.3%	0.9%
Households											
Social benefits											
Current	323	177	54	547	19.2%	28.3%	-	-	-	-100.0%	17.1%
Employee social benefits	323	177	54	547	19.2%	28.3%	-	-	-	-100.0%	17.1%
Households											
Other transfers to households											
Current	20	81	841	-	-100.0%	24.2%	-	-	-	-	-
Employee social benefits	20	13	546	-	-100.0%	14.9%	-	-	-	-	-
Claims against the state	-	68	295	-	-	9.3%	-	-	-	-	-
Total	704	623	1 444	1 116	16.6%	100.0%	643	692	746	-12.6%	100.0%

Personnel information

Table 20.7 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost	
Independent Police Investigative Directorate	388	6	368	169.2	0.5	372	176.9	0.5	421	212.3	0.5	421	228.8	0.5	421	246.5	0.6	4.2%	100.0%
Salary level	388	6	368	169.2	0.5	372	176.9	0.5	421	212.3	0.5	421	228.8	0.5	421	246.5	0.6	4.2%	100.0%
1 – 6	90	6	94	18.8	0.2	87	19.7	0.2	97	25.0	0.3	97	27.0	0.3	97	29.2	0.3	3.7%	23.1%
7 – 10	222	–	211	96.9	0.5	214	91.7	0.4	242	110.4	0.5	242	119.2	0.5	242	128.7	0.5	4.2%	57.5%
11 – 12	40	–	36	26.8	0.7	38	28.6	0.8	42	31.3	0.7	42	33.8	0.8	42	36.5	0.9	3.4%	10.0%
13 – 16	36	–	27	26.7	1.0	33	36.9	1.1	40	45.6	1.1	40	48.8	1.2	40	52.2	1.3	6.6%	9.4%
Programme	388	6	368	169.2	0.5	372	176.9	0.5	421	212.3	0.5	421	228.8	0.5	421	246.5	0.6	4.2%	100.0%
Programme 1	108	–	98	47.9	0.5	100	50.1	0.5	124	64.2	0.5	124	69.2	0.6	124	74.6	0.6	7.4%	28.9%
Programme 2	265	6	256	114.2	0.4	258	116.7	0.5	274	134.1	0.5	274	144.5	0.5	274	155.8	0.6	2.0%	66.1%
Programme 3	15	–	14	7.0	0.5	14	10.1	0.7	23	13.9	0.6	23	15.0	0.7	23	16.2	0.7	18.0%	5.1%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
2. Rand million.

Departmental receipts

Table 20.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
R thousand												
Departmental receipts	706	161	285	218	201	-34.2%	100.0%	218	225	230	4.6%	100.0%
Sales of goods and services produced by department	149	90	98	103	93	-14.5%	31.8%	103	106	108	5.1%	46.9%
Sales by market establishments of which:	66	2	–	–	–	-100.0%	5.0%	–	–	–	–	–
Market establishment: Rental parking: Covered and open	66	2	–	–	–	-100.0%	5.0%	–	–	–	–	–
Administrative fees of which:	83	88	3	5	5	-60.8%	13.2%	5	7	8	17.0%	2.9%
Request information: Promotion of Access to Information Act (2000)	83	88	3	4	4	-63.6%	13.2%	4	5	6	14.5%	2.2%
Request information: Duplicate certificate	–	–	–	1	1	–	0.1%	1	2	2	26.0%	0.7%
Other sales of which:	–	–	95	98	88	–	13.5%	98	99	100	4.4%	44.1%
Service rendered: Commission insurance and garnishees	–	–	92	96	86	–	13.2%	96	97	98	4.5%	43.1%
Sales: Tender documents	–	–	3	2	2	–	0.4%	2	2	2	–	0.9%
Sales of scrap, waste, arms and other used current goods	1	–	–	1	1	–	0.1%	1	1	1	–	0.5%
Sales: Scrap	1	–	–	1	1	–	0.1%	1	1	1	–	0.5%
Interest, dividends and rent on land	16	7	11	8	13	-6.7%	3.5%	8	10	11	-5.4%	4.8%
Interest	16	7	11	8	13	-6.7%	3.5%	8	10	11	-5.4%	4.8%
Transactions in financial assets and liabilities	540	64	176	106	94	-44.2%	64.6%	106	108	110	5.4%	47.8%
Total	706	161	285	218	201	-34.2%	100.0%	218	225	230	4.6%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 20.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Department Management	7.4	11.0	13.2	13.6	22.8%	14.1%	19.7	21.0	22.4	18.0%	17.6%
Corporate Services	44.1	33.9	31.1	38.0	-4.9%	46.0%	48.9	52.2	55.7	13.6%	44.6%
Office Accommodation	10.2	10.6	11.2	11.8	5.0%	13.7%	12.5	13.1	13.9	5.6%	11.7%
Internal Audit	2.8	3.6	3.9	4.3	14.7%	4.6%	4.8	5.1	5.5	8.8%	4.5%
Finance Services	16.5	16.4	16.7	19.5	5.7%	21.6%	23.3	24.9	26.6	11.0%	21.6%
Total	81.0	75.5	76.1	87.1	2.5%	100.0%	109.0	116.3	124.1	12.5%	100.0%
Change to 2017 Budget estimate				-			16.8	24.1	31.8		
Economic classification											
Current payments	77.8	74.4	74.9	86.3	3.5%	98.0%	103.9	111.0	118.4	11.1%	96.1%
Compensation of employees	33.7	43.0	47.9	50.1	14.1%	54.7%	64.2	69.2	74.6	14.2%	59.1%
Goods and services ¹	44.1	31.3	26.9	36.2	-6.4%	43.3%	39.6	41.8	43.9	6.6%	37.0%
of which:											
Minor assets	0.3	0.3	0.1	0.0	-59.1%	0.2%	2.1	2.2	2.3	394.4%	1.5%
Audit costs: External	4.2	3.4	2.2	4.3	0.8%	4.4%	3.5	3.7	3.8	-4.2%	3.5%
Computer services	2.9	2.9	3.5	4.7	17.5%	4.3%	5.4	5.7	5.8	7.8%	4.9%
Operating leases	20.4	12.2	9.7	14.2	-11.5%	17.7%	14.2	15.0	16.1	4.3%	13.6%
Property payments	3.9	4.1	4.4	5.1	9.5%	5.5%	6.7	7.0	7.3	12.5%	6.0%
Travel and subsistence	3.4	3.2	2.9	1.9	-17.0%	3.6%	2.2	2.3	2.4	8.0%	2.0%
Transfers and subsidies ¹	0.4	0.5	1.1	0.8	29.5%	0.9%	0.6	0.7	0.7	-3.7%	0.7%
Departmental agencies and accounts	0.4	0.4	0.5	0.6	16.2%	0.6%	0.6	0.7	0.7	9.8%	0.6%
Households	0.0	0.1	0.6	0.3	118.7%	0.3%	-	-	-	-100.0%	0.1%
Payments for capital assets	2.8	0.7	0.1	-	-100.0%	1.1%	4.5	4.7	4.9	-	3.2%
Machinery and equipment	2.8	0.7	0.1	-	-100.0%	1.1%	4.5	4.7	4.9	-	3.2%
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	81.0	75.5	76.1	87.1	2.5%	100.0%	109.0	116.3	124.1	12.5%	100.0%
Proportion of total programme expenditure to vote expenditure	34.8%	32.2%	31.5%	34.1%	-	-	34.6%	34.6%	34.5%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Investigation and Information Management

Programme purpose

Coordinate and facilitate the directorate's investigation processes through the development of policy and strategic frameworks that guide and report on investigations.

Objectives

- Strengthen the directorate's oversight role of the police service by:
 - conducting investigations, as per the Independent Police Investigative Directorate Act (2011), on an ongoing basis
 - making appropriate recommendations on investigations in the various investigation categories, as outlined in section 28 of the Independent Police Investigative Directorate Act (2011), within 30 days of finalising investigations
 - submitting feedback to complainants within 30 days of the closure of an investigation.
- Enhance efficiency in case management by maintaining the percentage of cases registered and allocated within 72 hours of receipt at 91 per cent over the medium term.

Subprogrammes

- *Investigation Management* develops and maintains investigation systems, procedures, norms, standards and policies in line with the Independent Police Investigative Directorate Act (2011) and other relevant prescripts.

- *Investigation Services* manages and conducts investigations in line with provisions in the Independent Police Investigative Directorate Act (2011).
- *Information Management* manages information and knowledge management services through the development and maintenance of a case flow management system and database, and analyses and compiles statistical information.

Expenditure trends and estimates

Table 20.10 Investigation and Information Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Investigation Management	20.0	10.9	16.5	15.6	-8.0%	10.2%	18.6	19.7	20.9	10.3%	9.7%
Investigation Services	122.5	139.5	136.9	137.6	4.0%	87.0%	163.8	174.7	186.2	10.6%	86.4%
Information Management	5.5	4.1	3.6	3.7	-11.8%	2.7%	7.8	8.7	9.7	37.5%	3.9%
Total	148.0	154.4	157.0	156.9	2.0%	100.0%	190.1	203.1	216.8	11.4%	100.0%
Change to 2017 Budget estimate				(0.3)			26.9	39.9	53.6		
Economic classification	134.9	152.6	156.7	156.7	5.1%	97.5%	190.1	203.1	216.8	11.4%	100.0%
Current payments											
Compensation of employees	83.3	103.0	114.2	116.7	11.9%	67.7%	134.1	144.5	155.8	10.1%	71.8%
Goods and services ¹	51.6	49.7	42.5	40.0	-8.2%	29.8%	56.0	58.6	61.0	15.1%	28.1%
<i>of which:</i>											
Computer services	10.1	2.7	5.2	2.3	-39.0%	3.3%	3.2	3.4	3.6	15.8%	1.6%
Legal services	0.0	1.4	1.0	3.7	750.9%	1.0%	5.0	5.2	5.5	14.1%	2.5%
Fleet services (including government motor transport)	7.5	5.4	3.9	4.9	-13.2%	3.5%	5.6	5.9	6.2	8.5%	2.9%
Operating leases	6.1	8.2	3.5	8.9	13.2%	4.3%	14.0	14.3	14.4	17.5%	6.7%
Property payments	3.9	5.4	5.7	5.8	14.4%	3.4%	10.9	11.5	12.1	27.5%	5.3%
Travel and subsistence	14.5	19.2	15.8	8.1	-17.7%	9.3%	10.5	11.1	11.7	13.1%	5.4%
Transfers and subsidies¹	0.3	0.2	0.1	0.3	-4.0%	0.1%	0.0	0.0	0.0	-75.9%	-
Departmental agencies and accounts	0.0	0.0	0.0	0.0	31.0%	-	0.0	0.0	0.0	-23.7%	-
Households	0.3	0.2	0.1	0.3	-4.6%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	12.8	1.6	0.2	-	-100.0%	2.4%	-	-	-	-	-
Machinery and equipment	12.8	1.6	0.2	-	-100.0%	2.4%	-	-	-	-	-
Payments for financial assets	0.0	-	0.1	-	-100.0%	-	-	-	-	-	-
Total	148.0	154.4	157.0	156.9	2.0%	100.0%	190.1	203.1	216.8	11.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.6	0.7	0.6	0.6	-	-	0.6	0.6	0.6	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Compliance Monitoring and Stakeholder Management

Programme purpose

Safeguard the principles of cooperative governance and stakeholder relations. Monitor and evaluate the relevance of the recommendations made to the South African Police Service and Municipal Police Services in terms of the Independent Police Investigative Directorate Act (2011).

Objectives

- Safeguard the principles of cooperative governance and stakeholder management on an ongoing basis by:
 - monitoring and evaluating the quality of recommendations made to the South African Police Service and Municipal Police Services to ensure successful disciplinary and criminal convictions
 - monitoring and reporting on the police service's compliance with reporting obligations in terms of the Independent Police Investigative Directorate Act (2011).
- Maintain relationships with state security agencies, such as the South African Police Service, the National Prosecuting Authority and the Civilian Secretariat for the Police Service, and community stakeholders through ongoing participation in national and provincial engagement forums.

Subprogrammes

- *Compliance Monitoring* monitors and evaluates the quality of recommendations made and responses received on such recommendations from the South African Police Service, Municipal Police Services and the National Prosecuting Authority in compliance with the reporting obligations in terms of the Independent Police Investigative Directorate Act (2011).
- *Stakeholder Management* manages relations and liaises with the directorate's key stakeholders, such as the South African Police Service, the Municipal Police Services, the Civilian Secretariat for the Police Service, the National Prosecuting Authority, the Special Investigating Unit, the Public Protector of South Africa, the State Security Agency and civil society organisations, in line with the requirements of the Independent Police Investigative Directorate Act (2011).

Expenditure trends and estimates

Table 20.11 Compliance Monitoring and Stakeholder Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Compliance Monitoring	2.5	4.1	4.1	5.5	29.8%	58.9%	11.0	11.8	12.7	31.9%	65.0%
Stakeholder Management	0.9	0.1	4.5	5.9	87.3%	41.1%	5.0	5.4	5.8	-0.5%	35.0%
Total	3.4	4.2	8.6	11.4	49.3%	100.0%	16.0	17.2	18.5	17.4%	100.0%
Change to 2017				0.3			4.5	5.7	7.0		
Budget estimate											
Economic classification											
Current payments	3.1	4.2	8.4	11.4	54.3%	97.6%	16.0	17.2	18.5	17.4%	100.0%
Compensation of employees	2.5	3.6	7.0	10.1	59.5%	83.6%	13.9	15.0	16.2	17.1%	87.5%
Goods and services ¹	0.6	0.6	1.3	1.3	28.7%	14.0%	2.1	2.2	2.3	20.3%	12.5%
of which:											
Advertising	0.0	0.0	0.0	0.3	124.7%	1.3%	0.2	0.2	0.2	-15.5%	1.3%
Communication	0.0	0.0	0.1	0.1	62.6%	1.3%	0.1	0.1	0.1	-3.8%	0.7%
Computer services	0.1	0.1	0.2	0.1	5.8%	1.7%	0.1	0.1	0.1	8.2%	0.8%
Consumables: Stationery, printing and office supplies	0.2	0.0	0.2	0.0	-43.8%	1.4%	0.0	0.1	0.1	21.1%	0.3%
Travel and subsistence	0.2	0.4	0.4	0.5	35.7%	5.3%	1.4	1.5	1.6	49.4%	7.9%
Training and development	0.0	0.0	0.0	0.0	33.6%	0.5%	0.1	0.1	0.1	36.0%	0.4%
Transfers and subsidies ¹	-	-	0.3	-	-	1.0%	-	-	-	-	-
Households	-	-	0.3	-	-	1.0%	-	-	-	-	-
Payments for capital assets	0.3	0.1	-	-	-100.0%	1.4%	-	-	-	-	-
Machinery and equipment	0.3	0.1	-	-	-100.0%	1.4%	-	-	-	-	-
Total	3.4	4.2	8.6	11.4	49.3%	100.0%	16.0	17.2	18.5	17.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.0	0.0	0.0	0.0	-	-	0.1	0.1	0.1	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Vote 21

Justice and Constitutional Development

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	2 117.7	2 089.1	16.8	11.8	2 247.2	2 382.9
Court Services	6 443.7	5 492.1	27.3	924.3	6 885.5	7 350.8
State Legal Services	1 251.5	1 212.9	22.1	16.5	1 343.8	1 440.6
National Prosecuting Authority	3 648.8	3 600.5	17.9	30.4	3 929.1	4 214.9
Auxiliary and Associated Services	3 587.6	791.5	2 610.9	185.3	3 777.0	3 985.0
Subtotal	17 049.4	13 186.1	2 695.0	1 168.3	18 182.7	19 374.1
Direct charge against the National Revenue Fund						
Magistrates' salaries	2 215.5	2 145.4	70.1	–	2 383.7	2 560.2
Total expenditure estimates	19 265.0	15 331.5	2 765.1	1 168.3	20 566.4	21 934.4

Executive authority: Minister of Justice and Correctional Services
 Accounting officer: Director General of Justice and Constitutional Development
 Website address: www.justice.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Uphold and protect the Constitution and the rule of law, and render accessible, fair, speedy and cost-effective administration of justice in the interests of a safer and more secure South Africa.

Mandate

The Department of Justice and Constitutional Development derives its mandate from a number of acts, in addition to the mandate it derives from the Constitution. These acts and the constitutional framework assign functions to the department, such as: the establishment of magistrate's courts, and the appointment of magistrates and other judicial officers; the establishment and functioning of the Special Investigating Unit and the National Prosecuting Authority, including the asset forfeiture unit; the conducting of criminal proceedings; the prosecution of organised crime and corruption, and the forfeiture of assets obtained through illicit means; the provision of witness protection to vulnerable and intimidated witnesses and their related persons in judicial proceedings; the establishment and functioning of bodies responsible for legal aid, law reform and rule making; the appointment of masters of the high courts; the administration of the Guardian's Fund and deceased and insolvent estates; the regulation and provision of legal advisory services to government departments; the promotion, protection and enforcement of certain human rights; the protection of vulnerable groups; the management of third-party funds; and the provision of support to chapter 9 institutions.

Selected performance indicators

Table 21.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of criminal cases on the backlog roll in the lower courts per year	Court Services	Outcome 3: All people in South Africa are and feel safe	29 480	47 324 ⁴	30 925	30 344	43 500	42 630	41 760
Number of courtrooms adapted in line with the sexual offences model per year	Court Services		14	14	11	17 ²	14	16	18
Percentage of letters of appointment issued in deceased estates within 15 days from receipt of all required documents	State Legal Services		89% (103 904/ 116 746)	93% (139 500/ 150 000)	96% (135 315/ 140 412)	92%	92%	93%	94%
Conviction rate ³ :	National Prosecuting Authority								
- High courts			91% (890/ 978)	89% (910/ 1 021)	91% (968/ 1 065)	87%	87%	87%	87%
- Regional courts			77% (25 591/ 33 430)	78% (24 958/ 31 834)	80% (25 209/ 31 608)	74%	74%	74%	74%
- District courts			94% (268 127/ 284 741)	95% (263 377/ 278 117)	96% (295 013/ 308 688)	88%	88%	88%	88%
Number of victims assisted at Thuthuzela care centres	National Prosecuting Authority		- ⁴	- ⁴	- ⁴	- ⁴	29 800	29 860	29 920
Conviction rate in cases reported at Thuthuzela care centres ⁵	National Prosecuting Authority		65% (1 563/ 2 285)	72% (1 679/ 2 340)	71% (1 659/ 2 334)	68%	68%	68%	68%
Total number of persons convicted of corruption or offences related to corruption where the amount involved is more than R5m	National Prosecuting Authority		23	48	77	106	129	149	169
Value of completed forfeiture cases per year ⁶	National Prosecuting Authority	R1.9m	R349.5m	R423.6m	R245m	R282m	R311m	R311m	
Value of freezing orders per year ⁶	National Prosecuting Authority	R2.6bn	R778.9m	R1.2bn	R789m	R993.4m	R1bn	R1bn	
Success rate of litigated cases ⁷	National Prosecuting Authority	94% (204/216)	96% (393/411)	99% (554/560)	93%	93%	93%	93%	

- Until 2014, backlog cases were described as those matters on the roll without finalisation longer than 6 months in the district courts, 9 months in the regional courts and 12 months in the higher courts. However, in practice, many cases remained for a considerable period in the district court before they were ready for trial in the regional or high court forums, and were not counted as backlogs while they were in the district courts as the backlog definition indicated time in a particular court forum. Following the publication in the Government Gazette on 28 February 2014 of judicial norms and standards binding on all courts issued by the chief justice, matters had to be measured from the date of first appearance in the magistrate's court. This required a change in calculation methodology, which led to a large increase in matters to be described as backlogged. The 47 324 cases then formed the new baseline for cases outstanding for a long time on the court roll. With the new case backlog calculation methodology implemented, the department conducted data cleansing and captured backlogged information to ensure data integrity. The reduced number of cases at the end of 2016/17 indicated the cleansed data at that point. However, it is clear that further cleansing is required in terms of capturing backlogged data on the system. The targets for 2018/19, 2019/20 and 2020/21 reflect the higher baseline numbers as reflected in 2015/16, which remains the baseline.
- Target increases for 2017/18 as these courts are set to be upgraded based on the model specified as per the minimum standards for the establishment of the sexual offences courts, which have fewer and more affordable infrastructure specifications. Over the MTEF period, targets are aligned with the available budget.
- Targets for this indicator are based on the National Prosecuting Authority's norms and standards, and not historical performance.
- No historical data available.
- Old indicator selected for publication in the Estimates of National Expenditure.
- Fluctuations in the value of completed forfeiture cases and freezing orders occur depending on when big cases are finalised.
- The decrease in the annual success rate over MTEF period is due to a stronger focus on cases with significant impact that the unit has a higher risk of losing.

Expenditure analysis

The National Development Plan (NDP) envisages that, by 2030, all South Africans should feel safe at home, at school and at work, and enjoy a community life free of fear. This vision is expressed in terms of outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework, with which the work of the Department of Justice and Constitutional Development is closely aligned. Over the medium term, the department intends to focus on: strengthening its efforts to transform the justice system through developing and implementing policies that will bring about improved access to

justice, improving the efficiency of the criminal justice system through modernising and integrating information systems and related business processes, transforming state legal services to strengthen the capability of the state to manage litigation, and protecting vulnerable groups.

The administration of justice is labour intensive. Accordingly, spending on compensation of employees remains the department's main cost driver, increasing at an average annual rate of 6.3 per cent over the MTEF period, from R10.6 billion in 2017/18 to R12.8 billion in 2020/21. However, the department's staff complement is expected to decrease by 206 over the same period, from 24 094 in 2017/18 to 23 888 in 2020/21, in line with government's expenditure ceiling for compensation of employees. The department established a review committee in 2016/17 to consider the filling of critical posts. The committee will remain active until the department's budget for compensation of employees is stable.

Improving access to justice

The department's legislative mandate provides for a high court in every province. With the exception of Mpumalanga, all provinces now have a high court. The construction of the Mpumalanga high court was expected to be completed in 2017/18, but the late finalisation of intergovernmental negotiations regarding the access road to the court has delayed the project's completion. The project is expected to be completed in 2018/19 at a total estimated cost of R1.2 billion.

To operationalise the court, a total of R41.8 million was reprioritised within the vote over the MTEF period through the reduction of funded magistrate positions, to fund added capacity in Legal Aid South Africa in the *Auxiliary and Associated Services* programme, and the National Prosecuting Authority in the *National Prosecuting Authority* programme. These reprioritised funds are expected to be used to appoint 8 prosecutors and 3 administrative personnel in the National Prosecuting Authority, while Legal Aid South Africa plans to employ 1 legal practitioner and 1 paralegal practitioner. An additional R79.4 million is transferred to the Office of the Chief Justice over the medium term for the same purpose, along with R36 million for consequential costs relating to judicial appointments.

Other court infrastructure projects prioritised for completion in 2018/19, at a total projected cost of R1.6 billion, are in Port Shepstone (KwaZulu-Natal), Cape Town and Plettenberg Bay (Western Cape), Booyens and Mamelodi (Gauteng), Bityi and Dimbaza (Eastern Cape), Fraserburg (Northern Cape) and Welkom (Free State). The construction of additional courts will be supplemented by aligning the districts and jurisdiction of magistrate's courts with municipal boundaries to ensure that all people have equitable access to justice wherever they live.

Integrating and modernising the criminal justice system

The department leads the implementation of the integrated justice system programme in the justice, crime prevention and security cluster. In recent years, the department has recorded significant progress in the development of systems and the establishment of connectivity to share docket and case information between justice cluster departments. Examples from 2017/18 include: the expansion of the footprint of the very first mobile solution for probation case management, the development of an electronic J7 form (warrant of detention), the deployment of a person identification and verification application (enabling rapid identification and verification of individuals within the criminal justice system, and linking suspects to related cases with wanted persons) in 35 police stations in Western Cape, and the development of a court scheduling application.

A digital transformation strategy was prepared through the integrated justice system programme in 2017/18, which outlines several initiatives to modernise the criminal justice system through technology solutions that enable new technological capabilities, realise cost efficiencies and refocus human capacity towards higher value activities. The strategy, which is aligned with pillar 8 (criminal justice system modernisation through technology solutions) of the integrated criminal justice strategy framework, is at an advanced stage in its development. The continual implementation of the integrated justice system programme and digital transformation strategy will drive expenditure in the *Justice Modernisation* subprogramme within the

Auxiliary and Associated Services programme, spending in which is expected to increase at an average annual rate of 6.4 per cent, from R903.7 million in 2017/18 to R1.1 billion in 2020/21.

Transforming state legal services

The transformation of state legal services is one of the department's key strategic priorities. Transformation entails finalising policies aimed at lowering the cost of litigation, establishing capacity to handle complex legal matters and ensuring the efficient management of the offices of the state attorney. The department plans to realise these objectives through the implementation of mediation and tariff policies, and the management of policies related to state litigation and state legal representation, all of which were developed in 2016/17. The mediation policy is expected to increase the percentage of litigation cases settled through mediation from 24 per cent in 2017/18 to 50 per cent in 2020/21. The department is also in the process of conducting a feasibility study to determine an appropriate organisational form and funding model for state legal services. Activities related to the transformation of state legal services are to be carried out in the *State Legal Services* programme, expenditure in which is expected to increase at an average annual rate of 5.3 per cent, from R1.2 billion in 2017/18 to R1.4 billion in 2020/21.

Protecting vulnerable groups

The department remains committed to combatting racism and xenophobia, and protecting vulnerable groups such as women and children, and lesbian, gay, bisexual, transgender and intersex persons. In this regard, a national action plan to combat sexism, racism, racial discrimination, xenophobia and related intolerances is expected to be submitted to Cabinet for approval in 2018/19. 11 anti-xenophobia awareness campaigns were conducted in 2016/17, and 12 campaigns are planned to be rolled out by 2020/21. The implementation of these measures is expected to result in a 3.9 per cent average annual increase in expenditure in the *Constitutional Development* subprogramme within the *State Legal Services* programme, from R91.9 million in 2017/18 to R103 million in 2020/21.

Expenditure trends

Table 21.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Court Services														
3. State Legal Services														
4. National Prosecuting Authority														
5. Auxiliary and Associated Services														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	1 843.4	1 931.1	1 827.4	1 857.8	1 872.9	1 812.7	2 079.9	2 130.9	1 952.8	2 129.3	1 786.9	1 786.9	93.3%	95.6%
Programme 2	5 495.2	5 333.6	5 235.3	5 526.4	5 579.1	5 667.3	6 121.6	6 061.6	6 272.6	6 276.8	6 604.6	6 604.6	101.5%	100.9%
Programme 3	922.0	964.4	927.8	1 032.2	1 045.7	1 008.6	1 128.0	1 126.5	1 121.2	1 221.2	1 232.3	1 232.3	99.7%	98.2%
Programme 4	3 252.9	3 254.1	3 254.1	3 374.0	3 394.5	3 374.3	3 557.5	3 557.5	3 554.6	3 684.3	3 684.3	3 684.3	100.0%	99.8%
Programme 5	3 070.0	3 091.3	2 973.4	3 193.5	3 118.5	3 108.8	3 162.7	3 164.2	3 137.9	3 475.2	3 478.8	3 478.8	98.4%	98.8%
Subtotal	14 583.5	14 574.5	14 218.0	14 984.0	15 010.8	14 971.8	16 049.7	16 040.7	16 039.0	16 786.8	16 786.8	16 786.8	99.4%	99.4%
Direct charge against the National Revenue Fund	1 901.3	1 874.3	1 622.4	1 880.8	1 830.8	1 721.8	2 040.2	2 010.2	1 845.7	2 140.5	2 040.5	2 040.5	90.8%	93.2%
Magistrates' salaries	1 901.3	1 874.3	1 622.4	1 880.8	1 830.8	1 721.8	2 040.2	2 010.2	1 845.7	2 140.5	2 040.5	2 040.5	90.8%	93.2%
Total	16 484.8	16 448.8	15 840.3	16 864.7	16 841.5	16 693.6	18 089.9	18 050.9	17 884.7	18 927.3	18 827.3	18 827.3	98.4%	98.7%
Change to 2017 Budget estimate										(100.0)				

Table 21.2 Vote expenditure trends by programme and economic classification

Economic classification	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Current payments	12 939.6	13 028.3	12 475.6	13 304.0	13 494.4	13 271.9	14 367.7	14 415.3	14 085.8	15 014.5	14 600.9	14 600.9	97.9%	98.0%
Compensation of employees	9 005.7	8 992.9	8 523.0	9 307.3	9 365.3	9 250.2	10 070.2	10 040.2	9 995.4	10 578.0	10 635.0	10 635.0	98.6%	98.4%
Goods and services	3 933.9	4 035.4	3 952.6	3 996.7	4 129.1	4 021.6	4 297.5	4 375.1	4 090.4	4 436.4	3 965.8	3 965.8	96.2%	97.1%
Transfers and subsidies	2 220.8	2 268.7	2 259.2	2 335.3	2 373.1	2 338.1	2 442.5	2 449.9	2 418.4	2 717.6	2 724.4	2 724.4	100.2%	99.2%
Provinces and municipalities	0.3	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.7	0.7	127.0%	115.6%
Departmental agencies and accounts	2 122.2	2 158.0	2 157.2	2 231.4	2 245.2	2 246.4	2 333.2	2 334.7	2 334.7	2 599.6	2 599.6	2 599.6	-	-
Foreign governments and international organisations	5.8	25.1	23.9	14.4	14.4	15.8	15.2	15.2	13.5	16.0	16.0	16.0	134.5%	97.8%
Households	92.5	85.2	77.5	89.0	113.0	75.2	93.6	99.5	69.6	101.5	108.1	108.1	87.7%	81.4%
Payments for capital assets	1 324.3	1 149.5	1 066.5	1 225.4	972.3	1 063.4	1 279.7	1 181.0	1 371.0	1 195.2	1 501.8	1 501.8	99.6%	104.1%
Buildings and other fixed structures	864.3	586.0	722.9	682.0	661.5	739.5	911.1	721.1	1 023.0	769.3	1 078.6	1 078.6	110.4%	117.0%
Machinery and equipment	459.9	563.5	328.7	543.3	260.7	283.5	368.5	459.8	347.7	425.9	423.3	423.3	76.9%	81.0%
Software and other intangible assets	0.0	0.0	14.9	0.1	50.1	40.5	-	0.0	0.2	-	-	-	44 817.7%	110.9%
Payments for financial assets	-	2.3	39.1	-	1.8	20.2	-	4.6	9.6	-	0.2	0.2	-	776.5%
Total	16 484.8	16 448.8	15 840.3	16 864.7	16 841.5	16 693.6	18 089.9	18 050.9	17 884.7	18 927.3	18 827.3	18 827.3	98.4%	98.7%

Expenditure estimates

Table 21.3 Vote expenditure estimates by programme and economic classification

Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Programme 1	1 786.9	-2.6%	10.7%	2 117.7	2 247.2	2 382.9	10.1%	10.6%
Programme 2	6 604.6	7.4%	34.3%	6 443.7	6 885.5	7 350.8	3.6%	33.9%
Programme 3	1 232.3	8.5%	6.2%	1 251.5	1 343.8	1 440.6	5.3%	6.5%
Programme 4	3 684.3	4.2%	20.0%	3 648.8	3 929.1	4 214.9	4.6%	19.2%
Programme 5	3 478.8	4.0%	18.3%	3 587.6	3 777.0	3 985.0	4.6%	18.4%
Subtotal	16 786.8	4.8%	89.6%	17 049.4	18 182.7	19 374.1	4.9%	88.6%
Direct charge against the National Revenue Fund	2 040.5	2.9%	10.4%	2 215.5	2 383.7	2 560.2	7.9%	11.4%
Magistrates' salaries	2 040.5	2.9%	10.4%	2 215.5	2 383.7	2 560.2	7.9%	11.4%
Total	18 827.3	4.6%	100.0%	19 265.0	20 566.4	21 934.4	5.2%	100.0%
Change to 2017 Budget estimate				(643.4)	(667.5)	(705.6)		
Economic classification								
Current payments	14 600.9	3.9%	78.6%	15 331.5	16 432.5	17 575.2	6.4%	79.3%
Compensation of employees	10 635.0	5.7%	55.5%	11 029.4	11 868.7	12 758.1	6.3%	57.4%
Goods and services	3 965.8	-0.6%	23.1%	4 302.1	4 563.7	4 817.1	6.7%	21.9%
Transfers and subsidies	2 724.4	6.3%	14.1%	2 765.1	2 908.6	3 068.7	4.0%	14.2%
Provinces and municipalities	0.7	17.1%	0.0%	0.7	0.8	0.7	4.4%	0.0%
Departmental agencies and accounts	2 599.6	6.4%	13.5%	2 636.9	2 773.1	2 926.1	4.0%	13.6%
Foreign governments and international organisations	16.0	-14.0%	0.1%	16.9	17.9	18.9	5.6%	0.1%
Households	108.1	8.3%	0.5%	110.7	116.8	123.0	4.4%	0.6%

Table 21.3 Vote expenditure estimates by programme and economic classification

R million	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
Payments for capital assets	1 501.8	9.3%	7.2%	1 168.3	1 225.4	1 290.5	-4.9%	6.4%
Buildings and other fixed structures	1 078.6	22.6%	5.1%	820.3	855.6	902.7	-5.8%	4.5%
Machinery and equipment	423.3	-9.1%	2.0%	348.0	369.7	387.8	-2.9%	1.9%
Payments for financial assets	0.2	-52.7%	0.1%	-	-	-	-100.0%	0.0%
Total	18 827.3	4.6%	100.0%	19 265.0	20 566.4	21 934.4	5.2%	100.0%

Expenditure trends and estimates for significant spending items

Table 21.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
Compensation of employees	8 523 007	9 250 210	9 995 427	10 635 040	5.5%	60.9%	11 029 385	11 868 731	12 758 064	6.3%	64.8%
Buildings and other fixed structures	722 862	739 502	1 023 045	1 078 557	12.3%	5.7%	820 331	855 637	902 696	-5.8%	5.1%
Computer services	736 866	726 866	731 771	627 471	-0.2%	4.7%	745 095	778 890	822 629	9.4%	4.2%
Operating leases	739 168	726 656	842 882	633 233	4.5%	5.1%	874 733	924 721	976 404	15.5%	4.8%
Property payments	805 751	849 692	811 352	970 535	0.2%	5.3%	1 087 693	1 144 873	1 254 902	8.9%	6.2%
Total	11 527 654	12 292 926	13 404 477	13 944 836	22.3%	81.7%	14 557 237	15 572 852	16 714 695	34.3%	85.1%

Goods and services expenditure trends and estimates

Table 21.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
Administrative fees	11 260	29 283	30 615	31 212	40.5%	0.6%	32 348	30 970	31 941	0.8%	0.7%
Advertising	41 685	37 362	23 649	34 095	-6.5%	0.9%	26 284	27 784	29 386	-4.8%	0.7%
Minor assets	53 824	50 560	36 202	65 385	6.7%	1.3%	51 468	56 614	54 308	-6.0%	1.3%
Audit costs: External	45 597	38 958	37 535	46 072	0.3%	1.0%	41 417	43 184	45 054	-0.7%	1.0%
Bursaries: Employees	4 714	3 688	3 060	6 237	9.8%	0.1%	5 760	6 076	6 410	0.9%	0.1%
Catering: Departmental activities	11 872	13 142	10 160	10 626	-3.6%	0.3%	11 819	12 171	13 175	7.4%	0.3%
Communication	140 292	145 524	143 741	154 351	3.2%	3.6%	133 106	139 634	149 005	-1.2%	3.3%
Computer services	736 866	726 866	731 771	627 471	-5.2%	17.6%	745 095	778 890	822 629	9.4%	16.9%
Consultants: Business and advisory services	35 645	38 458	50 310	63 408	21.2%	1.2%	43 638	46 834	49 373	-8.0%	1.2%
Laboratory services	825	1 026	952	1 746	28.4%	-	1 653	1 741	1 859	2.1%	-
Legal services	142 590	113 885	123 982	106 450	-9.3%	3.0%	86 186	92 241	91 424	-4.9%	2.1%
Science and technological services	-	-	-	2 573	-	-	-	-	-	-100.0%	-
Contractors	57 735	70 531	187 524	66 934	5.1%	2.4%	69 117	72 766	21 949	-31.0%	1.3%
Agency and support/outsourced services	220 951	237 585	196 213	234 059	1.9%	5.5%	224 550	241 795	307 896	9.6%	5.7%
Entertainment	9	4	1	8	-3.9%	-	8	8	8	-	-
Fleet services (including government motor transport)	71 039	64 930	62 468	79 834	4.0%	1.7%	72 436	81 515	85 166	2.2%	1.8%
Inventory: Other supplies	382	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	13 547	13 948	18 572	13 595	0.1%	0.4%	14 956	18 869	19 885	13.5%	0.4%
Consumables: Stationery, printing and office supplies	233 942	243 365	192 415	175 928	-9.1%	5.3%	202 636	219 548	230 869	9.5%	4.7%
Operating leases	739 168	726 656	842 882	633 233	-5.0%	18.4%	874 733	924 721	976 404	15.5%	19.3%
Rental and hiring	3 411	2 016	3 999	3 419	0.1%	0.1%	2 115	2 443	2 449	-10.5%	0.1%
Property payments	805 751	849 692	811 352	970 535	6.4%	21.4%	1 087 693	1 144 873	1 254 902	8.9%	25.3%
Transport provided: Departmental activity	80	93	2 321	1 352	156.6%	-	386	396	177	-49.2%	-

Table 21.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
Travel and subsistence	396 899	412 753	382 480	350 038	-4.1%	9.6%	354 389	386 575	408 213	5.3%	8.5%
Training and development	14 839	16 109	5 815	32 248	29.5%	0.4%	19 322	20 935	18 824	-16.4%	0.5%
Operating payments	146 316	167 490	176 381	245 521	18.8%	4.6%	192 055	203 461	186 785	-8.7%	4.7%
Venues and facilities	23 322	17 720	15 961	9 489	-25.9%	0.4%	8 950	9 691	9 047	-1.6%	0.2%
Total	3 952 561	4 021 644	4 090 361	3 965 819	0.1%	100.0%	4 302 120	4 563 735	4 817 138	6.7%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 21.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
Households											
Social benefits											
Current	72 218	49 758	59 678	105 237	13.4%	2.9%	106 511	112 540	118 656	4.1%	3.9%
Employee social benefits	72 218	49 758	59 678	105 237	13.4%	2.9%	106 511	112 540	118 656	4.1%	3.9%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 157 196	2 246 446	2 334 725	2 599 631	6.4%	95.9%	2 636 857	2 773 132	2 926 063	4.0%	95.4%
Safety and Security Sector	7 928	27 176	23 089	24 531	45.7%	0.8%	25 955	27 409	28 917	5.6%	0.9%
Education and Training Authority	27	18	138	75	40.6%	-	49	52	53	-10.9%	-
Legal Aid South Africa	1 504 708	1 522 986	1 577 171	1 754 394	5.3%	65.3%	1 764 342	1 863 158	1 966 043	3.9%	64.1%
Special Investigating Unit	296 813	304 458	316 732	346 177	5.3%	13.0%	357 099	370 998	391 402	4.2%	12.8%
Public Protector of South Africa	217 584	245 397	264 108	301 093	11.4%	10.6%	310 581	322 670	340 416	4.2%	11.1%
South African Human Rights Commission	130 136	146 411	153 487	173 360	10.0%	6.2%	178 830	188 844	199 231	4.7%	6.5%
President's Fund	-	-	-	1	-	-	1	1	1	-	-
Households											
Other transfers to households											
Current	5 298	25 481	9 877	2 883	-18.4%	0.4%	4 171	4 272	4 369	14.9%	0.1%
Employee social benefits	1 062	-	-	-	-100.0%	-	-	-	-	-	-
Claims against the state	4 236	25 481	9 877	2 883	-12.0%	0.4%	4 171	4 272	4 369	14.9%	0.1%
Foreign governments and international organisations											
Current	23 930	15 833	13 484	16 000	-12.6%	0.7%	16 928	17 876	18 859	5.6%	0.6%
International Criminal Court	22 757	14 544	12 161	14 540	-13.9%	0.7%	15 385	16 247	17 140	5.6%	0.6%
Hague Conference on Private International Law	842	982	985	1 095	9.2%	-	1 157	1 222	1 289	5.6%	-
International Institute for the Unification of Private Law	331	307	338	365	3.3%	-	386	407	430	5.6%	-
Provinces and municipalities											
Municipal bank accounts											
Current	539	549	634	651	6.5%	-	661	764	741	4.4%	-
Vehicle licences	539	549	634	651	6.5%	-	661	764	741	4.4%	-
Total	2 259 181	2 338 067	2 418 398	2 724 402	6.4%	100.0%	2 765 128	2 908 584	3 068 688	4.0%	100.0%

Personnel information

Table 21.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
Number of posts estimated for 31 March 2018																	Average growth rate (%)	Average Salary level/Total (%)		
Number of funded posts	Number of posts additional to the establishment	Actual					Revised estimate					Medium-term expenditure estimate					2017/18 - 2020/21			
		2016/17		2017/18			2018/19			2019/20		2020/21								
		Number	Cost	Unit cost		Number	Cost	Unit cost		Number	Cost	Unit cost		Number	Cost	Unit cost				
Justice and Constitutional Development		24 094	375	24 801	9 995.4	0.4	24 094	10 635.0	0.4	23 381	11 029.4	0.5	23 603	11 868.7	0.5	23 888	12 758.1	0.5	-0.3%	100.0%
Salary level																				
1 – 6	12 736	46	13 289	2 577.3	0.2	12 736	2 645.8	0.2	12 365	2 753.4	0.2	12 349	2 969.6	0.2	12 321	3 194.9	0.3	-1.1%	52.4%	
7 – 10	6 193	51	6 424	2 790.5	0.4	6 193	2 910.3	0.5	5 740	2 925.8	0.5	5 717	3 146.6	0.6	5 704	3 390.2	0.6	-2.7%	24.6%	
11 – 12	2 633	7	2 597	2 325.8	0.9	2 633	2 568.9	1.0	2 537	2 665.5	1.1	2 525	2 864.9	1.1	2 520	3 086.2	1.2	-1.5%	10.8%	
13 – 16	2 284	–	2 243	2 298.9	1.0	2 284	2 506.8	1.1	2 292	2 680.5	1.2	2 298	2 882.0	1.3	2 297	3 079.4	1.3	0.2%	9.7%	
Other	248	271	248	2.9	0.0	248	3.2	0.0	447	4.2	0.0	714	5.6	0.0	1 046	7.5	0.0	61.6%	2.6%	
Programme	24 094	375	24 801	9 995.4	0.4	24 094	10 635.0	0.4	23 381	11 029.4	0.5	23 603	11 868.7	0.5	23 888	12 758.1	0.5	-0.3%	100.0%	
Programme 1	1 414	32	1 416	532.7	0.4	1 414	566.9	0.4	1 415	543.9	0.4	1 676	585.5	0.3	1 999	630.1	0.3	12.2%	6.8%	
Programme 2	13 996	235	14 565	3 667.3	0.3	13 996	3 878.8	0.3	13 582	4 019.4	0.3	13 559	4 324.8	0.3	13 535	4 648.7	0.3	-1.1%	57.6%	
Programme 3	2 138	4	2 119	928.2	0.4	2 138	1 046.8	0.5	2 025	1 080.6	0.5	2 017	1 162.5	0.6	2 008	1 249.5	0.6	-2.1%	8.6%	
Programme 4	4 661	104	4 841	3 040.0	0.6	4 661	3 168.2	0.7	4 439	3 240.1	0.7	4 425	3 486.3	0.8	4 411	3 747.7	0.8	-1.8%	18.9%	
Direct charges	1 885	–	1 860	1 827.2	1.0	1 885	1 974.2	1.0	1 920	2 145.4	1.1	1 926	2 309.6	1.2	1 935	2 482.1	1.3	0.9%	8.1%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 21.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	337 557	328 627	371 360	397 717	397 717	5.6%	100.0%	409 863	430 352	453 812	4.5%	100.0%
Tax receipts	–	1	–	–	–	–	–	–	–	–	–	–
Sales of goods and services produced by department	45 434	61 727	53 638	67 243	67 243	14.0%	15.9%	70 601	74 127	77 995	5.1%	17.1%
Sales by market establishments	5 863	4 992	4 513	7 358	7 358	7.9%	1.6%	7 726	8 112	8 558	5.2%	1.9%
of which:												
Market establishment: Rental dwelling	5 863	4 992	3 779	6 482	6 482	3.4%	1.5%	6 859	7 202	7 598	5.4%	1.7%
Market establishment: Non-residential buildings	–	–	–	50	50	–	–	–	–	–	-100.0%	–
Market establishment: Rental parking: Covered and open	–	–	734	826	826	–	0.1%	867	910	960	5.1%	0.2%
Administrative fees	11	12	10	38	38	51.2%	–	39	37	40	1.7%	–
of which:												
Game licences	11	12	8	9	9	-6.5%	–	9	9	10	3.6%	–
Request for information:	–	–	2	26	26	–	–	27	28	30	4.9%	–
Promotion of Access to Information Act (2000)	–	–	–	3	3	–	–	3	–	–	-100.0%	–
Replacement of security cards	–	–	–	–	–	–	–	–	–	–	–	–
Other sales	39 560	56 723	49 115	59 847	59 847	14.8%	14.3%	62 836	65 978	69 397	5.1%	15.3%
of which:												
Services rendered: Commission on insurance and garnishee	–	–	6 542	6 870	6 870	–	0.9%	7 214	7 575	7 992	5.2%	1.8%
Services rendered: Insolvent estates: Master office	39 560	56 723	36 958	40 543	40 543	0.8%	12.1%	42 566	44 694	46 941	5.0%	10.3%
Services rendered: Fee for recovery of debt	–	–	3 861	10 402	10 402	–	1.0%	10 922	11 468	12 099	5.2%	2.7%
Services rendered: Photocopies and faxes	–	–	1 682	1 973	1 973	–	0.3%	2 072	2 176	2 296	5.2%	0.5%
Sales of assets less than R5 000	–	–	72	59	59	–	–	62	65	69	5.4%	–

Table 21.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Sales of scrap, waste, arms and other used current goods	145	434	60	221	221	15.1%	0.1%	195	204	215	-0.9%	-
<i>of which:</i>												
<i>Sales: Scrap</i>	145	434	39	161	161	3.6%	0.1%	169	177	187	5.1%	-
<i>Sales: Waste paper</i>	-	-	21	60	60	-	-	26	27	28	-22.4%	-
Transfers received	3 622	5 134	485	6 980	6 980	24.4%	1.1%	124	130	137	-73.0%	0.4%
Fines, penalties and forfeits	204 892	237 084	254 374	241 321	241 321	5.6%	65.3%	253 110	265 766	280 383	5.1%	61.5%
Interest, dividends and rent on land	11 564	5 221	8 553	5 809	5 809	-20.5%	2.2%	6 099	6 404	6 756	5.2%	1.5%
Interest	11 564	5 221	8 553	5 809	5 809	-20.5%	2.2%	6 099	6 404	6 756	5.2%	1.5%
Sales of capital assets	1 999	4 567	56	2 226	2 226	3.7%	0.6%	2 337	2 454	2 589	5.2%	0.6%
Transactions in financial assets and liabilities	69 901	14 459	54 194	73 917	73 917	1.9%	14.8%	77 397	81 267	85 737	5.1%	18.8%
Total	337 557	328 627	371 360	397 717	397 717	5.6%	100.0%	409 863	430 352	453 812	4.5%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 21.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	29.6	32.6	35.6	34.6	5.3%	1.8%	34.9	37.3	39.9	4.9%	1.7%
Management	50.8	52.5	47.7	49.5	-0.9%	2.7%	50.5	57.6	63.3	8.6%	2.6%
Corporate Services	478.7	477.5	513.4	458.7	-1.4%	26.1%	429.8	456.7	487.3	2.0%	21.5%
Financial Administration	199.2	180.1	196.6	221.3	3.6%	10.8%	215.2	229.1	243.6	3.3%	10.7%
Internal Audit	66.5	82.2	86.6	94.2	12.3%	4.5%	87.5	93.8	100.6	2.2%	4.4%
Office Accommodation	1 002.7	987.9	1 072.9	928.6	-2.5%	54.1%	1 299.9	1 372.7	1 448.2	16.0%	59.2%
Total	1 827.4	1 812.7	1 952.8	1 786.9	-0.7%	100.0%	2 117.7	2 247.2	2 382.9	10.1%	100.0%
Change to 2017 Budget estimate				(342.4)			(69.5)	(73.8)	(77.9)		
Economic classification											
Current payments	1 792.7	1 784.2	1 926.3	1 754.3	-0.7%	98.3%	2 089.1	2 217.0	2 351.2	10.3%	98.6%
Compensation of employees	449.0	489.3	532.7	566.9	8.1%	27.6%	543.9	585.5	630.1	3.6%	27.3%
Goods and services ¹	1 343.7	1 294.9	1 393.5	1 187.3	-4.0%	70.7%	1 545.2	1 631.5	1 721.2	13.2%	71.3%
<i>of which:</i>											
<i>Advertising</i>	11.9	24.4	18.6	15.6	9.5%	1.0%	17.6	17.9	19.2	7.2%	0.8%
<i>Audit costs: External</i>	40.3	35.5	37.5	46.1	4.5%	2.2%	41.4	43.2	45.1	-0.7%	2.1%
<i>Computer services</i>	27.4	12.6	44.1	15.7	-16.9%	1.4%	17.9	18.8	19.4	7.3%	0.8%
<i>Operating leases</i>	715.5	686.4	805.0	606.2	-5.4%	38.1%	859.0	907.1	957.1	16.4%	39.0%
<i>Property payments</i>	287.1	302.5	269.4	324.7	4.2%	16.0%	441.9	466.6	492.3	14.9%	20.2%
<i>Travel and subsistence</i>	110.5	99.1	91.4	73.7	-12.6%	5.1%	77.6	86.1	91.0	7.3%	3.8%
Transfers and subsidies¹	2.3	21.5	17.2	17.6	98.3%	0.8%	16.8	17.8	18.6	1.9%	0.8%
Provinces and municipalities	0.0	0.0	0.0	0.0	18.3%	-	0.1	0.1	0.1	4.0%	-
Departmental agencies and accounts	-	20.0	14.5	15.6	-	0.7%	16.5	17.4	18.3	5.6%	0.8%
Households	2.2	1.5	2.6	2.0	-3.2%	0.1%	0.3	0.3	0.3	-49.7%	-
Payments for capital assets	15.2	6.5	8.5	14.8	-0.8%	0.6%	11.8	12.5	13.0	-4.2%	0.6%
Machinery and equipment	15.1	6.5	8.5	14.8	-0.5%	0.6%	11.8	12.5	13.0	-4.2%	0.6%
Software and other intangible assets	0.1	0.0	-	-	-100.0%	-	-	-	-	-	-

Table 21.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Payments for financial assets	17.2	0.5	0.8	0.1	-79.7%	0.3%	–	–	–	-100.0%	–
Total	1 827.4	1 812.7	1 952.8	1 786.9	-0.7%	100.0%	2 117.7	2 247.2	2 382.9	10.1%	100.0%
Proportion of total programme expenditure to vote expenditure	12.9%	12.1%	12.2%	10.6%	–	–	12.4%	12.4%	12.3%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	20.0	14.5	15.5	–	0.7%	16.4	17.4	18.3	5.6%	0.8%
Safety and Security Sector	–	20.0	14.5	15.5	–	0.7%	16.4	17.4	18.3	5.6%	0.8%
Education and Training Authority											

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Court Services

Programme purpose

Facilitate the resolution of criminal and civil cases, and family law disputes, by providing accessible, efficient and quality administrative support to the lower courts and managing court facilities.

Objectives

- Ensure an efficient and effective criminal justice system that contributes to the realisation of outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework by:
 - maintaining the percentage of criminal cases postponed due to the unavailability of court administration staff at 0.3 per cent between 2017/18 and 2020/21
 - increasing the number of criminal case backlog courts converted into permanent courts from 17 in 2017/18 to 47 in 2019/20.
- Ensure an efficient and effective victim and witness support system by maintaining the percentage of convictions recorded electronically on the national register of sex offenders at 96 per cent between 2017/18 and 2020/21.
- Ensure an enhanced and integrated family law service by:
 - increasing the percentage of maintenance matters finalised within 90 days from the date of proper services of process, from 50 per cent in 2017/18 to 60 per cent in 2020/21
 - increasing the percentage of family advocate reports filed within 6 months from the date of opening matters, from 50 per cent in 2017/18 to 65 per cent in 2020/21
 - reducing the percentage of family law backlog cases from 55 per cent in 2017/18 to 35 per cent in 2020/21.
- Enhance access to courts for historically marginalised communities by increasing the number of new court buildings completed from 2 in 2017/18 to 5 in 2020/21.
- Ensure an efficient and effective civil justice system by:
 - increasing the number of courts providing court annexed mediation from 30 in 2017/18 to 120 in 2020/21
 - increasing the percentage of unopposed taxations processed within 14 working days from the date the matter is set down in district courts, from 98 per cent in 2017/18 to 100 per cent in 2020/21.

Subprogrammes

- *Lower Courts* funds the activities and operations of various regional and district courts. Regional courts adjudicate serious criminal and civil matters, while district courts adjudicate less serious civil and criminal cases. There are more than 2 147 courtrooms dealing daily with district and regional court cases across the country.
- *Family Advocate* funds family mediations in non-litigation matters, with the goal of settling parental disputes out of court. In litigation matters, the family advocate files court reports, makes recommendations and appears in courts to promote and protect the best interests of children. This subprogramme also deals with international cases of children who were abducted or retained in foreign countries in terms of the Hague Convention on the Civil Aspects of International Child Abduction.
- *Magistrate's Commission* funds the Magistrate's Commission, which makes recommendations on the appointment and tenure of magistrates.
- *Facilities Management* funds the provision of accommodation for courts and justice service delivery points, including the construction of new and additional accommodation, and the leasing of privately owned premises for use by the department.
- *Administration of Lower Courts* funds the management of courts' administration and performance evaluation functions.

Expenditure trends and estimates

Table 21.10 Court Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Lower Courts	3 799.2	4 143.2	4 400.0	4 611.4	6.7%	71.3%	4 677.7	5 018.4	5 365.2	5.2%	72.1%
Family Advocate	177.9	198.7	209.8	224.2	8.0%	3.4%	234.3	251.6	269.9	6.4%	3.6%
Magistrate's Commission	11.4	13.9	12.4	17.8	16.0%	0.2%	18.7	20.0	21.4	6.3%	0.3%
Facilities Management	760.7	812.4	1 101.0	1 157.1	15.0%	16.1%	891.8	932.6	983.9	-5.3%	14.5%
Administration of Lower Courts	486.1	499.1	549.4	594.1	6.9%	9.0%	621.3	663.0	710.4	6.1%	9.5%
Total	5 235.3	5 667.3	6 272.6	6 604.6	8.1%	100.0%	6 443.7	6 885.5	7 350.8	3.6%	100.0%
Change to 2017 Budget estimate				327.8			(192.1)	(191.3)	(201.6)		
Economic classification											
Current payments	4 380.6	4 791.0	5 105.6	5 381.5	7.1%	82.7%	5 492.1	5 889.4	6 302.6	5.4%	84.5%
Compensation of employees	3 097.9	3 382.0	3 667.3	3 878.8	7.8%	59.0%	4 019.4	4 324.8	4 648.7	6.2%	61.8%
Goods and services ¹	1 282.7	1 409.0	1 438.3	1 502.6	5.4%	23.7%	1 472.6	1 564.6	1 653.9	3.2%	22.7%
of which:											
Communication	97.0	100.3	101.0	104.8	2.6%	1.7%	87.9	91.7	97.8	-2.3%	1.4%
Agency and support/outsourced services	152.3	180.1	162.9	102.4	-12.4%	2.5%	103.3	108.9	167.0	17.7%	1.8%
Consumables: Stationery, printing and office supplies	173.9	196.6	138.2	115.8	-12.7%	2.6%	143.5	157.2	164.3	12.4%	2.1%
Property payments	418.8	468.7	477.8	557.6	10.0%	8.1%	572.2	598.4	676.5	6.7%	8.8%
Travel and subsistence	186.3	189.7	188.3	181.3	-0.9%	3.1%	196.4	212.9	218.1	6.3%	3.0%
Operating payments	76.6	83.1	75.5	151.3	25.5%	1.6%	124.4	130.1	109.0	-10.4%	1.9%
Transfers and subsidies¹	31.9	21.8	24.6	27.5	-4.8%	0.4%	27.3	29.0	30.6	3.7%	0.4%
Provinces and municipalities	0.5	0.5	0.6	0.6	5.1%	-	0.6	0.7	0.6	3.9%	-
Departmental agencies and accounts	0.0	0.0	0.1	0.1	26.0%	-	0.0	0.0	0.0	-19.6%	-
Households	31.3	21.3	23.9	26.8	-5.0%	0.4%	26.7	28.3	29.9	3.7%	0.4%
Payments for capital assets	813.5	835.0	1 136.3	1 195.6	13.7%	16.7%	924.3	967.1	1 017.6	-5.2%	15.0%
Buildings and other fixed structures	712.3	739.5	1 023.0	1 078.6	14.8%	14.9%	820.3	855.6	902.7	-5.8%	13.4%
Machinery and equipment	101.2	95.5	113.1	117.1	5.0%	1.8%	104.0	111.5	114.9	-0.6%	1.6%
Software and other intangible assets	0.0	0.1	0.2	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	9.3	19.4	6.2	0.1	-81.4%	0.1%	-	-	-	-100.0%	-
Total	5 235.3	5 667.3	6 272.6	6 604.6	8.1%	100.0%	6 443.7	6 885.5	7 350.8	3.6%	100.0%
Proportion of total programme expenditure to vote expenditure	36.8%	37.9%	39.1%	39.3%	-	-	37.8%	37.9%	37.9%	-	-

Table 21.10 Court Services expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Audited outcome			2017/18				2014/15 - 2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17								
Households											
Social benefits											
Current	31.1	21.3	23.9	25.7	-6.1%	0.4%	25.0	26.5	28.1	2.9%	0.4%
Employee social benefits	31.1	21.3	23.9	25.7	-6.1%	0.4%	25.0	26.5	28.1	2.9%	0.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: State Legal Services

Programme purpose

Provide legal and legislative services to government. Supervise the registration of trusts, and the administration of deceased and insolvent estates and estates undergoing liquidation. Manage the Guardian's Fund. Prepare and promote legislation. Facilitate constitutional development and undertake research in support of this.

Objectives

- Improve state litigation services by:
 - increasing the number of high court matters presented by state attorneys from 60 in 2017/18 to 360 in 2020/21
 - increasing the percentage value of briefs allocated to previously disadvantaged individuals from 80 per cent in 2017/18 to 82 per cent in 2020/21
 - maintaining the percentage of briefs allocated to female counsel at 40 per cent between 2017/18 and 2020/21.
- Ensure the provision of quality legal advisory services that pass constitutional muster by:
 - increasing the percentage of legal opinions finalised within 40 days from date of receipt of the instruction, from 73 per cent in 2017/18 to 83 per cent in 2020/21
 - increasing the percentage of suggested bills completed and subordinate legislation finalised within 40 days from date of receipt of the instruction, from 73 per cent in 2017/18 to 83 per cent in 2020/21
 - increasing the percentage of translations finalised within 55 days from date of receipt of the instruction, from 85 per cent in 2017/18 to 88 per cent in 2020/21.
- Increase compliance with international treaty obligations by the department by:
 - increasing the number of country reports tabled to treaty bodies from 4 in 2017/18 to 8 in 2020/21
 - maintaining the percentage of valid requests for extradition and mutual legal assistance in criminal matters processed within 25 days of the date of receipt at 91 per cent between 2017/18 and 2020/21.
- Ensure increased efficiency in the provision of services by master's offices to all beneficiaries thereof by:
 - increasing the percentage of liquidation and distribution accounts in large estates (more than R250 000) examined within 15 days from receipt of all required documents, from 93 per cent in 2017/18 to 95 per cent in 2020/21
 - increasing the percentage of beneficiaries in receipt of Guardian's Fund services within 40 days from receipt of all required documents, from 92 per cent in 2017/18 to 94 per cent in 2020/21
 - increasing the percentage of certificates of appointment issued in all bankruptcy matters within 10 days from receipt of all required documents, from 91 per cent in 2017/18 to 93 per cent in 2020/21
 - increasing the percentage of letters of authority issued in trusts within 14 days from receipt of all required documents, from 90 per cent in 2017/18 to 92 per cent in 2020/21

- increasing the percentage of new deceased estates registered on the paperless estate administration system in the master's offices from 95 per cent in 2017/18 to 100 per cent in 2020/21.

Subprogrammes

- *State Law Advisors* provides legal advice, representation and legislative drafting services to the executive, all state departments, state-owned enterprises and other government bodies through the Office of the Chief State Law Adviser.
- *Litigation and Legal Services* provides attorney, conveyance and notary services to the executive, all state departments, state-owned enterprises and other government bodies through the offices of the state attorney, and provides legal support to the department and the ministry.
- *Legislative Development and Law Reform* conducts research, and prepares and promotes new and amending legislation.
- *Master of the High Court* funds the master's offices, which supervise the administration of deceased and insolvent estates, trusts, curatorship and the Guardian's Fund.
- *Constitutional Development* conducts research; coordinates the implementation of constitutionally mandated legislation such as the Promotion of Equality and Prevention of Unfair Discrimination Act (2000) and the Promotion of Administrative Justice Act (2000); promotes the Constitution and its values; assists and protects independent institutions supporting constitutional democracy to ensure their independence and effectiveness; and coordinates, promotes and develops programmes in support of social justice and participatory democracy.

Expenditure trends and estimates

Table 21.11 State Legal Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
State Law Advisors	56.4	59.0	61.7	71.9	8.4%	5.8%	74.9	80.5	86.5	6.4%	6.0%
Litigation and Legal Services	346.9	395.0	447.4	474.8	11.0%	38.8%	476.4	511.3	547.6	4.9%	38.2%
Legislative Development and Law Reform	51.2	55.9	61.2	89.5	20.5%	6.0%	90.7	96.9	103.5	5.0%	7.2%
Master of the High Court	401.3	436.7	477.3	504.1	7.9%	42.4%	519.2	558.5	599.9	6.0%	41.4%
Constitutional Development	72.0	62.1	73.6	91.9	8.5%	7.0%	90.3	96.6	103.0	3.9%	7.2%
Total	927.8	1 008.6	1 121.2	1 232.3	9.9%	100.0%	1 251.5	1 343.8	1 440.6	5.3%	100.0%
Change to 2017 Budget estimate				11.1			(34.2)	(35.3)	(37.5)		
Economic classification											
Current payments	871.3	974.4	1 076.4	1 194.3	11.1%	96.0%	1 212.9	1 303.2	1 398.1	5.4%	97.0%
Compensation of employees	754.2	836.3	928.2	1 046.8	11.6%	83.1%	1 080.6	1 162.5	1 249.5	6.1%	86.2%
Goods and services ¹	117.2	138.1	148.1	147.5	8.0%	12.8%	132.4	140.7	148.6	0.3%	10.8%
of which:											
Minor assets	4.3	6.9	5.1	6.9	17.0%	0.5%	6.4	6.6	7.1	1.1%	0.5%
Communication	13.5	13.9	14.1	15.4	4.6%	1.3%	14.0	14.5	15.4	-0.1%	1.1%
Legal services	39.5	45.1	51.3	39.7	0.1%	4.1%	43.5	45.6	44.1	3.6%	3.3%
Consumables: Stationery, printing and office supplies	13.1	13.0	14.1	19.1	13.4%	1.4%	16.1	16.7	17.7	-2.6%	1.3%
Travel and subsistence	26.6	41.0	33.4	29.3	3.2%	3.0%	26.8	29.0	35.3	6.5%	2.3%
Operating payments	6.1	7.8	7.8	11.7	24.1%	0.8%	8.4	8.9	8.6	-9.7%	0.7%
Transfers and subsidies¹	36.1	23.6	27.8	21.1	-16.4%	2.5%	22.1	23.2	24.3	4.8%	1.7%
Foreign governments and international organisations	23.9	15.8	13.5	16.0	-12.6%	1.6%	16.9	17.9	18.9	5.6%	1.3%
Households	12.1	7.7	14.3	5.0	-25.4%	0.9%	5.1	5.2	5.3	2.1%	0.4%
Payments for capital assets	8.7	10.7	15.7	16.9	24.8%	1.2%	16.5	17.5	18.2	2.4%	1.3%
Machinery and equipment	8.7	10.7	15.7	16.9	24.8%	1.2%	16.5	17.5	18.2	2.4%	1.3%
Payments for financial assets	11.7	0.0	1.4	0.0	-95.6%	0.3%	-	-	-	-100.0%	-
Total	927.8	1 008.6	1 121.2	1 232.3	9.9%	100.0%	1 251.5	1 343.8	1 440.6	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	6.5%	6.7%	7.0%	7.3%	-	-	7.3%	7.4%	7.4%	-	-

Table 21.11 State Legal Services expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Households											
Social benefits											
Current	6.9	2.9	4.7	3.2	-23.0%	0.4%	2.6	2.7	2.8	-4.2%	0.2%
Employee social benefits	6.9	2.9	4.7	3.2	-23.0%	0.4%	2.6	2.7	2.8	-4.2%	0.2%
Households											
Other transfers to households											
Current	5.1	4.6	9.6	1.8	-29.4%	0.5%	2.5	2.5	2.5	11.6%	0.2%
Employee social benefits	1.1	–	–	–	-100.0%	–	–	–	–	–	–
Claims against the state	4.0	4.6	9.6	1.8	-23.7%	0.5%	2.5	2.5	2.5	11.6%	0.2%
Foreign governments and international organisations											
Current	23.9	15.8	13.5	16.0	-12.6%	1.6%	16.9	17.9	18.9	5.6%	1.3%
International Criminal Court	22.8	14.5	12.2	14.5	-13.9%	1.5%	15.4	16.2	17.1	5.6%	1.2%
Hague Conference on Private International Law	0.8	1.0	1.0	1.1	9.2%	0.1%	1.2	1.2	1.3	5.6%	0.1%
International Institute for the Unification of Private Law	0.3	0.3	0.3	0.4	3.3%	–	0.4	0.4	0.4	5.6%	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: National Prosecuting Authority

Programme purpose

Provide a coordinated prosecuting service that ensures that justice is delivered to the victims of crime through general and specialised prosecutions. Remove the profit from crime. Protect certain witnesses.

Objectives

- Fight corruption by improving the conviction rate in cases that require specialised prosecution by ensuring that by 2020/21, a total of 169 people are convicted of corruption or offences relating to corruption where the amount involved is more than R5 million.
- Remove the profit from crime by increasing the impact of asset forfeiture by:
 - increasing the value of completed forfeiture cases from R245 million in 2017/18 to R311 million in 2020/21
 - maintaining a success rate for litigated cases of 93 per cent from 2017/18 to 2020/21, while handling more high value cases where the risk of losing is greater.
- Contribute to the reduction of violence against women, children and vulnerable persons by increasing the number of victims assisted at Thuthuzela care centres from a projected 29 800 in 2018/19 to 29 920 in 2020/21.
- Contribute to the effectiveness of the criminal justice system on an ongoing basis by ensuring that no witnesses and related persons are threatened or harmed.

Subprogrammes

- *National Prosecutions Service* is primarily responsible for general and specialised prosecutions, and the appeals that might follow. These include resolving criminal matters outside of the formal trial process through alternative dispute resolution mechanisms, settling admissions of guilt for minor offences, and considering dockets brought by the police where persons have not been charged.
- *Asset Forfeiture Unit* seizes assets that are the proceeds of crime or have been part of an offence through a criminal or civil process.
- *Office for Witness Protection* provides for temporary protection, support and related services to vulnerable and intimidated witnesses and related persons in judicial proceedings in terms of the Witness Protection Act (1998).

- *Support Services* provides corporate support services to the National Prosecuting Authority in terms of finance, human resources, ICT, strategy support, integrity, ethics, security, communication and risk management.

Expenditure trends and estimates

Table 21.12 National Prosecuting Authority expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
National Prosecutions Service	2 413.6	2 625.5	2 776.3	2 913.5	6.5%	77.4%	2 960.7	3 186.6	3 422.7	5.5%	80.7%
Asset Forfeiture Unit	133.6	133.1	133.0	131.9	-0.4%	3.8%	130.9	141.0	151.3	4.7%	3.6%
Office for Witness Protection	160.7	183.7	183.5	181.7	4.2%	5.1%	152.3	164.4	175.3	-1.2%	4.4%
Support Services	546.2	432.0	461.8	457.2	-5.8%	13.7%	404.9	437.1	465.7	0.6%	11.4%
Total	3 254.1	3 374.3	3 554.6	3 684.3	4.2%	100.0%	3 648.8	3 929.1	4 214.9	4.6%	100.0%
Change to 2017 Budget estimate				-			(188.0)	(187.2)	(197.3)		
Economic classification											
Current payments	3 175.4	3 298.9	3 502.7	3 638.7	4.6%	98.2%	3 600.5	3 877.3	4 159.4	4.6%	98.7%
Compensation of employees	2 623.1	2 836.0	3 040.0	3 168.2	6.5%	84.1%	3 240.1	3 486.3	3 747.7	5.8%	88.1%
Goods and services ¹	552.3	462.9	462.7	470.5	-5.2%	14.1%	360.4	391.0	411.7	-4.4%	10.6%
of which:											
Communication	16.1	16.8	14.5	18.9	5.5%	0.5%	15.0	16.5	18.0	-1.6%	0.4%
Computer services	88.2	38.6	74.4	74.4	-5.5%	2.0%	49.9	53.7	58.2	-7.8%	1.5%
Consumables: Stationery, printing and office supplies	35.9	15.4	20.1	26.5	-9.6%	0.7%	28.7	30.7	33.0	7.6%	0.8%
Property payments	96.7	77.6	63.7	86.7	-3.6%	2.3%	71.1	77.2	83.3	-1.3%	2.1%
Travel and subsistence	73.5	82.5	69.4	65.7	-3.7%	2.1%	53.5	58.6	63.6	-1.1%	1.6%
Operating payments	58.6	71.3	87.4	74.0	8.1%	2.1%	51.5	56.0	60.5	-6.5%	1.6%
Transfers and subsidies¹	16.3	36.8	18.8	16.9	1.3%	0.6%	17.9	18.9	20.0	5.6%	0.5%
Departmental agencies and accounts	7.9	7.2	8.6	9.0	4.3%	0.2%	9.5	10.0	10.6	5.6%	0.3%
Households	8.4	29.6	10.2	7.9	-1.7%	0.4%	8.4	8.9	9.4	5.6%	0.2%
Payments for capital assets	61.5	38.3	31.9	28.6	-22.5%	1.2%	30.4	32.9	35.5	7.4%	0.8%
Buildings and other fixed structures	10.6	-	-	-	-100.0%	0.1%	-	-	-	-	-
Machinery and equipment	51.0	38.3	31.9	28.6	-17.5%	1.1%	30.4	32.9	35.5	7.4%	0.8%
Payments for financial assets	0.9	0.3	1.2	0.0	-66.3%	-	-	-	-	-100.0%	-
Total	3 254.1	3 374.3	3 554.6	3 684.3	4.2%	100.0%	3 648.8	3 929.1	4 214.9	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	22.9%	22.5%	22.2%	21.9%	-	-	21.4%	21.6%	21.8%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	8.4	8.7	10.1	7.9	-1.7%	0.3%	8.4	8.9	9.4	5.6%	0.2%
Employee social benefits	8.4	8.7	10.1	7.9	-1.7%	0.3%	8.4	8.9	9.4	5.6%	0.2%
Households											
Other transfers to households											
Current	-	20.6	0.1	-	-	0.1%	-	-	-	-	-
Claims against the state	-	20.6	0.1	-	-	0.1%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7.9	7.2	8.6	9.0	4.3%	0.2%	9.5	10.0	10.6	5.6%	0.3%
Safety and Security Sector	7.9	7.2	8.6	9.0	4.3%	0.2%	9.5	10.0	10.6	5.6%	0.3%
Education and Training Authority											

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Auxiliary and Associated Services

Programme purpose

Provide a variety of auxiliary services associated with the department's purpose. Fund the interdepartmental justice modernisation programme, the President's Fund, and transfer payments to public entities and constitutional institutions.

Objectives

- Ensure a functional and integrated electronic criminal justice system by:
 - increasing key performance indicator data uploaded to the integrated justice system data warehouse from 22 in 2017/18 to 28 in 2020/21
 - increasing the number of integrated justice system department applications that form part of the integrated test lab process from 3 in 2017/18 to 8 in 2020/21.

Subprogrammes

- *Legal Aid South Africa* funds Legal Aid South Africa, which provides legal aid to indigent people and legal representation at the state's expense, as set out in the Constitution.
- *Special Investigating Unit* funds the Special Investigating Unit, which provides professional forensic investigating and litigation services to all state institutions at national, provincial and local levels to combat maladministration, corruption and fraud; and protects state assets and public funds.
- *Public Protector of South Africa* funds the Public Protector of South Africa, which investigates any alleged improper conduct in state affairs, public administration, or any sphere of government, as well as any conduct that results in any impropriety or prejudice.
- *South African Human Rights Commission* funds the South African Human Rights Commission, which promotes and monitors the observance of human rights in South Africa.
- *Justice Modernisation* designs and implements IT infrastructure and networks; and re-engineers, automates and integrates business processes for the administration of civil and criminal justice in the integrated justice system.
- *President's Fund* provides funding for reparations flowing from the findings of the Truth and Reconciliation Commission.

Expenditure trends and estimates

Table 21.13 Auxiliary and Associated Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Legal Aid South Africa	1 504.7	1 523.0	1 577.2	1 754.4	5.3%	50.1%	1 764.3	1 863.2	1 966.0	3.9%	49.6%
Special Investigating Unit	296.8	304.5	316.7	346.2	5.3%	10.0%	357.1	371.0	391.4	4.2%	9.9%
Public Protector of South Africa	217.6	245.4	264.1	301.1	11.4%	8.1%	310.6	322.7	340.4	4.2%	8.6%
South African Human Rights Commission	130.1	146.4	153.5	173.4	10.0%	4.8%	178.8	188.8	199.2	4.7%	5.0%
Justice Modernisation	824.2	889.6	826.4	903.7	3.1%	27.1%	976.8	1 031.3	1 087.9	6.4%	27.0%
President's Fund	–	–	–	0.0	–	–	0.0	0.0	0.0	–	–
Total	2 973.4	3 108.8	3 137.9	3 478.8	5.4%	100.0%	3 587.6	3 777.0	3 985.0	4.6%	100.0%
Change to 2017				3.6			(110.5)	(128.3)	(135.1)		
Budget estimate											

Table 21.13 Auxiliary and Associated Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R million											
Current payments	656.6	716.7	647.7	657.9	0.1%	21.1%	791.5	836.0	881.8	10.3%	21.4%
Goods and services ¹	656.6	716.7	647.7	657.9	0.1%	21.1%	791.5	836.0	881.8	10.3%	21.4%
of which:											
Minor assets	3.8	0.7	2.4	2.1	-17.2%	0.1%	2.2	6.3	6.6	45.9%	0.1%
Computer services	619.3	672.8	611.2	535.7	-4.7%	19.2%	675.2	704.1	742.6	11.5%	17.9%
Contractors	0.9	0.0	0.3	0.4	-26.1%	-	0.4	0.4	0.4	5.3%	-
Agency and support/outsourced services	28.3	36.9	9.0	109.1	56.9%	1.4%	110.3	121.7	128.4	5.6%	3.2%
Consumables: Stationery, printing and office supplies	0.2	5.0	8.9	2.2	109.5%	0.1%	2.2	2.3	2.5	4.1%	0.1%
Training and development	0.5	0.0	0.1	0.7	11.7%	-	0.8	0.8	0.9	5.6%	-
Transfers and subsidies¹	2 149.2	2 219.3	2 311.5	2 575.0	6.2%	72.9%	2 610.9	2 745.7	2 897.1	4.0%	73.0%
Departmental agencies and accounts	2 149.2	2 219.3	2 311.5	2 575.0	6.2%	72.9%	2 610.9	2 745.7	2 897.1	4.0%	73.0%
Payments for capital assets	167.6	172.9	178.7	245.8	13.6%	6.0%	185.3	195.4	206.1	-5.7%	5.6%
Machinery and equipment	152.8	132.5	178.7	245.8	17.2%	5.6%	185.3	195.4	206.1	-5.7%	5.6%
Software and other intangible assets	14.8	40.4	-	-	-100.0%	0.4%	-	-	-	-	-
Total	2 973.4	3 108.8	3 137.9	3 478.8	5.4%	100.0%	3 587.6	3 777.0	3 985.0	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	20.9%	20.8%	19.6%	20.7%	-	-	21.0%	20.8%	20.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 149.2	2 219.3	2 311.5	2 575.0	6.2%	72.9%	2 610.9	2 745.7	2 897.1	4.0%	73.0%
Legal Aid South Africa	1 504.7	1 523.0	1 577.2	1 754.4	5.3%	50.1%	1 764.3	1 863.2	1 966.0	3.9%	49.6%
Special Investigating Unit	296.8	304.5	316.7	346.2	5.3%	10.0%	357.1	371.0	391.4	4.2%	9.9%
Public Protector of South Africa	217.6	245.4	264.1	301.1	11.4%	8.1%	310.6	322.7	340.4	4.2%	8.6%
South African Human Rights Commission	130.1	146.4	153.5	173.4	10.0%	4.8%	178.8	188.8	199.2	4.7%	5.0%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

Legal Aid South Africa

Mandate

Legal Aid South Africa was established in terms of section 2 of the Legal Aid South Africa Act (2014) to provide legal aid and legal advice to eligible people at the state's expense. The entity is mandated to ensure access to justice and the realisation of the people's rights to have legal representation as envisaged in the Constitution. To this end, Legal Aid South Africa has identified the following priority groups: children; detained persons, including sentenced offenders; accused persons who wish to appeal or review a court's decision in a higher court; women, particularly in divorce, maintenance and domestic violence cases; and the landless, especially in eviction cases.

¹ This section has been compiled with the latest available information from the entities concerned.

Selected performance indicators

Table 21.14 Legal Aid South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections ¹		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of new legal matters approved for legal aid per year ² :	Legal aid services and special projects	Outcome 3: All people in South Africa are and feel safe	448 195	441 056	444 962	443 327	411 853	410 241	418 639
- Criminal matters			394 172 (88%)	388 692 (88%)	385 972 (87%)	384 042 (87%)	362 272 (87%)	360 361 (86%)	358 460 (86%)
- Civil matters			54 023 (12%)	52 364 (12%)	58 990 (13%)	59 285 (13%)	49 581 (13%)	49 879 (14%)	50 179 (14%)
Number of finalised legal matters per year ² :	444 630		432 210	445 628	447 853	420 243	422 493	424 754	
- Criminal matters	388 344 (87%)		376 023 (87%)	390 485 (88%)	392 437 (88%)	374 550 (88%)	376 522 (88%)	378 503 (88%)	
- Civil matters	56 286 (13%)		56 187 (13%)	55 140 (12%)	55 416 (12%)	45 693 (12%)	45 971 (12%)	46 251 (12%)	
Percentage annual coverage of legal aid practitioners per district court ³	Legal aid services and special projects		- ⁴	- ⁴	- ⁴	85%	83%	83%	83%
Percentage annual coverage of legal aid practitioners per regional court ³	Legal aid services and special projects		- ⁴	- ⁴	- ⁴	95%	93%	93%	93%

- Projections are determined primarily by available budget, hence the decreases over the MTEF period.
- Fluctuations in new matters are influenced by the number of cases that go through the justice system, as well as the number of applicants who qualify for legal aid. The decrease in criminal matters over the medium term can be attributed to better pre-screening of cases by the National Prosecuting Authority, as well as its strategy to mediate minor offences informally, meaning these matters do not enter the court system.
- The practitioner per court model was revised. As a result, targets were reduced to afford practitioners an opportunity to better prepare for matters in these courts.
- No historical data available.

Expenditure analysis

Legal Aid South Africa contributes to the NDP's vision of a South Africa in which all people are safe at home, at school and at work, and enjoy life without fear. Achieving this vision requires a criminal justice system that serves all in South Africa fairly and equitably, as espoused in outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework. In support of this objective, over the medium term, the entity intends to focus on providing legal aid services and maintaining existing points of access, especially in rural and remote areas.

As it continues to provide legal aid services, the entity plans to increase access to justice by entering into strategic partnerships with legal practitioners in the private sector, non-governmental organisations and university law clinics. This will enable it to maintain a national footprint of 64 justice centres and 64 satellite offices that are supported by 6 regional offices and 1 national office. The entity's coverage of legal aid practitioners per district court is expected to be maintained at 83 per cent and its coverage in regional courts at 93 per cent per year over the medium term.

The entity plans to employ 1 legal practitioner and 1 paralegal practitioner in 2018/19 to staff the court. Compensation of employees will mainly be in the legal aid services programme, spending in which increases at an average annual rate of 4 per cent, from R1.4 billion in 2017/18 to R1.6 billion in 2020/21.

The entity derives its revenue mainly through transfers from the department, amounting to R5.6 billion over the medium term. Through a reprioritisation from the department, additional funding of R3.2 million will be made available over the medium term for the operationalisation of the Mpumalanga high court.

Programmes/Objectives/Activities**Table 21.15 Legal Aid South Africa expenditure trends and estimates by programme/objective/activity**

	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Administration	285.0	327.4	348.0	310.7	2.9%	19.5%	299.9	310.0	326.5	1.7%	16.7%
Legal aid services	1 126.7	1 226.8	1 298.5	1 425.8	8.2%	77.5%	1 444.6	1 530.3	1 601.5	4.0%	80.4%
Special projects	53.0	44.1	48.3	50.4	-1.7%	3.0%	52.9	55.8	59.5	5.7%	2.9%
Total	1 464.7	1 598.3	1 694.8	1 786.9	6.9%	100.0%	1 797.3	1 896.2	1 987.5	3.6%	100.0%

Statements of historical financial performance and position**Table 21.16 Legal Aid South Africa statements of historical financial performance and position**

Statement of financial performance									Average: Outcome/Budget (%) 2014/15 - 2017/18
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R million	2014/15		2015/16		2016/17		2017/18		
Revenue									
Non-tax revenue	19.8	31.2	19.6	32.7	114.2	29.3	32.5	32.5	67.5%
Other non-tax revenue	19.8	31.2	19.6	32.7	114.2	29.3	32.5	32.5	67.5%
Transfers received	1 465.9	1 504.7	1 523.0	1 523.5	1 577.2	1 577.2	1 754.4	1 754.4	100.6%
Total revenue	1 485.8	1 535.9	1 542.6	1 556.2	1 691.4	1 606.5	1 786.9	1 786.9	99.7%
Expenses									
Current expenses	1 485.8	1 464.7	1 641.2	1 598.3	1 691.4	1 694.8	1 786.9	1 786.9	99.1%
Compensation of employees	1 133.1	1 109.4	1 279.6	1 206.1	1 363.3	1 331.2	1 444.9	1 444.9	97.5%
Goods and services	310.4	331.0	330.9	363.6	296.9	333.2	311.2	311.2	107.2%
Depreciation	42.2	23.8	30.7	28.2	30.8	30.2	30.8	30.8	84.1%
Interest, dividends and rent on land	0.1	0.4	0.0	0.4	0.4	0.2	-	-	181.8%
Total expenses	1 485.8	1 464.7	1 641.2	1 598.3	1 691.4	1 694.8	1 786.9	1 786.9	99.1%
Surplus/(Deficit)	-	71.0	(99.0)	(42.0)	-	(88.0)	-	-	

Statements of estimates of financial performance and position**Table 21.17 Legal Aid South Africa statements of estimates of financial performance and position**

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
Revenue								
Non-tax revenue	32.5	1.4%	1.9%	33.0	33.0	21.5	-12.9%	1.6%
Other non-tax revenue	32.5	1.4%	1.9%	33.0	33.0	21.5	-12.9%	1.6%
Transfers received	1 754.4	5.3%	98.1%	1 764.3	1 863.2	1 966.0	3.9%	98.4%
Total revenue	1 786.9	5.2%	100.0%	1 797.3	1 896.2	1 987.5	3.6%	100.0%
Expenses								
Current expenses	1 786.9	6.9%	100.0%	1 797.3	1 896.2	1 987.5	3.6%	100.0%
Compensation of employees	1 444.9	9.2%	77.7%	1 467.8	1 557.4	1 645.6	4.4%	81.9%
Goods and services	311.2	-2.0%	20.6%	298.8	306.7	341.9	3.2%	16.9%
Depreciation	30.8	8.9%	1.7%	30.8	32.1	-	-100.0%	1.3%
Total expenses	1 786.9	6.9%	100.0%	1 797.3	1 896.2	1 987.5	3.6%	100.0%
Surplus/(Deficit)	-			-	-	-		

Personnel information

Table 21.18 Legal Aid South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
Legal Aid South Africa																			
Salary level	2 752	2 863	2 751	1 331.2	0.5	2 752	1 444.9	0.5	2 584	1 467.8	0.6	2 584	1 557.4	0.6	2 584	1 645.6	0.6	4.4%	100.0%
1 – 6	1 065	1 126	1 064	201.2	0.2	1 065	218.8	0.2	993	221.5	0.2	993	235.6	0.2	993	249.1	0.3	4.4%	38.5%
7 – 10	780	780	780	268.7	0.3	780	291.6	0.4	733	293.4	0.4	733	313.2	0.4	733	331.2	0.5	4.3%	28.4%
11 – 12	782	832	782	712.6	0.9	782	774.9	1.0	748	789.4	1.1	748	837.4	1.1	748	885.1	1.2	4.5%	28.8%
13 – 16	125	125	125	148.6	1.2	125	159.6	1.3	110	163.4	1.5	110	171.2	1.6	110	180.2	1.6	4.1%	4.3%

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with the more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Public Protector of South Africa** is mandated to strengthen constitutional democracy by investigating any conduct in state affairs, or in the public administration in any sphere of government, that is alleged or suspected to be improper or to result in any impropriety or prejudice; to report on that conduct; and to take appropriate remedial action. The institution's total budget for 2018/19 is R311.4 million.
- The **South African Human Rights Commission** is an independent statutory body established to support constitutional democracy by promoting, protecting and monitoring matters relating to human rights. The commission's total budget for 2018/19 is R179.8 million.
- The **Special Investigating Unit** investigates and litigates on serious malpractice, maladministration and corruption in connection with the administration of state institutions. The unit is also empowered to institute and conduct civil proceedings in any court of law or special tribunal in its own name or on behalf of other state institutions. Its total budget for 2018/19 is R624.9 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Soweto magistrate's court (formally referred to as Orlando magistrate's court)	Construction of a new building	Identification	1 264.2	–	–	–	–	–	19.1	–
Nelspruit high court	Construction of a new building for the province	Construction	1 238.4	150.4	333.5	234.3	186.5	152.0	–	–
Polokwane high court	Construction of a new building for the province	Complete	1 011.2	318.7	72.7	91.4	81.5	16.8	–	–
South Gauteng high court	Extension of an existing building	Complete	5 061.7	23.1	55.4	41.2	7.4	–	–	–
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Pieterberg Bay magistrate's office	Construction of a new building	Construction	337.0	13.6	18.3	98.4	182.8	13.1	–	–
Soshanguve magistrate's office	Extension of an existing building	Design	424.5	–	–	22.5	–	–	51.3	53.0
Goodwood magistrate's office	Construction of a new building	Pre-feasibility	451.8	–	–	–	–	–	–	2.5
Port Shepstone magistrate's office	Construction of a new building	Construction	377.9	13.8	61.3	94.2	91.5	93.5	–	–
Katlehong magistrate's office	Construction of a new building	Complete	332.2	8.3	–	–	1.1	–	–	–
Booyens magistrate's office	Construction of a new building	Construction	288.0	–	–	64.2	158.6	42.9	–	–
Durban high court	Expansion of accommodation	Design	902.7	–	3.0	19.6	32.7	171.6	175.9	191.0
Small projects (total project cost of less than R250 million over the project life cycle)										
Accessibility programme (phase 2)	Accessibility of court facilities	Ongoing	105.9	20.6	36.9	95.0	20.7	28.1	18.3	14.1
Mamelodi magistrate's office	Construction of a new building	Construction	180.0	15.6	26.9	34.2	39.9	20.4	–	–
Fort Beaufort magistrate's office	Upgrade of electricity systems	Complete	1.5	–	0.8	–	–	–	–	–
Richards Bay magistrate's office	Construction of a new building	Design	207.1	3.5	8.4	4.9	4.0	–	59.7	63.0
Kagiso magistrate's office	Construction of a new building	Handed over	110.6	6.2	–	0.2	–	–	–	–
Jan Kempdorp magistrate's office	Construction of a new building	Design	88.8	–	–	0.9	–	–	25.9	26.2
Sibasa regional court	Refurbishment of an existing building	Design	4.1	–	–	0.1	–	1.1	–	–
Tsakane magistrate's office	Construction of a new building	Handed over	16.2	0.6	–	0.3	–	–	–	–
Nkomazi magistrate's office	Construction of a new building	Complete	0.8	–	0.3	–	–	–	–	–
Garies magistrate's office	Construction of a new building	Design	97.0	–	–	–	–	–	25.6	27.0
Lothair periodical court	Construction of a new building	Design	31.7	–	–	0.5	–	–	10.0	30.8
Boksburg magistrate's office	Upgrade of electricity systems	Design	0.2	–	–	–	–	1.0	0.5	–
Bityi periodical court	Construction of a new building	Construction	73.0	2.1	0.7	7.5	41.0	11.3	–	–
Dimbaza periodical court	Construction of a new building	Construction	110.2	4.6	26.1	25.2	32.8	13.2	–	–
Supreme Court of Appeal (Bloemfontein)	Extension of an existing building	Handed over	129.8	0.7	0.8	1.0	–	–	–	–
Various magistrate offices: Air conditioners	Installation of air conditioners	Ongoing	12.8	–	0.2	3.1	0.1	5.0	20.0	5.0
Rouxville magistrate's office	Expansion of accommodation	Construction	10.7	–	–	1.7	4.8	–	–	0.1
Stanger magistrate's office	Extension of an existing building	Handed over	52.8	1.1	–	–	–	–	–	–
Vanrhynsdorp magistrate's office	Extension of an existing building	Handed over	2.9	–	1.1	–	–	–	–	–
Port Elizabeth high court	Extension of an existing building	Construction	194.8	25.7	11.5	43.3	40.0	–	–	–
Various service points: Payment of final accounts	Construction of a new building and extensions of an existing buildings	Ongoing	150.0	–	–	12.6	15.8	26.8	55.0	30.0
Humansdorp magistrate's office	Extension of an existing building	Design	28.7	–	–	–	–	–	–	2.4
Oberholzer magistrate's office	Upgrade of security measures	Construction	8.7	–	0.4	0.0	–	–	–	–

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
KwaMbonambi periodical court	Extension of an existing building	Design	61.4	-	-	-	-	-	-	0.2
Umtata magistrate's office	Extension of an existing building	Design	162.4	0.9	-	3.4	1.1	5.0	23.5	45.9
Cala magistrate's office	Extension of an existing building	Design	12.2	-	-	-	-	-	-	2.4
Tarkastad magistrate's office	Extension of an existing building	Handed over	9.4	6.3	-	-	-	-	-	-
Schweizer-Reneke magistrate's office	Extension of an existing building	Handed over	11.3	4.8	0.1	0.8	-	-	-	-
Mqanduli magistrate's office	Extension of an existing building	Design	3.9	-	-	0.4	-	1.0	15.0	15.8
Nyoni periodical court	Extension of an existing building	Design	23.7	2.6	0.5	-	-	-	-	0.3
Wolmaranstad magistrate's office	Extension of an existing building	Design	29.9	-	-	-	-	-	-	7.1
Bhisho high court	Extension of an existing building	Feasibility	28.3	12.9	-	-	-	-	-	12.2
Mount Ayliff magistrate's office	Extension of an existing building	Design	65.1	-	-	-	-	-	-	1.8
Barkley East magistrate's office	Extension of an existing building	Design	8.8	-	-	-	-	-	-	1.8
Whittlesea magistrate's office	Extension of an existing building	Design	102.1	1.4	1.0	0.0	-	-	-	26.6
Christiana magistrate's office	Extension of an existing building	Design	18.2	-	-	-	-	-	-	2.3
Fraserburg magistrate's office	Extension of an existing building	Construction	30.9	-	1.2	2.1	10.0	16.6	-	-
Various magistrate offices: Standby generators	Installation of standby generators	Design	4.0	-	-	-	-	5.0	20.0	5.0
Umbumbulu magistrate's office	Extension of an existing building	Construction	50.6	11.3	13.9	10.7	3.5	5.2	-	5.8
Thohoyandou high court	Extension of an existing building	Construction	1.7	-	0.1	0.8	-	-	-	-
Gelvandale magistrate's office	Extension of an existing building	Handed over	54.1	0.8	-	-	-	-	-	-
Lephalale local seat	Construction of a new building	Feasibility	150.0	-	-	-	-	-	10.8	20.0
Tshilwvuhuku magistrate's office	Construction of a new building	Design	40.7	0.1	0.0	-	-	-	-	8.2
Tsineng magistrate's office	Construction of a new building	Identification	49.2	-	-	-	-	-	-	0.7
Second Gelvandale magistrate's office	Upgrade of various offices	Handed over	6.8	1.8	-	-	-	-	-	-
Odendaalsrus magistrate's office	Extension of an existing building	Feasibility	7.5	-	-	-	-	-	-	0.0
Villiers magistrate's office	Extension of an existing building	Feasibility	8.8	-	-	-	-	-	-	0.0
Elliot magistrate's office	Extension of an existing building	Design	4.7	-	0.3	0.6	-	-	-	-
Bloemfontein high court	Extension of an existing building	Design	1.6	-	-	-	-	8.5	12.3	-
Upington local seat	Construction of a new building	Feasibility	150.0	-	-	-	-	-	10.8	20.0
Welkom magistrate's office	Extension of an existing building	Construction	26.7	0.7	4.7	6.9	8.6	3.6	-	-
Caledon magistrate's office	Extension of an existing building	Handed over	19.1	0.8	0.2	-	-	-	-	-
Ladismith magistrate's office (Western Cape)	Extension of an existing building	Design	17.5	0.4	-	6.6	3.5	-	-	-
Grabouw magistrate's office	Extension of an existing building	Design	8.5	5.7	0.9	0.7	-	-	-	-
Clanwilliam magistrate's office	Extension of an existing building	Design	9.4	7.3	1.5	0.0	-	-	-	-
Cape Town magistrate's office	Extension of an existing building	Construction	24.2	12.7	1.1	-	-	4.3	-	-
Justitia Building (Cape Town)	Extension of an existing building	Construction	192.7	7.3	41.6	61.3	17.0	3.4	-	-
Misinga magistrate's office	Extension of an existing building	Design	86.9	0.4	-	-	-	-	-	0.4
Umtinkulu magistrate's office	Extension of an existing building	Design	176.0	2.3	0.1	1.3	0.2	-	-	0.4
Ixopo justice cluster	Extension of an existing building	Design	53.1	0.4	-	-	-	-	-	-
Ingwavuma justice cluster	Extension of an existing building	Design	42.6	-	0.5	0.2	-	-	-	0.2
Kranskop justice cluster	Extension of an existing building	Design	11.3	-	-	-	-	-	-	0.1
Greytown justice cluster	Extension of an existing building	Design	26.7	-	-	-	-	-	-	0.1
Bergville justice cluster	Extension of an existing building	Design	37.8	0.0	-	-	-	-	-	0.1
Paulietersburg justice cluster	Extension of an existing building	Design	37.3	0.5	0.1	-	0.0	-	-	0.4
Magudu justice cluster	Extension of an existing building	Design	22.6	-	0.1	-	-	-	-	0.5

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome				Adjusted appropriation 2017/18	Medium-term expenditure estimate			
				2014/15	2015/16	2016/17	2018/19		2019/20	2020/21		
R million												
Sundumbili magistrate's office	Extension of an existing building	Design	56.9	-	-	1.0	-	-	-	-	3.1	
Newcastle magistrate's office	Extension of an existing building	Design	128.6	0.2	2.2	0.1	-	-	-	-	0.7	
Chatsworth (Durban) magistrate's office	Extension of an existing building	Construction	204.5	1.0	3.0	13.0	40.0	70.8	33.5	-	-	
Vuilemho magistrate's office	Extension of an existing building	Design	40.4	1.4	-	3.7	8.5	8.9	-	-	-	
Pofadder magistrate's office	Extension of an existing building	Design	232.5	0.4	1.2	-	-	-	11.1	21.2	-	
Hopetown magistrate's office	Extension of an existing building	Design	34.0	-	-	-	-	-	-	-	1.8	
Kakamas magistrate's office	Extension of an existing building	Design	95.0	0.1	-	-	-	-	-	-	11.8	
Keimosis magistrate's office	Construction of a new building	Design	19.1	0.7	-	-	-	-	-	-	4.3	
Mankwe magistrate's office	Extension of an existing building	Handed over	2.4	0.8	-	-	-	-	-	-	-	
Klerksdorp magistrate's office	Extension of an existing building	Design	29.8	0.5	1.4	0.7	-	-	25.0	19.3	-	
Evander magistrate's office	Extension of an existing building	Design	75.0	-	1.2	1.3	30.3	7.3	2.2	2.3	-	
Tzaneen magistrate's office	Extension of an existing building	Design	85.0	-	-	-	-	-	-	-	5.0	
Dzanani magistrate's office	Extension of an existing building	Design	182.0	1.5	0.8	2.6	-	-	25.0	22.4	-	
Naboomspruit magistrate's office	Extension of an existing building	Design	30.8	-	0.3	-	-	-	-	-	6.2	
Ezibeleni magistrate's office	Extension of an existing building	Design	24.0	0.1	-	-	-	-	-	-	1.2	
King William's Town magistrate's office	Extension of an existing building	Design	18.6	0.1	0.1	0.0	-	-	-	-	2.4	
Grahamstown magistrate's office	Extension of an existing building	Design	5.1	-	-	-	-	-	-	-	1.6	
Seymour magistrate's office	Extension of an existing building	Design	30.2	0.2	0.0	-	-	-	-	-	4.3	
Middelburg magistrate's office (Eastern Cape)	Extension of an existing building	Design	47.4	-	0.2	-	-	-	-	-	8.6	
Port Elizabeth magistrate's office	Extension of an existing building	Design	58.3	0.0	-	-	-	-	-	-	19.8	
Bedford magistrate's office	Extension of an existing building	Design	17.0	-	-	-	-	-	-	-	1.6	
Odi magistrate's office	Extension of an existing building	Design	165.7	-	-	-	-	-	-	-	35.7	
Palace of Justice (Pretoria)	Extension of an existing building	Construction	53.0	8.4	1.5	4.6	-	-	-	-	-	
Rustenburg magistrate's office	Extension of an existing building	Design	182.5	6.4	1.8	1.3	-	6.2	75.4	59.4	-	
Virginia magistrate's office	Extension of an existing building	Design	4.0	-	-	-	-	-	-	-	0.0	
Hennenman magistrate's office	Extension of an existing building	Design	8.5	-	-	-	-	-	-	-	0.0	
Gariep Dam magistrate's office	Extension of an existing building	Design	7.4	-	-	-	-	-	-	-	0.0	
Bothaville magistrate's office	Extension of an existing building	Design	5.0	-	-	-	-	-	-	-	0.0	
Colonial Building magistrate's office	Expansion of accommodation	Design	178.1	-	-	-	-	-	-	-	0.1	
Kuilsrivier magistrate's office	Construction of a new building	Feasibility	196.0	-	-	-	-	-	-	-	0.2	
Hermanus magistrate's office	Construction of a new building	Design	179.0	-	-	-	-	-	-	-	0.2	
Phillippi magistrate's office	Construction of a new building	Feasibility	200.0	-	-	-	-	-	-	-	0.2	
Darling magistrate's office	Extension of an existing building	Feasibility	30.0	-	-	-	-	-	-	-	0.0	
Somerset West magistrate's office	Extension of an existing building	Feasibility	30.0	-	-	-	-	-	-	-	0.0	
Worcester magistrate's office	Extension of an existing building	Feasibility	40.0	-	-	-	-	-	-	-	0.0	
Horwick magistrate's office	Upgrade of security measures	Design	4.0	-	-	-	-	-	-	-	0.0	
Various magistrate's offices: Water tanks	Installation of water tanks	Design	-	-	-	-	-	5.0	20.0	5.0	-	
Ulundi magistrate's office	Upgrade of security measures	Design	6.4	-	-	-	-	-	-	-	0.3	
Mahlabathini magistrate's office	Upgrade of security measures	Design	10.1	-	-	-	-	-	-	-	0.0	
Dannhauser magistrate's office	Upgrade of security measures	Design	8.9	-	-	-	-	-	-	-	0.0	
Umbombo magistrate's office	Expansion of accommodation	Design	50.0	-	-	-	-	-	-	-	0.0	
Gingindlovu magistrate's office	Expansion of accommodation	Design	3.5	-	-	-	-	-	-	-	0.0	

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Njome magistrate's office	Construction of a new building	Design	20.0	-	-	-	-	-	-	0.0
Louwsburg magistrate's office	Upgrades and refurbishment	Design	0.7	-	-	-	-	-	-	0.0
Pongola magistrate's office	Repairs and renovations of offices	Design	1.2	-	-	-	-	-	-	0.0
Lichtenburg magistrate's office	Extension of an existing building	Design	200.0	-	-	-	-	-	-	5.3
Various service points: Refurbishment, additions and upgrade of security measures	Refurbishment, additions to existing buildings and upgrading of security measures	Construction	190.0	-	-	-	5.3	72.2	109.2	34.2
Mobile office	Procurement of mobile offices	Complete	13.6	-	-	2.5	9.2	-	-	-
Leases of office building	Rental of office building	Ongoing	10.6	10.6	-	-	-	-	-	-
Total			18 412.2	722.9	739.5	1 023.0	1 078.6	819.8	855.0	902.0

Vote 22

Office of the Chief Justice and Judicial Administration

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	201.9	193.8	–	8.1	213.9	227.4
Superior Court Services	838.9	748.6	1.3	88.9	900.1	965.3
Judicial Education and Support	79.0	78.4	–	0.6	83.6	89.1
Subtotal	1 119.7	1 020.7	1.3	97.7	1 197.7	1 281.9
Direct charge against the National Revenue Fund						
Judges' salaries	1 022.1	956.1	66.0	–	1 098.5	1 180.9
Total expenditure estimates	2 141.8	1 976.9	67.3	97.7	2 296.2	2 462.8

Executive authority Minister of Justice and Correctional Services
 Accounting officer Secretary General of the Office of the Chief Justice
 Website address www.judiciary.org.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Strengthen judicial governance and independence by rendering effective support to the Chief Justice in executing administrative and judicial powers and duties as both head of the judiciary and the Constitutional Court.

Mandate

As prescribed in section 165 (6) of the Constitution, read together with the Superior Courts Act (2013), the Office of the Chief Justice is mandated to render support to the chief justice as the head of the judiciary. In addition to its mandate, the Office of the Chief Justice is also required to: provide and coordinate legal and administrative support to the chief justice; provide communication and relationship management services; provide intergovernmental and internal coordination services; develop administration policies for courts; support the development of judicial policy, norms and standards; support the judicial function of the Constitutional Court; and support the Judicial Service Commission and South African Judicial Education Institute in the execution of their mandates.

Selected performance indicators

Table 22.1 Performance indicators¹ by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of default judgments finalised by registrars per year ²	Superior Court Services	Outcome 3: All people in South Africa are and feel safe	– ³	70% (33 252/ 47 814)	85% (49 252/ 57 656)	80%	90%	100%	100%
Percentage of taxations of legal costs finalised per year ^{2, 4}	Superior Court Services		– ³	84% (17 888/ 21 287)	87% (19 510/ 22 414)	80%	90%	100%	100%
Percentage of warrants of release delivered within one day of the release issued ^{2, 5}	Superior Court Services		– ³	– ³	88% (79/90)	98%	98%	98%	98%

Table 22.1 Performance indicators¹ by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of judicial education courses conducted per year	Judicial Education and Support	Outcome 3: All people in South Africa are and feel safe	60	59	90	77	78	80	82

1. Indicator on the number of superior courts monitoring reports produced per year was removed as the reports are produced in line with judiciary's processes, which are not within the control of the Office of the Chief Justice.
2. Because the exact number of default judgments and taxations to be finalised and warrants of release delivered cannot be predicted, targets for these indicators from 2017/18 to 2020/21 are expressed only as percentages.
3. No historical data available.
4. Performance reflected here is lower than the actual achieved in 2016/17 as the target was set before the actual outcome was reported.
5. Targets are informed by the service delivery standard that requires that warrants of release must be delivered within 1 day of the release issued. A target of 100 per cent is, however, unachievable due to processes and systems that are beyond the control of the Office of the Chief Justice, hence projections are kept constant at 98 per cent.

Expenditure analysis

The National Development Plan calls for the strengthening of judicial governance and the rule of law by accelerating reforms towards judiciary-led, independent court administration; and facilitating judicial education training. This is given expression by outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework, with which the work of the Office of the Chief Justice and Judicial Administration is closely aligned. As such, over the medium term, the department will focus on: improving access to superior courts; implementing the ICT master systems plan, which entails modernising courts and their processes and systems, and monitoring and reporting on the implementation of norms and standards by courts; and facilitating timeous judicial appointments and training.

Improving access to superior courts

The National Development Plan asserts that the cost of justice, especially for the poor, presents a barrier that can lead to the unintended miscarriage of justice. Section 6 of the Superior Courts Act (2013) provides that there must be a division of the high court in every province in South Africa. This is further supported by the Office of the Chief Justice's vision of ensuring a single, transformed and independent judicial system that guarantees access to justice for all. In this regard, the Polokwane high court was opened in 2016/17 and is allocated R26.9 million in 2018/19, R23.5 million in 2019/20 and R27.2 million in 2020/21.

The construction of the Mpumalanga high court is expected to be completed in 2018 and operationalised in the same year, accounting for a projected 9.9 per cent average annual increase in allocations to the *High Courts* subprogramme over the medium term. Excluding direct charges, expenditure in the *Superior Court Services* programme accounts for an estimated 75.1 per cent (R2.7 billion) of the department's total budget over the MTEF period.

To ensure that the Mpumalanga high court operates optimally, an additional R115.3 million, which was reprioritised from the Department of Justice and Constitutional Development, has been allocated over the medium term for compensation of employees (R74.9 million), goods and services (R22.8 million), transfers to households (R195 000), and machinery and equipment (R17.4 million). This reprioritisation accounts for the significant projected increase in spending on compensation of employees in the *Superior Court Services* programme, the total budget of which is expected to increase at an average annual rate of 9.2 per cent, from R512.4 million in 2017/18 to R666.6 million in 2020/21.

As the Mpumalanga high court becomes fully operational, the number of personnel in the *Superior Court Services* programme is expected to increase from 1 567 in 2017/18 to 1 617 in 2020/21. This increase in personnel is expected to lead to an increase in the percentage of default judgments finalised by registrars per year, from 80 per cent in 2017/18 to 100 per cent in 2020/21.

Implementing the ICT master systems plan

The department is in the process of modernising court processes and systems to improve court administration and access to justice, and facilitate timely reporting by courts on the implementation of norms and standards. One of the department's key initiatives over the medium term is the implementation

of the 2016-2020 ICT master systems plan at superior courts. The plan outlines major enabling ICT programmes that are meant to support the department, the judiciary and the Office of the Chief Justice in fulfilling their mandates. Automation and digitisation remain crucial to the overall improvement of court processes. Central to this is the appropriate management of information and data, which entails keeping up with advances in high speed telecommunications, information systems, computers and other technologies. Recognising that enhanced security is vital when using technology, the department developed an information security framework in 2017/18.

Over the medium term, as part of the ICT master systems plan, the department also intends to focus on piloting and rolling out the case e-filing project, an automated system that is intended for managing, storing, publishing and retrieving case files and documentation, evidence, court orders, judgments and all other relevant documentation; and systems to monitor case management and court performance. These projects are expected to be implemented in phases, with the case e-filing project expected to be completed in 2019/20.

The ICT master systems plan is funded from the integrated justice system programme and the department's *Administration* programme. The project is allocated R11.9 million in 2018/19, increasing to R13.3 million in 2020/21, and accounting for the projected average annual increase in spending of 7.2 per cent in the *Corporate Services* subprogramme in the *Administration* programme over the medium term.

Facilitating judicial appointments and training

The department will continue to provide secretariat and administrative support to the Judicial Service Commission's public process of appointing judicial officers. This is expected to be funded through an allocation of R37.5 million over the MTEF period to the Judicial Service Commission in the *Judicial Service Commission* subprogramme in the *Judicial Education and Support* programme.

Judicial officers receive training on an ongoing basis through the South African Judicial Education Institute. Over the MTEF period, the department expects to provide 240 judicial education courses focusing on new legislation dealing with domestic violence, matters relating to maintenance, immigration and other issues. For this purpose, allocations to the *South African Judicial Education Institute* subprogramme are set to increase at an average annual rate of 6.8 per cent, from R48 million in 2017/18 to R58.4 million in 2020/21.

Expenditure trends

Table 22.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Superior Court Services														
3. Judicial Education and Support														
Programme														
	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Audited outcome	2016/17	Adjusted appropriation	Audited outcome	2017/18	Adjusted appropriation	Revised estimate	2014/15 - 2017/18	2017/18
R million														
Programme 1	33.2	36.9	27.5	69.4	99.5	88.8	161.2	145.0	139.1	199.0	183.7	183.7	94.9%	94.4%
Programme 2	505.4	510.6	621.0	640.4	649.5	641.9	640.7	679.1	675.6	737.5	758.7	758.7	106.9%	103.8%
Programme 3	26.5	26.5	31.8	32.6	34.4	36.9	63.2	49.9	40.9	82.1	76.9	76.9	91.2%	99.3%
Subtotal	565.1	574.0	680.2	742.4	783.4	767.7	865.0	874.0	855.6	1 018.6	1 019.3	1 019.3	104.1%	102.2%
Direct charge against the National Revenue Fund	829.0	856.0	872.2	873.7	873.7	887.7	920.1	950.1	930.7	966.1	966.1	966.1	101.9%	100.3%
Judges' salaries	829.0	856.0	872.2	873.7	873.7	887.7	920.1	950.1	930.7	966.1	966.1	966.1	101.9%	100.3%
Total	1 394.1	1 430.0	1 552.5	1 616.2	1 657.1	1 655.4	1 785.0	1 824.0	1 786.3	1 984.6	1 985.4	1 985.4	102.9%	101.2%
Change to 2017 Budget estimate											0.8			

Table 22.2 Vote expenditure trends by programme and economic classification

Economic classification	2014/15			2015/16			2016/17			2017/18			Average: Annual Outcome/Annual budget (%)	Average: Annual Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million														
Current payments	1 336.3	1 345.9	1 415.3	1 547.1	1 576.6	1 501.2	1 702.0	1 681.3	1 636.8	1 844.4	1 821.7	1 821.7	99.1%	99.2%
Compensation of employees	1 121.0	1 133.8	1 203.5	1 279.5	1 323.8	1 303.7	1 411.9	1 423.4	1 418.6	1 524.0	1 524.0	1 524.0	102.1%	100.8%
Goods and services	215.3	212.1	211.7	267.6	252.8	197.5	290.2	257.9	218.1	320.4	297.7	297.7	84.6%	90.6%
Interest and rent on land	–	–	–	–	–	0.0	–	–	0.0	–	0.0	0.0	–	450.0%
Transfers and subsidies	52.4	67.5	76.1	55.3	53.7	56.2	57.7	83.3	50.6	59.3	59.0	59.0	107.6%	91.8%
Provinces and municipalities	0.1	0.1	0.0	0.1	0.1	–	0.1	0.0	0.0	0.1	–	–	15.3%	27.4%
Households	52.4	67.4	76.0	55.2	53.6	56.2	57.5	83.3	50.6	59.2	59.0	59.0	107.8%	91.8%
Payments for capital assets	5.3	16.6	61.1	13.8	26.9	97.9	25.4	59.4	99.0	80.9	104.6	104.6	289.2%	174.7%
Buildings and other fixed structures	–	–	–	–	–	–	–	–	0.1	–	–	–	–	–
Machinery and equipment	5.3	16.6	60.9	13.8	26.9	97.5	25.4	59.4	98.9	65.9	89.6	89.6	314.3%	180.2%
Software and other intangible assets	–	–	0.2	–	–	0.5	–	–	–	15.0	15.0	15.0	104.3%	104.3%
Payments for financial assets	–	–	0.1	–	–	0.0	–	–	–	–	–	–	–	–
Total	1 394.1	1 430.0	1 552.5	1 616.2	1 657.1	1 655.4	1 785.0	1 824.0	1 786.3	1 984.6	1 985.4	1 985.4	102.9%	101.2%

Expenditure estimates

Table 22.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Superior Court Services									
3. Judicial Education and Support									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
R million									
Programme 1	183.7	70.8%	6.3%	201.9	213.9	227.4	7.4%	9.3%	
Programme 2	758.7	14.1%	38.6%	838.9	900.1	965.3	8.4%	39.0%	
Programme 3	76.9	42.6%	2.7%	79.0	83.6	89.1	5.0%	3.7%	
Subtotal	1 019.3	21.1%	47.6%	1 119.7	1 197.7	1 281.9	7.9%	52.0%	
Direct charge against the National Revenue Fund	966.1	4.1%	52.4%	1 022.1	1 098.5	1 180.9	6.9%	48.0%	
Judges' salaries	966.1	4.1%	52.4%	1 022.1	1 098.5	1 180.9	6.9%	48.0%	
Total	1 985.4	11.6%	100.0%	2 141.8	2 296.2	2 462.8	7.4%	100.0%	
Change to 2017 Budget estimate				48.8	53.8	62.4			
Economic classification									
Current payments	1 821.7	10.6%	91.3%	1 976.9	2 096.2	2 225.6	6.9%	91.4%	
Compensation of employees	1 524.0	10.4%	78.1%	1 644.0	1 747.4	1 857.0	6.8%	76.2%	
Goods and services	297.7	12.0%	13.3%	332.8	348.8	368.6	7.4%	15.2%	
Interest and rent on land	0.0	–	0.0%	–	–	–	-100.0%	0.0%	
Transfers and subsidies	59.0	-4.4%	3.5%	67.3	95.9	128.2	29.5%	3.9%	
Provinces and municipalities	–	-100.0%	0.0%	–	–	–	–	–	
Departmental agencies and accounts	–	-100.0%	0.0%	–	–	–	–	–	
Households	59.0	-4.3%	3.5%	67.3	95.9	128.2	29.5%	3.9%	
Payments for capital assets	104.6	84.6%	5.2%	97.7	104.2	109.0	1.4%	4.7%	
Machinery and equipment	89.6	75.4%	5.0%	97.7	104.2	109.0	6.7%	4.5%	
Software and other intangible assets	15.0	–	0.2%	–	–	–	-100.0%	0.2%	
Total	1 985.4	11.6%	100.0%	2 141.8	2 296.2	2 462.8	7.4%	100.0%	

Expenditure trends and estimates for significant spending items

Table 22.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Compensation of employees (excluding direct charges)	404 443	470 872	536 947	615 799	15.0%	61.0%	687 919	743 265	802 772	9.2%	61.7%
Direct charges ¹	872 235	887 682	930 704	966 060	3.5%	–	1 022 091	1 098 546	1 180 937	6.9%	–
Travel and subsistence	91 917	89 008	84 860	114 830	7.7%	11.5%	111 652	118 689	125 576	3.0%	10.2%
Total	1 368 595	1 447 562	1 552 511	1 696 689	26.2%	72.5%	1 821 662	1 960 500	2 109 285	19.1%	71.9%

1. This item is a direct charge against the National Revenue Fund, and is spent in terms of a statute and is not budgeted for in any programme of the vote. Hence it is shown as a separate item and is not included in the vote's appropriated total.

Goods and services expenditure trends and estimates

Table 22.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	1 593	2 115	2 790	4 520	41.6%	1.2%	4 182	4 438	4 706	1.4%	1.3%
Advertising	799	1 447	1 058	1 255	16.2%	0.5%	1 347	1 384	1 465	5.3%	0.4%
Minor assets	3 769	6 845	6 530	6 572	20.4%	2.6%	8 915	8 505	8 907	10.7%	2.4%
Audit costs: External	–	2 311	5 100	4 867	–	1.3%	5 270	5 585	5 920	6.7%	1.6%
Bursaries: Employees	–	2	125	1 500	–	0.2%	1 624	1 721	1 824	6.7%	0.5%
Catering: Departmental activities	593	911	2 567	5 226	106.6%	1.0%	5 105	5 432	5 777	3.4%	1.6%
Communication	16 232	10 448	12 856	17 464	2.5%	6.2%	19 218	20 212	21 475	7.1%	5.8%
Computer services	2 026	17 968	32 386	40 314	171.0%	10.0%	55 747	58 632	60 929	14.8%	16.0%
Consultants: Business and advisory services	9 156	9 054	12 455	13 091	12.7%	4.7%	13 427	14 357	15 323	5.4%	4.2%
Legal services	337	1 721	570	3 348	115.0%	0.6%	4 356	4 306	4 752	12.4%	1.2%
Science and technological services	–	621	–	–	–	0.1%	–	–	–	–	–
Contractors	1 492	9 651	2 253	4 259	41.9%	1.9%	6 308	4 015	4 182	-0.6%	1.4%
Agency and support/outsourced services	9 421	628	3 549	4 022	-24.7%	1.9%	4 503	4 820	5 140	8.5%	1.4%
Entertainment	–	13 684	128	100	–	1.5%	88	97	106	2.0%	–
Fleet services (including government motor transport)	27 558	4 705	21 348	25 564	-2.5%	8.6%	29 821	32 374	34 427	10.4%	9.1%
Consumable supplies	1 148	1 771	3 091	13 405	126.9%	2.1%	16 168	16 957	17 989	10.3%	4.8%
Consumables: Stationery, printing and office supplies	8 540	12 124	9 703	–	-100.0%	3.3%	–	–	–	–	–
Operating leases	28 105	47	147	6 051	-40.1%	3.7%	12 100	12 700	13 500	30.7%	3.3%
Rental and hiring	–	–	11	256	–	–	132	140	148	-16.7%	0.1%
Property payments	323	1 313	2 654	2 823	106.0%	0.8%	4 114	4 281	4 598	17.7%	1.2%
Travel and subsistence	91 917	89 008	84 860	114 830	7.7%	41.1%	111 652	118 689	125 576	3.0%	34.9%
Training and development	348	1 109	1 922	6 946	171.3%	1.1%	7 793	8 264	8 781	8.1%	2.4%
Operating payments	2 719	4 760	5 378	9 007	49.1%	2.4%	9 949	10 488	11 198	7.5%	3.0%
Venues and facilities	5 661	5 269	6 652	12 266	29.4%	3.2%	11 006	11 424	11 899	-1.0%	3.5%
Total	211 737	197 512	218 133	297 686	12.0%	100.0%	332 825	348 821	368 622	7.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 22.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4	–	–	–	-100.0%	–	–	–	–	–	–
Communication	4	–	–	–	-100.0%	–	–	–	–	–	–
Households											
Other transfers to households											
Current	–	41	–	–	–	–	–	–	–	–	–
Employee social benefits	–	41	–	–	–	–	–	–	–	–	–

Table 22.6 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Households											
Social benefits											
Current	76 026	56 173	50 573	59 016	-8.1%	100.0%	67 313	95 899	128 214	29.5%	100.0%
Employee social benefits	2 874	1 313	1 568	1 197	-25.3%	2.9%	1 340	1 449	1 495	7.7%	1.6%
Judges' salaries	73 152	54 860	49 005	57 819	-7.5%	97.1%	65 973	94 450	126 719	29.9%	98.4%
Provinces and municipalities											
Municipal agencies and funds											
Current	47	-	1	-	-100.0%	-	-	-	-	-	-
Vehicle licences	47	-	1	-	-100.0%	-	-	-	-	-	-
Total	76 077	56 214	50 574	59 016	-8.1%	100.0%	67 313	95 899	128 214	29.5%	100.0%

Personnel information

Table 22.7 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment											Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2017/18 - 2020/21	Average: Salary level/Total (%) 2017/18 - 2020/21			
		2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21											
Office of the Chief Justice and Judicial Administration		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	2 402	2 462	1 418.6	0.6	2 520	1 524.0	0.6	2 579	1 644.0	0.6	2 570	1 747.4	0.7	2 568	1 857.0	0.7	0.6%	100.0%
1 – 6	1 006	994	193.3	0.2	1 010	211.0	0.2	1 036	233.8	0.2	1 037	252.7	0.2	1 037	272.5	0.3	0.9%	40.2%
7 – 10	984	670	240.9	0.4	701	276.0	0.4	721	309.6	0.4	730	334.9	0.5	741	365.3	0.5	1.9%	28.3%
11 – 12	87	97	58.0	0.6	105	68.8	0.7	111	79.2	0.7	113	87.1	0.8	115	95.0	0.8	3.1%	4.3%
13 – 16	325	694	926.5	1.3	682	968.1	1.4	674	1 021.4	1.5	662	1 072.6	1.6	649	1 124.2	1.7	-1.6%	26.1%
Other	-	7	0.0	0.0	22	0.0	0.0	37	0.0	0.0	28	0.0	0.0	26	0.0	0.0	5.7%	1.1%
Programme	2 402	2 462	1 418.6	0.6	2 520	1 524.0	0.6	2 579	1 644.0	0.6	2 570	1 747.4	0.7	2 568	1 857.0	0.7	0.6%	100.0%
Programme 1	148	247	67.7	0.3	269	83.4	0.3	280	91.6	0.3	279	99.0	0.4	278	106.9	0.4	1.1%	10.8%
Programme 2	1 736	1 515	451.8	0.3	1 567	512.4	0.3	1 610	571.2	0.4	1 613	617.2	0.4	1 617	666.6	0.4	1.1%	62.6%
Programme 3	17	30	17.5	0.6	43	20.0	0.5	50	25.1	0.5	51	27.1	0.5	52	29.3	0.6	6.5%	1.9%
Direct charges	501	670	881.7	1.3	641	908.2	1.4	639	956.1	1.5	627	1 004.1	1.6	621	1 054.2	1.7	-1.1%	24.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
2. Rand million.

Departmental receipts

Table 22.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate 2017/18	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/ Total (%) 2014/15 - 2017/18	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
R thousand												
Departmental receipts	-	778	929	1 869	1 869	-	100.0%	810	965	1 140	-15.2%	100.0%
Sales of goods and services produced by department	-	532	673	555	555	-	49.2%	527	642	798	12.9%	52.7%
Sales by market establishments	-	84	59	104	104	-	6.9%	91	120	134	8.8%	9.4%
of which:												
Rental dwellings	-	40	-	54	54	-	2.6%	46	55	60	3.6%	4.5%
Rental parking: Covered and open	-	44	59	50	50	-	4.3%	45	65	74	14.0%	4.9%
Administrative fees	-	-	8	7	7	-	0.4%	-	-	-	-100.0%	0.1%
of which:												
Telecommunication services	-	-	8	7	7	-	0.4%	-	-	-	-100.0%	0.1%
Other sales	-	448	606	444	444	-	41.9%	436	522	664	14.4%	43.2%
of which:												
Services rendered: Commission on insurance and garnishees	-	319	344	302	302	-	27.0%	338	421	498	18.1%	32.6%
Services rendered: Photocopies and faxes	-	118	176	124	124	-	11.7%	98	101	166	10.2%	10.2%
Sales of assets less than R5 000	-	11	86	18	18	-	3.2%	-	-	-	-100.0%	0.4%

Table 22.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
R thousand												
Sales of scrap, waste, arms and other used current goods	–	1	23	2	2	–	0.7%	–	–	–	-100.0%	–
of which:												
Sales: Scrap	–	1	23	2	2	–	0.7%	–	–	–	-100.0%	–
Transfers received	–	–	–	753	753	–	21.1%	–	–	–	-100.0%	15.7%
Fines, penalties and forfeits	–	30	50	–	–	–	2.2%	42	52	55	–	3.1%
Interest, dividends and rent on land	–	21	21	47	47	–	2.5%	–	–	–	-100.0%	1.0%
Interest	–	21	21	47	47	–	2.5%	–	–	–	-100.0%	1.0%
Transactions in financial assets and liabilities	–	194	162	512	512	–	24.3%	241	271	287	-17.5%	27.4%
Total	–	778	929	1 869	1 869	–	100.0%	810	965	1 140	-15.2%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 22.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management	9.0	22.0	28.5	34.5	56.6%	21.4%	31.7	34.1	36.7	2.1%	16.6%
Corporate Services	8.5	43.1	76.5	101.1	127.9%	52.2%	112.4	118.0	124.5	7.2%	55.1%
Financial Administration	7.8	14.4	20.2	27.8	52.6%	16.0%	29.6	31.9	34.4	7.3%	15.0%
Internal Audit	2.1	9.4	14.0	14.3	88.5%	9.1%	15.2	16.2	17.3	6.6%	7.6%
Office Accommodation	–	–	–	6.1	–	1.4%	13.0	13.7	14.6	34.0%	5.7%
Total	27.5	88.8	139.1	183.7	88.4%	100.0%	201.9	213.9	227.4	7.4%	100.0%
Change to 2017 Budget estimate				(15.3)			(11.8)	0.2	13.7		
Economic classification											
Current payments	25.3	80.3	133.3	159.7	84.8%	90.8%	193.8	205.2	218.2	11.0%	94.0%
Compensation of employees	18.7	38.0	67.7	83.4	64.7%	47.3%	91.6	99.0	106.9	8.6%	46.1%
Goods and services ¹	6.7	42.3	65.6	76.3	125.6%	43.5%	102.1	106.3	111.4	13.4%	47.9%
of which:											
Audit costs: External	–	2.3	5.1	4.9	–	2.8%	5.3	5.6	5.9	6.7%	2.6%
Computer services	0.8	17.0	31.1	37.9	268.1%	19.8%	53.1	55.9	58.0	15.2%	24.8%
Contractors	0.2	3.3	1.5	2.4	140.8%	1.7%	3.4	2.6	2.7	3.3%	1.3%
Operating leases	–	–	–	6.1	–	1.4%	12.1	12.7	13.5	30.7%	5.4%
Travel and subsistence	3.2	6.1	7.0	8.5	38.1%	5.6%	9.3	9.8	10.4	6.8%	4.6%
Training and development	0.1	0.4	1.3	6.2	360.7%	1.8%	6.6	7.0	7.5	6.6%	3.3%
Interest and rent on land	–	0.0	0.0	0.0	–	–	–	–	–	-100.0%	–
Transfers and subsidies¹	0.0	0.1	0.0	–	-100.0%	–	–	–	–	–	–
Households	0.0	0.1	0.0	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	2.1	8.4	5.8	24.0	125.2%	9.2%	8.1	8.7	9.2	-27.3%	6.0%
Machinery and equipment	2.1	8.3	5.8	9.0	62.4%	5.7%	8.1	8.7	9.2	0.8%	4.2%
Software and other intangible assets	–	0.1	–	15.0	–	3.4%	–	–	–	-100.0%	1.8%
Total	27.5	88.8	139.1	183.7	88.4%	100.0%	201.9	213.9	227.4	7.4%	100.0%
Proportion of total programme expenditure to vote expenditure	4.0%	11.6%	16.3%	18.0%	–	–	18.0%	17.9%	17.7%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Superior Court Services

Programme purpose

Provide court administration services to the superior courts.

Objectives

- Ensure the effective and efficient administration of the superior courts by:
 - increasing compliance with quasi-judicial targets from a projected 90 per cent in 2018/19 to 100 per cent in 2020/21
 - conducting 2 case management workshops for court officials per year
 - delivering 98 per cent of all issued warrants of release to correctional facilities within 1 day of the release issued.

Subprogrammes

- *Administration of Superior Courts* provides administrative and technical support to the superior courts, monitors the overall performance of the superior courts and enhances judicial stakeholder relations.
- *Constitutional Court* funds the activities and operations of the Constitutional Court, which has jurisdiction over constitutional matters and any matter that is of general public importance. The Constitutional Court has 11 judges, including the chief justice.
- *Supreme Court of Appeal* funds the activities and operations of the Supreme Court of Appeal, which adjudicates appeals in any matters arising from the high courts or courts of similar status. This court has 26 judges, including a president and a deputy president.
- *High Courts* funds the activities and operations of the various high court divisions, which have jurisdiction over defined geographical areas. There are 8 divisions of the high court in 14 locations, and 240 high court judges. These courts adjudicate, provide resolutions on criminal and civil disputes, and hear appeals and reviews from the lower courts.
- *Specialised Courts* funds the activities and operations of labour and labour appeal courts, the Land Claims Court, the Competition Appeals Court and the Electoral Court. These courts adjudicate various types of matters excluded from the jurisdiction of the various high court divisions and lower courts.

Expenditure trends and estimates

Table 22.10 Superior Court Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Administration of Superior Courts	9.7	7.6	11.1	15.8	17.6%	1.6%	16.7	17.9	19.2	6.8%	2.0%
Constitutional Court	72.1	52.3	45.2	70.6	-0.7%	8.9%	59.3	63.5	68.0	-1.3%	7.5%
Supreme Court of Appeal	25.9	23.1	32.4	33.6	9.0%	4.3%	36.7	39.3	42.1	7.8%	4.4%
High Courts	463.4	509.4	542.8	580.3	7.8%	77.7%	669.8	719.0	771.1	9.9%	79.1%
Specialised Courts	49.9	49.5	44.2	58.4	5.4%	7.5%	56.4	60.5	64.9	3.6%	6.9%
Total	621.0	641.9	675.6	758.7	6.9%	100.0%	838.9	900.1	965.3	8.4%	100.0%
Change to 2017 Budget estimate				21.2			67.5	128.8	194.0		
Economic classification											
Current payments	559.5	551.4	581.7	685.0	7.0%	88.2%	748.6	803.9	864.8	8.1%	89.6%
Compensation of employees	378.7	421.7	451.8	512.4	10.6%	65.4%	571.2	617.2	666.6	9.2%	68.4%
Goods and services ¹	180.9	129.7	129.9	172.6	-1.5%	22.7%	177.4	186.7	198.2	4.7%	21.2%
of which:											
Minor assets	3.3	4.4	6.0	5.5	18.4%	0.7%	7.4	7.3	7.7	11.7%	0.8%
Communication	16.0	3.4	4.1	16.2	0.5%	1.5%	18.4	19.3	20.5	8.2%	2.1%
Consultants: Business and advisory services	8.5	8.0	7.5	10.4	6.7%	1.3%	10.5	11.3	12.0	5.1%	1.3%
Fleet services (including government motor transport)	27.5	4.7	21.3	25.5	-2.5%	2.9%	29.8	32.3	34.4	10.4%	3.5%
Consumable supplies	1.1	1.5	2.4	11.3	116.6%	0.6%	13.5	14.1	15.0	9.9%	1.6%
Travel and subsistence	73.5	67.3	64.1	75.5	0.9%	10.4%	69.9	74.6	79.0	1.5%	8.6%
Transfers and subsidies¹	2.9	1.3	1.5	1.2	-25.4%	0.3%	1.3	1.4	1.5	7.7%	0.2%
Provinces and municipalities	0.0	–	0.0	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Households	2.8	1.3	1.5	1.2	-24.9%	0.3%	1.3	1.4	1.5	7.7%	0.2%

Table 22.10 Superior Court Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R million											
Payments for capital assets	58.5	89.2	92.4	72.4	7.4%	11.6%	88.9	94.8	99.0	11.0%	10.3%
Buildings and other fixed structures	–	–	0.1	–	–	–	–	–	–	–	–
Machinery and equipment	58.3	88.9	92.3	72.4	7.5%	11.6%	88.9	94.8	99.0	11.0%	10.3%
Software and other intangible assets	0.2	0.4	–	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	0.1	0.0	–	–	-100.0%	–	–	–	–	–	–
Total	621.0	641.9	675.6	758.7	6.9%	100.0%	838.9	900.1	965.3	8.4%	100.0%
Proportion of total programme expenditure to vote expenditure	91.3%	83.6%	79.0%	74.4%	–	–	74.9%	75.2%	75.3%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Judicial Education and Support

Programme purpose

Provide education programmes to judicial officers, support services to the Judicial Service Commission, and policy development and research services to the department and the judiciary, for the optimal administration of justice.

Objectives

- Enhance the judicial skills of serving and aspiring judicial officials to perform optimally by increasing the number of judicial education training courses from a projected 78 in 2018/19 to 82 in 2020/21.
- Enhance the governance of the judiciary and the department by producing 2 research monographs for judicial education, and 3 reports on judicial appointments and judicial complaints per year.

Subprogrammes

- *South African Judicial Education Institute* funds the activities of the South African Judicial Education Institute to provide continuing judicial education for judicial officers and training for aspirant judicial officers.
- *Judicial Policy, Research and Support* provides advisory opinions on policy development, undertakes research and offers legal support services to enhance the functioning of the judiciary.
- *Judicial Service Commission* provides secretariat and administrative support services to the Judicial Service Commission so that it can effectively fulfil its constitutional and legislative mandates.

Expenditure trends and estimates

Table 22.11 Judicial Education and Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R million											
South African Judicial Education Institute	24.2	26.0	26.5	48.0	25.6%	66.9%	52.0	55.2	58.4	6.8%	65.0%
Judicial Policy, Research and Support	2.1	4.7	4.5	18.3	105.1%	15.9%	15.2	16.0	17.4	-1.7%	20.4%
Judicial Service Commission	5.4	6.3	9.9	10.6	25.1%	17.2%	11.8	12.4	13.3	7.8%	14.6%
Total	31.8	36.9	40.9	76.9	34.3%	100.0%	79.0	83.6	89.1	5.0%	100.0%
Change to 2017 Budget estimate				(5.2)			(6.9)	(2.3)	3.2		

Table 22.11 Judicial Education and Support expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Current payments	31.3	36.6	40.1	68.7	29.9%	94.8%	78.4	83.0	88.4	8.7%	96.9%
Compensation of employees	7.1	11.1	17.5	20.0	41.3%	29.9%	25.1	27.1	29.3	13.5%	30.9%
Goods and services ¹	24.2	25.5	22.6	48.7	26.2%	64.9%	53.3	55.8	59.1	6.7%	66.0%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.1	0.1	0.8	1.0	159.5%	1.1%	1.2	1.3	1.4	11.5%	1.5%
<i>Consultants: Business and advisory services</i>	0.5	0.6	0.3	2.0	57.1%	1.9%	2.2	2.3	2.4	6.5%	2.7%
<i>Legal services</i>	0.3	1.7	0.5	3.3	118.0%	3.1%	4.3	4.2	4.7	12.5%	5.0%
<i>Travel and subsistence</i>	15.2	15.7	13.8	30.8	26.5%	40.5%	32.4	34.2	36.2	5.5%	40.7%
<i>Operating payments</i>	0.2	0.3	0.2	1.7	99.2%	1.3%	2.1	2.2	2.3	10.5%	2.5%
<i>Venues and facilities</i>	5.2	4.3	4.9	5.8	3.3%	10.8%	6.5	6.7	6.9	6.3%	7.9%
Transfers and subsidies¹	-	-	0.1	-	-	-	-	-	-	-	-
Households	-	-	0.1	-	-	-	-	-	-	-	-
Payments for capital assets	0.5	0.3	0.8	8.2	162.5%	5.2%	0.6	0.7	0.7	-55.4%	3.1%
Machinery and equipment	0.5	0.3	0.8	8.2	162.5%	5.2%	0.6	0.7	0.7	-55.4%	3.1%
Total	31.8	36.9	40.9	76.9	34.3%	100.0%	79.0	83.6	89.1	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	4.7%	4.8%	4.8%	7.5%	-	-	7.1%	7.0%	6.9%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Vote 23

Police

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	19 403.1	17 270.9	735.4	1 396.9	20 735.3	22 151.5
Visible Policing	46 872.3	45 082.3	268.5	1 521.5	50 082.7	53 451.6
Detective Services	18 811.6	17 991.6	117.0	703.0	20 102.5	21 523.6
Crime Intelligence	3 804.7	3 735.8	18.9	50.0	4 098.3	4 394.2
Protection and Security Services	2 942.4	2 862.0	5.7	74.7	3 151.1	3 380.9
Total expenditure estimates	91 834.2	86 942.7	1 145.4	3 746.1	98 170.0	104 901.9
Executive authority	Minister of Police					
Accounting officer	National Commissioner of the South African Police Service					
Website address	www.saps.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Prevent, combat and investigate crime, maintain public order, protect and secure the inhabitants of South Africa and their property, and uphold and enforce the law.

Mandate

The South African Police Service derives its powers and functions from section 205 of the Constitution and from the South African Police Service Act (1995). This legislation regulates the police service in terms of its core function, which is to prevent, investigate and combat crime.

Selected performance indicators

Table 23.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of serious crimes reported per year ¹	Visible Policing	Outcome 3: All people in South Africa are and feel safe	1 820 796	1 788 139	1 745 385	1 704 8852	1 651 436	1 618 407	1 586 039
Number of crimes reported for unlawful possession of, and dealing in, drugs per year ²	Visible Policing		267 034	259 229	292 689	371 9862	480 385	707 895	1 043 155
Percentage of crime-related hits ⁴ per year reacted to as a result of the movement control system screening of: - Wanted persons	Visible Policing		100% (2 746)	100% (2 717)	100% (2 723)	100%	100%	100%	100%
- Stolen or robbed vehicles			100% (3 874)	100% (3 644)	100% (3 411)	100%	100%	100%	100%
Percentage of medium to high-risk incidents responded to ⁵ in relation to requests received per year	Visible Policing		100%5 (16 283)	100% (16 922)	100% (17 113)	100%	100%	100%	100%
Detection rate ⁶ for serious crimes per year	Detective Services		37.4% (820 598/ 2 194 207)	36.9% (805 158/ 2 182 044)	36.2% (781 830/ 2 158 281)	37%	37%	37.5%	38%

Table 23.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of trial ready case dockets for serious commercial crime-related charges per year ⁷	Detective Services	Outcome 3: All people in South Africa are and feel safe	58.8% (2 993/ 5 090)	58.59% (2 745/ 4 685)	66.43% (2 750/ 4 140)	53%	53%	53%	53%
Percentage of original previous conviction reports for formally charged individuals generated within 12 calendar days per year ⁸	Detective Services		93% (1 138 275/ 1 223 005)	97.02% (1 123 475/ 1 158 030)	97.89% (1 178 912/ 1 204 379)	95%	95%	95%	95%
Percentage of network operations ⁹ successfully terminated per year	Crime Intelligence		47 846	859	855	876 ²	100%	100%	100%
Percentage of national key points evaluated in compliance with the National Key Points Act (1980) per year ¹⁰	Protection and Security Services		100% (197)	100.52% (192/191)	100% (194)	100%	100%	100%	100%

- Indicator measures serious crimes reported, excluding crime detected as a result of police action. Serious crimes include contact crimes, contact-related crimes, property-related crimes and other serious crimes. As the number of serious crimes reported cannot be predicted, targets over the MTEF period are estimates based on past average performance and measures to combat crime to be implemented over the medium term.
- Figures for 2017/18 are based on published targets, as indicated in the department's 2017/18 annual performance plan. Some targets were revised following the publication of the 2017 Estimates of National Expenditure to align with the department's 2017/18 annual performance plan.
- Indicator measures crime uncovered as a result of police activities such as roadblocks, cordon and search operations, and intelligence gathering. Over the MTEF period, the department will engage in focused, intelligence-led policing operations to target the manufacturers and distributors of illicit drugs, hence the increased performance targets. In 2015/16, fewer drug busts were conducted compared with 2014/15. Drug busts are dependent on what has been reported to the department or uncovered through police and intelligence operations.
- Crime-related hits are tip offs generated from the movement control system. Reaction to hits includes arrests and confiscations of stolen or robbed vehicles.
- "Responded to" means physical and human resources being activated, deployed and mobilised to respond to a specific medium to high risk incident. The total number of peaceful and crowd unrest incidents for 2014/15 was amended after a data purification process in 2016/17. The revised actual performance for 2014/15 was thus tabled in the department's 2017/18 annual performance plan.
- Calculation of the detection rate takes into account the total number of charges referred to court, plus charges withdrawn before court, plus charges closed as unfounded, divided by the total number of charges investigated. Performance targets for this indicator over the MTEF period are estimates based on past average performance and measures to combat crime to be implemented over the medium term.
- Due to the unpredictable and complex nature of serious commercial crimes, targets for this indicator over the MTEF period are constant and based on past average performance and available budget.
- Due to good performance in previous years, the number of calendar days has been reduced from 15 to 12 with effect from 2018/19. Targets over the MTEF period remain constant as the department is in the process of upgrading the automated fingerprint identification system, which is aging and causing delays in terms of fingerprint searches. The system is expected to be upgraded by 30 September 2018.
- Network operations are operations undertaken by the crime intelligence division at the provincial and cluster level to gather intelligence information so that a situation can be better understood, or to generate intelligence on criminal organisations, groups or individuals that could be turned into evidence for use in court. The decrease in actual performance and targets from 2015/16 is due to the disaggregation of reporting on intelligence operations into separate indicators. From 2018/19, this indicator will be measured as a percentage in line with the recommendation made by the auditor general in 2016/17. No absolute values are provided for targets over the MTEF period as the department cannot predict the number of threats it will receive.
- Total number of national key points varies as national key points are revised and declared annually. In 2015/16, the department was requested to evaluate an additional national key point declared during that year. This explains the overachievement in 2015/16.

Expenditure analysis

Chapter 12 of the National Development Plan (NDP) details the need to build safer communities in South Africa through a holistic view of safety and security. Outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework gives expression to this and is aligned with the crime prevention and investigation operations of the Department of Police. In this regard, the department's focus over the medium term will continue to be on: strengthening the implementation of recovery plans for visible policing, detective services and service terminations; enhancing operational capacity for public order policing; and combatting gender-based violence, serial murder and serial rape through implementing the minister's six point plan on gender-based violence and implementing the new standardised policy on the investigation and management of serial murder and serial rape. Addressing these priorities lays the groundwork for a police service that is responsive to the safety and security needs of society, and upholds a high standard of conduct and professionalism.

As policing is labour intensive, 77.4 per cent (R229 billion) of the department's budget over the MTEF period is allocated to compensation of employees, which is the largest cost driver across all programmes. The department has a funded establishment of 193 431 posts in 2017/18. To remain within government's expenditure ceiling for compensation of employees, the department will reduce the funded establishment to 191 431 posts over the medium term. Funded, non-critical posts that are vacant will mainly be targeted for reduction over the MTEF period to minimise the impact of the expenditure ceiling on core service delivery.

Cabinet has approved reductions of R906.8 million in 2018/19, R955.9 million in 2019/20 and R1 billion in 2020/21 to the department's total budget. These reductions include the reprioritised amount of R158.5 million over the medium term to the Independent Police Investigative Directorate; and reductions of R3.4 million in 2018/19, R3.6 million in 2019/20 and R3.8 million in 2020/21 for the Civilian Secretariat for the Police Service. The reductions for the Department of Police are mainly targeted at reducing transport equipment and spending in the *Administration* programme. To minimise the impact of cost containment measures on transport equipment, the department plans to maintain its existing vehicles more effectively for maximum use.

Strengthening the implementation of recovery plans

After identifying underperformance in the areas of visible policing, detective services and service terminations in 2015/16, the department developed recovery plans that proposed specific interventions. One such intervention involves tracking service terminations among the department's personnel due to its high annual staff turnover, which averages 5 000 exits per year. Accordingly, the department introduced an enhanced automated system for the administration of service terminations in 2016/17, and implemented various computerised reporting and management tools for tracking the status of these terminations. Over the medium term, the department intends to increase the percentage of finalised service terminations submitted to the Government Pensions Administration Agency within 60 working days from the date of an employee's exit from the service, from 55.5 per cent in 2016/17 to 70 per cent in 2020/21.

Other interventions, as detailed in the recovery plans, include using existing personnel and budgets allocated to the *Administration*, *Visible Policing* and *Detective Services* programmes. These programmes have a combined 177 614 personnel in 2017/18, and a budget of R273.1 billion over the medium term. The implementation of the recovery plans is expected to ensure that there is a continued reduction in the number of serious crimes reported, which is set to decrease by 2 per cent in each year of the medium term; and an increase in the detection rate for serious crimes, from 36.2 per cent in 2016/17 to 38 per cent in 2020/21.

Enhancing operational capacity for public order policing

In response to the recommendations of the Marikana Commission of Inquiry, in April 2016, the department appointed an independent panel of experts to review and amend all prescripts relevant to public order policing to adopt international best practice. Among the preliminary findings from the review was that the use of police force in public order policing needs to be reviewed, and that the department needs to invest in people and not focus only on technological advancements. Accordingly, over the MTEF period, the department plans to implement the findings of the panel of experts to strengthen its capacity for public order policing. Key priority areas include training 6 770 officials in public order policing in 2017/18, and procuring specialised equipment such as aircraft cameras, video and recording equipment, water cannons, and armoured vehicles.

The department's allocation of R355.8 million in 2018/19 is mainly intended to enhance its equipment for public order policing. This explains the high projected annual increase in expenditure on minor assets (156.3 per cent), transport equipment (45.4 per cent), and training and development (5.8 per cent) between 2017/18 and 2018/19 in the *Specialised Interventions* subprogramme in the *Visible Policing* programme. Enhanced capacity for public order policing will ensure that the department maintains its 100 per cent performance record over the medium term for ensuring that all peaceful crowd management incidents are policed appropriately.

Combatting gender-based violence, serial murder and serial rape

Building on the Back to Basics approach to policing, which focuses on improving police performance and conduct, the Minister of Police introduced a six point plan in August 2017 that outlines the code of conduct and procedure to be followed by police officials when dealing with cases relating to violence against women and children. Over the medium term, the plan will be used as a concise guide for police officials and communities across the country to create awareness. The department will also engage stakeholders through indabas, workshops and imbizos to strengthen the implementation of the plan. The budget and personnel for

implementing the plan is in the *Crime Prevention* subprogramme in the *Visible Policing* programme, which has a total allocation of R117.3 billion over MTEF period. The implementation of the plan is expected to lead to a decrease of 5.5 per cent in the number of crimes reported against women and a decrease of 1.3 per cent in the number of crimes reported against children over the medium term.

In April 2016, the department developed a standardised policy on the investigation and management of serial murder and serial rape. The aim of the policy is to align existing departmental structures and systems, such as the DNA database, the serial DNA team, the investigative psychology section and trained investigators, to ensure that serial murder and serial rape are identified early and are properly investigated by qualified investigators in a consistent manner across the country. The department will implement the policy from 2018/19 using existing personnel capacity in the organised crime and crime investigation units, as well as in the family violence, child protection and sexual offences unit. These units are located in the *Crime Investigations*, *Criminal Record Centre* and *Specialised Investigations* subprogrammes in the *Detective Services* programme, with a total budget of R54.6 billion over the medium term. Implementing the policy will also be fundamental to ensuring improved detection rates for crimes against women, for which the rate is expected to be maintained at 75 per cent over the MTEF period; and children, for which the rate is expected to be maintained at 70 per cent over the same period.

Expenditure trends

Table 23.2 Vote expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Visible Policing																																	
3. Detective Services																																	
4. Crime Intelligence																																	
5. Protection and Security Services																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)		
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18			2014/15 - 2017/18																	
Programme 1	15 304.0	15 304.0	15 570.2	16 264.2	16 609.3	16 936.3	17 559.8	17 382.5	17 715.1	18 636.4	18 636.4	18 636.4	101.6%	101.4%																			
Programme 2	37 008.8	37 043.8	36 700.3	38 855.0	38 444.4	38 321.1	40 675.8	40 865.9	40 612.4	44 100.0	44 100.0	44 100.0	99.4%	99.6%																			
Programme 3	15 242.7	15 133.0	15 149.7	15 816.0	16 092.4	15 947.3	16 789.6	16 772.5	16 723.1	17 934.6	17 670.6	17 670.6	99.6%	99.7%																			
Programme 4	2 880.8	2 880.8	2 884.1	3 110.4	3 146.9	3 102.0	3 350.5	3 354.8	3 387.9	3 546.0	3 546.0	3 546.0	100.3%	99.9%																			
Programme 5	2 070.9	2 145.6	2 202.9	2 331.5	2 427.7	2 414.1	2 609.1	2 609.1	2 546.3	2 808.1	2 808.1	2 808.1	101.5%	99.8%																			
Total	72 507.2	72 507.2	72 507.2	76 377.1	76 720.8	76 720.8	80 984.9	80 984.9	80 984.8	87 025.1	86 761.1	86 761.1	100.0%	100.0%																			
Change to 2017 Budget estimate													(264.0)																				
Economic classification																																	
Current payments	68 924.4	68 766.5	68 576.5	72 604.4	72 903.2	72 714.0	77 007.6	77 152.6	77 132.5	82 388.0	82 124.0	82 124.0	99.9%	99.9%																			
Compensation of employees	54 210.0	54 449.0	54 332.2	57 884.9	58 277.1	57 478.4	62 070.4	62 038.1	62 038.1	66 196.8	66 196.8	66 196.8	99.9%	99.6%																			
Goods and services	14 714.4	14 317.5	14 244.3	14 719.6	14 626.1	15 235.7	14 937.1	15 114.4	15 094.4	16 191.3	15 927.3	15 927.3	99.9%	100.9%																			
Transfers and subsidies	737.1	852.0	899.0	911.9	952.4	990.9	961.0	993.3	1 052.4	1 037.0	1 037.0	1 037.0	109.1%	103.8%																			
Provinces and municipalities	33.4	33.4	38.1	37.0	37.0	40.1	40.6	40.6	42.6	43.8	43.8	43.8	106.3%	106.3%																			
Departmental agencies and accounts	133.8	134.7	134.7	142.0	150.0	155.7	149.4	149.4	150.5	166.1	166.1	166.1	-	-																			
Non-profit institutions	1.0	1.0	1.0	-	1.0	1.0	-	-	-	-	-	-	200.0%	100.0%																			
Households	568.9	682.9	725.2	732.9	764.4	794.1	771.0	803.3	859.3	827.1	827.1	827.1	110.5%	104.2%																			
Payments for capital assets	2 845.7	2 888.8	3 003.5	2 860.8	2 865.3	3 004.0	3 016.3	2 839.0	2 787.6	3 600.1	3 600.1	3 600.1	100.6%	101.7%																			
Buildings and other fixed structures	1 099.9	984.9	884.8	998.7	998.7	1 192.4	1 051.4	874.0	797.3	891.5	891.5	891.5	93.2%	100.4%																			
Machinery and equipment	1 745.5	1 898.5	2 118.4	1 856.5	1 856.5	1 808.1	1 959.2	1 957.0	1 634.7	2 696.5	2 696.5	2 696.5	100.0%	98.2%																			
Biological assets	0.3	5.4	0.2	5.5	10.0	3.6	5.7	7.9	4.4	12.0	12.0	12.0	86.2%	57.4%																			
Software and other intangible assets	-	-	-	-	-	-	-	-	351.2	-	-	-	-	-																			
Payments for financial assets	-	-	28.3	-	-	11.9	-	-	12.3	-	-	-	-	-																			
Total	72 507.2	72 507.2	72 507.2	76 377.1	76 720.8	76 720.8	80 984.9	80 984.9	80 984.8	87 025.1	86 761.1	86 761.1	100.0%	100.0%																			

Expenditure estimates

Table 23.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Visible Policing									
3. Detective Services									
4. Crime Intelligence									
5. Protection and Security Services									
Programme	Revised estimate	Average growth rate (%)		Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21		
R million									
Programme 1	18 636.4	6.8%		21.7%	19 403.1	20 735.3	22 151.5	5.9%	21.2%
Programme 2	44 100.0	6.0%		50.4%	46 872.3	50 082.7	53 451.6	6.6%	51.0%
Programme 3	17 670.6	5.3%		20.7%	18 811.6	20 102.5	21 523.6	6.8%	20.5%
Programme 4	3 546.0	7.2%		4.1%	3 804.7	4 098.3	4 394.2	7.4%	4.2%
Programme 5	2 808.1	9.4%		3.1%	2 942.4	3 151.1	3 380.9	6.4%	3.2%
Total	86 761.1	6.2%		100.0%	91 834.2	98 170.0	104 901.9	6.5%	100.0%
Change to 2017					(906.8)	(775.9)	(1 008.6)		
Budget estimate									
Economic classification									
Current payments	82 124.0	6.1%		94.8%	86 942.7	93 299.3	99 768.5	6.7%	94.9%
Compensation of employees	66 196.8	6.7%		75.7%	70 801.9	76 357.7	81 883.2	7.3%	77.4%
Goods and services	15 927.3	3.6%		19.1%	16 140.8	16 941.6	17 885.2	3.9%	17.5%
Transfers and subsidies	1 037.0	6.8%		1.3%	1 145.4	1 205.4	1 269.0	7.0%	1.2%
Provinces and municipalities	43.8	9.5%		0.1%	47.6	50.4	53.2	6.7%	0.1%
Departmental agencies and accounts	166.1	7.2%		0.2%	176.8	188.8	201.3	6.6%	0.2%
Non-profit institutions	–	-100.0%		0.0%	1.0	1.0	1.0	–	0.0%
Households	827.1	6.6%		1.0%	920.0	965.2	1 013.5	7.0%	1.0%
Payments for capital assets	3 600.1	7.6%		3.9%	3 746.1	3 665.3	3 864.5	2.4%	3.9%
Buildings and other fixed structures	891.5	-3.3%		1.2%	824.9	870.7	921.4	1.1%	0.9%
Machinery and equipment	2 696.5	12.4%		2.6%	2 623.0	2 489.7	2 631.4	-0.8%	2.7%
Biological assets	12.0	30.7%		0.0%	6.9	7.0	7.1	-16.2%	0.0%
Software and other intangible assets	–	–		0.1%	291.3	297.9	304.7	–	0.2%
Total	86 761.1	6.2%		100.0%	91 834.2	98 170.0	104 901.9	6.5%	100.0%

Expenditure trends and estimates for significant spending items

Table 23.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Fleet services (including government motor transport)	3 739 357	3 753 107	3 472 164	4 057 813	2.8%	4.7%	4 141 775	4 323 668	4 572 647	4.1%	4.5%
Operating leases	2 386 867	2 577 256	2 712 866	2 897 167	6.7%	3.3%	3 053 155	3 242 192	3 420 638	5.7%	3.3%
Property payments	976 382	1 044 282	1 070 118	1 144 125	5.4%	1.3%	1 208 011	1 275 682	1 345 871	5.6%	1.3%
Compensation of employees	54 332 228	57 478 371	62 038 112	66 196 773	6.8%	75.7%	70 801 896	76 357 717	81 883 243	7.3%	77.4%
Computer services	2 787 020	3 149 413	3 258 143	2 948 779	1.9%	3.8%	2 688 739	2 833 085	2 987 480	0.4%	3.0%
Transport equipment	1 142 122	1 205 379	1 086 316	1 788 225	16.1%	1.6%	1 873 494	1 709 381	1 805 131	0.3%	1.9%
Total	65 363 976	69 207 808	73 637 719	79 032 882	39.7%	90.4%	83 767 070	89 741 725	96 015 010	23.4%	91.4%

Goods and services expenditure trends and estimates

Table 23.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Administrative fees	47 951	57 394	52 562	65 399	10.9%	0.4%	62 806	66 344	70 003	2.3%	0.4%
Advertising	26 581	39 821	31 296	31 447	5.8%	0.2%	29 453	31 120	32 844	1.5%	0.2%
Minor assets	260 213	239 949	216 740	277 284	2.1%	1.6%	321 524	303 777	320 485	4.9%	1.8%
Audit costs: External	34 638	33 266	31 559	40 906	5.7%	0.2%	37 280	39 404	41 618	0.6%	0.2%
Bursaries: Employees	8 609	8 252	2 303	8 769	0.6%	–	9 032	9 538	10 063	4.7%	0.1%
Catering: Departmental activities	40 115	39 531	30 698	35 243	-4.2%	0.2%	38 738	40 855	43 046	6.9%	0.2%

Table 23.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Communication	696 107	714 118	584 071	739 784	2.0%	4.5%	620 487	649 022	688 027	-2.4%	4.0%
Computer services	2 787 020	3 149 413	3 258 143	2 948 779	1.9%	20.1%	2 688 739	2 833 085	2 987 480	0.4%	17.1%
Consultants: Business and advisory services	26 569	27 402	28 589	27 351	1.0%	0.2%	19 973	21 086	22 247	-6.7%	0.1%
Infrastructure and planning services	427	73	37	-	-100.0%	-	-	-	-	-	-
Laboratory services	5 004	4 407	4 621	6 206	7.4%	-	6 751	7 129	7 520	6.6%	-
Legal services	340 204	293 913	302 059	341 258	0.1%	2.1%	344 300	363 245	383 226	3.9%	2.1%
Contractors	413 170	568 491	399 133	468 471	4.3%	3.1%	479 451	515 306	543 571	5.1%	3.0%
Agency and support/outsourced services	235 979	344 667	389 427	314 166	10.0%	2.1%	414 823	425 135	443 288	12.2%	2.4%
Entertainment	1 361	1 412	1 033	2 050	14.6%	-	2 168	2 287	2 410	5.5%	-
Fleet services (including government motor transport)	3 739 357	3 753 107	3 472 164	4 057 813	2.8%	24.8%	4 141 775	4 323 668	4 572 647	4.1%	25.6%
Inventory: Clothing material and accessories	253 073	245 436	223 171	264 264	1.5%	1.6%	271 902	286 995	302 768	4.6%	1.7%
Inventory: Other supplies	135 963	63 499	70 961	122 869	-3.3%	0.7%	85 141	87 956	92 830	-8.9%	0.6%
Consumable supplies	341 867	492 570	597 571	453 683	9.9%	3.1%	530 827	561 233	592 752	9.3%	3.2%
Consumables: Stationery, printing and office supplies	391 508	310 834	382 057	417 107	2.1%	2.5%	423 102	446 648	470 792	4.1%	2.6%
Operating leases	2 386 867	2 577 256	2 712 866	2 897 167	6.7%	17.5%	3 053 155	3 242 192	3 420 638	5.7%	18.9%
Property payments	976 382	1 044 282	1 070 118	1 144 125	5.4%	7.0%	1 208 011	1 275 682	1 345 871	5.6%	7.4%
Transport provided: Departmental activity	1 033	1 317	2 220	1 976	24.1%	-	2 091	2 208	2 329	5.6%	-
Travel and subsistence	867 739	917 885	969 267	986 312	4.4%	6.2%	1 060 377	1 105 457	1 176 478	6.1%	6.5%
Training and development	75 034	95 245	75 365	83 100	3.5%	0.5%	92 900	97 423	97 312	5.4%	0.6%
Operating payments	121 739	177 231	150 787	161 486	9.9%	1.0%	163 529	170 539	178 848	3.5%	1.0%
Venues and facilities	29 755	34 880	35 583	30 258	0.6%	0.2%	32 452	34 260	36 132	6.1%	0.2%
Total	14 244 265	15 235 651	15 094 401	15 927 273	3.8%	100.0%	16 140 787	16 941 594	17 885 225	3.9%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 23.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	134 702	155 682	150 501	166 081	7.2%	15.3%	176 799	188 784	201 267	6.6%	15.7%
Safety and Security Sector Education and Training Authority	34 904	42 498	39 909	41 408	5.9%	4.0%	45 580	48 315	50 975	7.2%	4.0%
Civilian Secretariat for the Police Service	99 798	113 184	110 592	124 673	7.7%	11.3%	131 219	140 469	150 292	6.4%	11.7%
Households											
Other transfers to households											
Current	342 167	376 219	426 386	394 635	4.9%	38.7%	436 354	457 159	478 897	6.7%	37.9%
Claims against the state	302 144	334 899	372 284	338 574	3.9%	33.9%	379 800	397 200	415 400	7.1%	32.9%
Detainee medical expenses	40 023	41 320	54 102	56 061	11.9%	4.8%	56 554	59 959	63 497	4.2%	5.1%
Households											
Social benefits											
Current	383 028	417 914	432 928	432 494	4.1%	41.9%	483 647	508 002	534 612	7.3%	42.1%
Employee social benefits	383 028	417 914	432 928	432 494	4.1%	41.9%	483 647	508 002	534 612	7.3%	42.1%
Non-profit institutions											
Current	1 000	1 000	-	-	-100.0%	0.1%	1 000	1 000	1 000	-	0.1%
South African Police Service Education Trust	1 000	1 000	-	-	-100.0%	0.1%	1 000	1 000	1 000	-	0.1%
Provinces and municipalities											
Municipal bank accounts											
Current	38 106	40 051	42 564	43 815	4.8%	4.1%	47 596	50 415	53 205	6.7%	4.2%
Vehicle licences	38 106	40 051	42 564	43 815	4.8%	4.1%	47 596	50 415	53 205	6.7%	4.2%
Total	899 003	990 866	1 052 379	1 037 025	4.9%	100.0%	1 145 396	1 205 360	1 268 981	7.0%	100.0%

Personnel information

Table 23.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
Number of posts estimated for 31 March 2018																	Average growth rate (%)	Average Salary level/Total (%)
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									2017/18 - 2020/21	
		2016/17			2017/18			2018/19			2019/20			2020/21				
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Police	193 431	194 605	62 038.1	0.3	193 431	66 196.8	0.3	192 431	70 801.9	0.4	191 431	76 357.7	0.4	191 431	81 883.2	0.4	-0.3%	100.0%
Salary level																		
1 – 6	131 736	131 657	28 914.6	0.2	131 736	32 739.7	0.2	131 736	35 256.0	0.3	131 736	38 002.4	0.3	131 736	40 963.9	0.3	–	68.5%
7 – 10	58 557	59 810	24 536.2	0.4	58 557	24 154.5	0.4	57 557	25 611.2	0.4	56 557	27 541.9	0.5	56 557	29 537.8	0.5	-1.2%	29.8%
11 – 12	2 203	2 203	1 648.9	0.7	2 203	1 785.8	0.8	2 203	1 922.9	0.9	2 203	2 072.4	0.9	2 203	2 233.6	1.0	–	1.1%
13 – 16	933	933	913.3	1.0	933	1 040.5	1.1	933	1 108.7	1.2	933	1 182.5	1.3	933	1 261.2	1.4	–	0.5%
Other	2	2	6 025.1	3 012.6	2	6 476.2	3 238.1	2	6 903.1	3 451.6	2	7 558.5	3 779.3	2	7 886.6	3 943.3	–	0.0%
Programme	193 431	194 605	62 038.1	0.3	193 431	66 196.8	0.3	192 431	70 801.9	0.4	191 431	76 357.7	0.4	191 431	81 883.2	0.4	-0.3%	100.0%
Programme 1	37 668	37 729	11 237.9	0.3	37 668	11 930.3	0.3	37 473	12 793.5	0.3	37 278	13 764.7	0.4	37 278	14 796.5	0.4	-0.3%	19.5%
Programme 2	100 877	102 059	32 262.8	0.3	100 877	34 466.2	0.3	100 355	36 797.8	0.4	99 833	39 804.8	0.4	99 833	42 596.7	0.4	-0.3%	52.2%
Programme 3	39 069	39 069	13 150.0	0.3	39 069	14 111.9	0.4	38 868	15 120.1	0.4	38 667	16 230.9	0.4	38 667	17 445.7	0.5	-0.3%	20.2%
Programme 4	9 232	9 153	3 106.8	0.3	9 232	3 227.7	0.3	9 184	3 482.9	0.4	9 136	3 758.3	0.4	9 136	4 035.0	0.4	-0.3%	4.8%
Programme 5	6 585	6 595	2 280.6	0.3	6 585	2 460.7	0.4	6 551	2 607.6	0.4	6 517	2 798.9	0.4	6 517	3 009.4	0.5	-0.3%	3.4%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 23.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	389 406	478 192	756 016	588 521	588 521	14.8%	100.0%	518 781	530 406	541 765	-2.7%	100.0%
Sales of goods and services produced by department	179 121	205 250	220 942	307 137	307 137	19.7%	41.2%	280 973	286 422	291 410	-1.7%	53.5%
Administrative fees	26 206	34 942	35 754	29 501	29 501	4.0%	5.7%	28 650	29 130	29 750	0.3%	5.4%
of which:												
Firearm licences	26 206	34 942	35 754	29 501	29 501	4.0%	5.7%	28 650	29 130	29 750	0.3%	5.4%
Other sales	152 915	170 308	185 188	277 636	277 636	22.0%	35.5%	252 323	257 292	261 660	-2.0%	48.1%
of which:												
House rentals	32 753	31 157	32 388	116 916	116 916	52.8%	9.6%	110 303	110 303	110 303	-1.9%	20.5%
Commission on insurance	58 971	62 144	70 643	74 830	74 830	8.3%	12.1%	71 500	74 300	76 500	0.7%	13.6%
Other	61 191	77 007	82 157	85 890	85 890	12.0%	13.8%	70 520	72 689	74 857	-4.5%	13.9%
Sales of scrap, waste, arms and other used current goods	33 045	32 370	44 566	5 309	5 309	-45.6%	5.2%	4 800	5 100	5 400	0.6%	0.9%
of which:												
Sales of scrap, waste and other used goods	33 045	32 370	44 566	5 309	5 309	-45.6%	5.2%	4 800	5 100	5 400	0.6%	0.9%
Fines, penalties and forfeits	18 929	11 184	9 740	18 551	18 551	-0.7%	2.6%	6 420	7 150	7 890	-24.8%	1.8%
Interest, dividends and rent on land	1 210	1 128	1 375	1 135	1 135	-2.1%	0.2%	1 025	1 040	1 065	-2.1%	0.2%
Interest	1 210	1 128	1 375	1 135	1 135	-2.1%	0.2%	1 025	1 040	1 065	-2.1%	0.2%
Sales of capital assets	15 541	62 650	89 539	99 874	99 874	85.9%	12.1%	82 500	85 100	87 700	-4.2%	16.3%
Transactions in financial assets and liabilities	141 560	165 610	389 854	156 515	156 515	3.4%	38.6%	143 063	145 594	148 300	-1.8%	27.2%
Total	389 406	478 192	756 016	588 521	588 521	14.8%	100.0%	518 781	530 406	541 765	-2.7%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the South African Police Service; and provide for the functions of the Civilian Secretariat for the Police Service.

Expenditure trends and estimates

Table 23.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	30.1	39.0	56.6	63.4	28.2%	0.3%	61.6	65.1	69.1	2.9%	0.3%
Management	66.1	59.7	59.0	76.7	5.1%	0.4%	80.9	86.5	92.3	6.4%	0.4%
Corporate Services	15 374.2	16 724.4	17 488.8	18 371.6	6.1%	98.7%	19 129.4	20 443.3	21 839.8	5.9%	98.6%
Civilian Secretariat	99.8	113.2	110.6	124.7	7.7%	0.7%	131.2	140.5	150.3	6.4%	0.7%
Total	15 570.2	16 936.3	17 715.1	18 636.4	6.2%	100.0%	19 403.1	20 735.3	22 151.5	5.9%	100.0%
Change to 2017				-			(379.0)	953.2	2 369.4		
Budget estimate											
Economic classification											
Current payments	13 800.2	14 755.8	15 728.7	16 733.4	6.6%	88.6%	17 270.9	18 496.5	19 798.6	5.8%	89.3%
Compensation of employees	9 390.8	10 279.6	11 237.9	11 930.3	8.3%	62.2%	12 793.5	13 764.7	14 796.5	7.4%	65.8%
Goods and services ¹	4 409.5	4 476.2	4 490.9	4 803.1	2.9%	26.4%	4 477.4	4 731.8	5 002.1	1.4%	23.5%
of which:											
Computer services	2 494.8	2 572.7	2 573.3	2 698.8	2.7%	15.0%	2 347.9	2 494.6	2 641.1	-0.7%	12.6%
Legal services	340.2	293.9	293.3	341.3	0.1%	1.8%	343.2	362.1	382.1	3.8%	1.8%
Contractors	155.7	140.4	129.0	154.5	-0.3%	0.8%	165.4	183.6	193.6	7.8%	0.9%
Fleet services (including government motor transport)	296.6	275.6	262.4	296.5	-	1.6%	294.9	311.0	328.0	3.4%	1.5%
Inventory: Clothing material and accessories	172.6	236.1	223.2	264.3	15.3%	1.3%	271.9	287.0	302.8	4.6%	1.4%
Travel and subsistence	200.7	229.0	250.5	235.1	5.4%	1.3%	247.7	251.9	275.9	5.5%	1.2%
Transfers and subsidies¹	589.5	652.7	675.0	690.1	5.4%	3.8%	735.4	773.7	814.1	5.7%	3.7%
Provinces and municipalities	6.9	6.9	6.1	7.4	1.9%	-	7.8	8.2	8.7	5.6%	-
Departmental agencies and accounts	134.7	155.7	150.5	166.1	7.2%	0.9%	176.8	188.8	201.3	6.6%	0.9%
Households	447.8	490.1	518.4	516.7	4.9%	2.9%	550.8	576.8	604.1	5.4%	2.8%
Payments for capital assets	1 152.2	1 151.9	1 299.0	1 213.0	1.7%	7.5%	1 396.9	1 465.1	1 538.9	8.3%	6.9%
Buildings and other fixed structures	881.6	1 190.3	795.9	891.5	0.4%	5.5%	824.9	870.7	921.4	1.1%	4.3%
Machinery and equipment	270.4	322.0	242.7	309.4	4.6%	1.7%	332.1	350.7	369.9	6.1%	1.7%
Biological assets	0.2	3.6	4.4	12.0	276.4%	-	6.9	7.0	7.1	-16.2%	-
Software and other intangible assets	-	-	256.0	-	-	0.4%	233.0	236.8	240.5	-	0.9%
Payments for financial assets	28.3	11.9	12.3	-	-100.0%	0.1%	-	-	-	-	-
Total	15 570.2	16 936.3	17 715.1	18 636.4	6.2%	100.0%	19 403.1	20 735.3	22 151.5	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	21.5%	22.1%	21.9%	21.5%	-	-	21.1%	21.1%	21.1%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	300.0	334.5	369.8	338.6	4.1%	2.0%	379.8	397.2	415.4	7.1%	1.9%
Claims against the state	300.0	334.5	369.8	338.6	4.1%	2.0%	379.8	397.2	415.4	7.1%	1.9%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	134.7	155.7	150.5	166.1	7.2%	0.9%	176.8	188.8	201.3	6.6%	0.9%
Safety and Security Sector Education and Training Authority	34.9	42.5	39.9	41.4	5.9%	0.2%	45.6	48.3	51.0	7.2%	0.2%
Civilian Secretariat for the Police Service	99.8	113.2	110.6	124.7	7.7%	0.7%	131.2	140.5	150.3	6.4%	0.7%
Households											
Social benefits											
Current	147.7	155.5	147.9	178.1	6.4%	0.9%	171.0	179.6	188.7	2.0%	0.9%
Employee social benefits	147.7	155.5	147.9	178.1	6.4%	0.9%	171.0	179.6	188.7	2.0%	0.9%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Visible Policing

Programme purpose

Enable police stations to institute and preserve safety and security, and provide for specialised interventions and the policing of South Africa's borders.

Objectives

- Provide a proactive and responsive policing service to discourage and prevent serious crime by:

- reducing the number of serious crimes reported from 1 745 385 in 2016/17 to 1 586 039 in 2020/21 by addressing contributors to crime such as illegal firearms, illicit drugs and illegal liquor outlets; enhancing partnership policing and crime prevention operations in identified hotspots; and providing enhanced training for detectives and forensic specialists
- increasing the number of reported crimes for the unlawful possession of, and dealing in, drugs from 292 689 in 2016/17 to 1 043 155 in 2020/21 through focused crime prevention and intelligence-led police operations
- reacting to 100 per cent of crime-related hits over the medium term through the screening of wanted persons and circulated stolen vehicles crossing South African borders, using the movement control system
- responding to 100 per cent of medium to high risk incidents over the medium term by maintaining public order through effective crowd management and the provision of a rapid response capability for intervening in incidents that require specialised skills and equipment.

Subprogrammes

- *Crime Prevention* provides for basic crime prevention and visible policing services at police stations and community service centres.
- *Border Security* provides for the policing of South African borders.
- *Specialised Interventions* provides for interventions in medium to high risk operations, including the air wing, the special task force and crime combatting units, and the protection of valuable and dangerous cargo.
- *Facilities* provides for office accommodation budgets and related expenditure devolved to the department by the Department of Public Works.

Expenditure trends and estimates

Table 23.10 Visible Policing expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Crime Prevention	28 860.6	30 011.8	31 754.9	34 351.0	6.0%	78.2%	36 278.9	39 149.4	41 839.7	6.8%	78.0%
Border Security	1 625.0	1 695.6	1 808.4	1 961.8	6.5%	4.4%	2 101.1	2 253.4	2 420.1	7.2%	4.5%
Specialised Interventions	2 967.4	3 115.0	3 428.2	3 873.9	9.3%	8.4%	4 383.7	4 323.2	4 595.5	5.9%	8.8%
Facilities	3 247.2	3 498.7	3 621.0	3 913.3	6.4%	8.9%	4 108.6	4 356.8	4 596.4	5.5%	8.7%
Total	36 700.3	38 321.1	40 612.4	44 100.0	6.3%	100.0%	46 872.3	50 082.7	53 451.6	6.6%	100.0%
Change to 2017 Budget estimate				–			(249.3)	2 961.2	6 330.1		
Economic classification											
Current payments	35 797.5	37 338.7	39 483.1	42 353.6	5.8%	97.0%	45 082.3	48 478.8	51 759.3	6.9%	96.5%
Compensation of employees	28 893.5	30 067.5	32 262.8	34 466.2	6.1%	78.7%	36 797.8	39 804.8	42 596.7	7.3%	79.0%
Goods and services ¹	6 904.0	7 271.2	7 220.3	7 887.4	4.5%	18.3%	8 284.6	8 674.0	9 162.6	5.1%	17.5%
of which:											
Communication	343.4	354.7	315.2	370.7	2.6%	0.9%	323.8	341.2	361.8	-0.8%	0.7%
Contractors	185.7	286.0	191.9	244.7	9.6%	0.6%	241.2	254.8	268.8	3.2%	0.5%
Fleet services (including government motor transport)	2 137.8	2 128.1	1 970.3	2 284.1	2.2%	5.3%	2 368.2	2 450.2	2 595.6	4.4%	5.0%
Operating leases	2 312.6	2 498.4	2 632.3	2 809.5	6.7%	6.4%	2 960.2	3 144.0	3 317.0	5.7%	6.3%
Property payments	964.7	1 031.4	1 057.5	1 126.1	5.3%	2.6%	1 190.0	1 256.6	1 325.8	5.6%	2.5%
Travel and subsistence	360.7	308.9	334.8	355.3	-0.5%	0.9%	377.1	397.3	418.3	5.6%	0.8%
Transfers and subsidies ¹	205.0	220.6	240.5	237.8	5.1%	0.6%	268.5	282.8	298.5	7.9%	0.6%
Provinces and municipalities	20.2	21.7	23.3	24.4	6.5%	0.1%	27.1	28.7	30.3	7.6%	0.1%
Non-profit institutions	1.0	1.0	–	–	-100.0%	–	1.0	1.0	1.0	–	–
Households	183.9	197.9	217.2	213.5	5.1%	0.5%	240.4	253.1	267.2	7.8%	0.5%

Table 23.10 Visible Policing expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18					2017/18 - 2020/21	
Payments for capital assets	697.8	761.8	888.8	1 508.6	29.3%	2.4%	1 521.5	1 321.2	1 393.8	-2.6%	3.0%
Buildings and other fixed structures	0.4	1.2	1.3	—	-100.0%	—	—	—	—	—	—
Machinery and equipment	697.3	760.5	887.5	1 508.6	29.3%	2.4%	1 521.5	1 321.2	1 393.8	-2.6%	3.0%
Total	36 700.3	38 321.1	40 612.4	44 100.0	6.3%	100.0%	46 872.3	50 082.7	53 451.6	6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	50.6%	49.9%	50.1%	50.8%	—	—	51.0%	51.0%	51.0%	—	—
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	41.6	41.5	56.1	56.1	10.5%	0.1%	56.6	60.0	63.5	4.2%	0.1%
Claims against the state	1.6	0.2	2.0	—	-100.0%	—	—	—	—	—	—
Detainee medical expenses	40.0	41.3	54.1	56.1	11.9%	0.1%	56.6	60.0	63.5	4.2%	0.1%
Households											
Social benefits											
Current	142.3	156.3	161.0	157.4	3.4%	0.4%	183.8	193.1	203.7	9.0%	0.4%
Employee social benefits	142.3	156.3	161.0	157.4	3.4%	0.4%	183.8	193.1	203.7	9.0%	0.4%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	20.2	21.7	23.3	24.4	6.5%	0.1%	27.1	28.7	30.3	7.6%	0.1%
Vehicle licences	20.2	21.7	23.3	24.4	6.5%	0.1%	27.1	28.7	30.3	7.6%	0.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Detective Services

Programme purpose

Enable the investigative work of the South African Police Service, including providing support to investigators in terms of forensic evidence and criminal records.

Objectives

- Contribute to the successful prosecution of offenders by:
 - increasing the detection rate for serious crime from 36.2 per cent in 2016/17 to 38 per cent in 2020/21 by providing specialised training to detectives and enhancing dedicated specialised capabilities in different detective services units
 - maintaining the percentage of trial ready case dockets for serious commercial crime-related charges at 53 per cent over the medium term through the timeous submission of case dockets for prosecution
 - generating 95 per cent of original previous conviction reports for formally charged individuals within 12 calendar days by 2020/21.

Subprogrammes

- *Crime Investigations* provides for detectives at police stations who investigate crimes, including crimes against women and children.
- *Criminal Record Centre* provides for effective and credible criminal record centres in respect of crime scene management or processing, and provides criminal records and related information.
- *Forensic Science Laboratory* funds forensic science laboratories, which provide specialised, evidence-related technical analysis and support to investigators.
- *Specialised Investigations* provides for the prevention, combatting and investigation of national priority offences, including the investigation of organised crime syndicates, serious and violent crime, commercial crime, and corruption.

Expenditure trends and estimates

Table 23.11 Detective Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Crime Investigations	10 115.1	10 626.0	10 964.0	11 991.5	5.8%	66.7%	12 789.9	13 699.0	14 684.1	7.0%	68.1%
Criminal Record Centre	2 015.8	2 043.9	2 233.0	2 441.7	6.6%	13.3%	2 551.8	2 728.8	2 925.0	6.2%	13.6%
Forensic Science Laboratory	1 736.6	1 916.9	2 091.6	1 708.5	-0.5%	11.4%	1 852.4	1 941.7	2 059.4	6.4%	9.7%
Specialised Investigations	1 282.2	1 360.5	1 434.5	1 528.8	6.0%	8.6%	1 617.5	1 733.0	1 855.1	6.7%	8.6%
Total	15 149.7	15 947.3	16 723.1	17 670.6	5.3%	100.0%	18 811.6	20 102.5	21 523.6	6.8%	100.0%
Change to 2017				(264.0)			(266.0)	1 024.8	2 445.9		
Budget estimate											
Economic classification											
Current payments	13 994.2	15 243.0	16 090.6	16 830.3	6.3%	94.9%	17 991.6	19 232.1	20 601.4	7.0%	95.6%
Compensation of employees	11 506.7	12 241.4	13 150.0	14 111.9	7.0%	77.9%	15 120.1	16 230.9	17 445.7	7.3%	80.5%
Goods and services ¹	2 487.5	3 001.5	2 940.6	2 718.3	3.0%	17.0%	2 871.5	3 001.1	3 155.7	5.1%	15.0%
<i>of which:</i>											
Communication	168.7	187.9	139.7	184.6	3.0%	1.0%	154.3	157.4	165.8	-3.5%	0.8%
Computer services	289.6	573.0	681.2	246.3	-5.3%	2.7%	336.8	334.1	341.8	11.5%	1.6%
Fleet services (including government motor transport)	1 134.3	1 173.8	1 087.0	1 279.5	4.1%	7.1%	1 292.3	1 365.6	1 440.5	4.0%	6.9%
Consumable supplies	205.5	342.8	428.7	297.8	13.2%	1.9%	341.0	360.9	381.6	8.6%	1.8%
Consumables: Stationery, printing and office supplies	101.0	88.5	89.0	121.0	6.2%	0.6%	108.9	114.4	120.3	-0.2%	0.6%
Travel and subsistence	152.8	190.5	202.8	203.3	10.0%	1.1%	239.2	250.6	265.5	9.3%	1.2%
Transfers and subsidies¹	86.4	93.6	107.7	91.1	1.8%	0.6%	117.0	123.0	129.2	12.4%	0.6%
Provinces and municipalities	8.9	9.6	11.2	9.9	3.7%	0.1%	10.4	11.1	11.6	5.4%	0.1%
Households	77.5	84.0	96.5	81.1	1.6%	0.5%	106.5	111.9	117.6	13.2%	0.5%
Payments for capital assets	1 069.1	610.7	524.8	749.2	-11.2%	4.5%	703.0	747.4	792.9	1.9%	3.8%
Buildings and other fixed structures	2.3	0.7	0.1	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	1 066.8	610.0	429.5	749.2	-11.1%	4.4%	644.7	686.3	728.8	-0.9%	3.6%
Software and other intangible assets	-	-	95.2	-	-	0.1%	58.3	61.2	64.2	-	0.2%
Total	15 149.7	15 947.3	16 723.1	17 670.6	5.3%	100.0%	18 811.6	20 102.5	21 523.6	6.8%	100.0%
Proportion of total programme expenditure to vote expenditure	20.9%	20.8%	20.6%	20.4%	-	-	20.5%	20.5%	20.5%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	77.0	83.9	96.2	81.1	1.7%	0.5%	106.5	111.9	117.6	13.2%	0.5%
Employee social benefits	77.0	83.9	96.2	81.1	1.7%	0.5%	106.5	111.9	117.6	13.2%	0.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Crime Intelligence

Programme purpose

Manage crime intelligence and analyse crime information, and provide technical support for investigations and crime prevention operations.

Objectives

- Contribute to combatting crime on an ongoing basis by:
 - ensuring that 100 per cent of network operations conducted are successfully executed in support of crime prevention, investigation and prosecution
 - increasing tactical and operational intelligence products in support of policing activities.

Subprogrammes

- *Crime Intelligence Operations* provides for intelligence-based criminal investigations.
- *Intelligence and Information Management* provides for the analysis of crime intelligence patterns that facilitate crime detection in support of crime prevention and crime investigation.

Expenditure trends and estimates

Table 23.12 Crime Intelligence expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Crime Intelligence Operations	1 210.9	1 268.5	1 362.3	1 441.1	6.0%	40.9%	1 567.5	1 693.1	1 812.6	7.9%	41.1%
Intelligence and Information Management	1 673.2	1 833.6	2 025.6	2 104.9	8.0%	59.1%	2 237.2	2 405.3	2 581.6	7.0%	58.9%
Total	2 884.1	3 102.0	3 387.9	3 546.0	7.1%	100.0%	3 804.7	4 098.3	4 394.2	7.4%	100.0%
Change to 2017 Budget estimate				-			38.9	332.5	628.4		
Economic classification											
Current payments	2 838.2	3 054.3	3 326.7	3 481.8	7.0%	98.3%	3 735.8	4 024.6	4 316.5	7.4%	98.2%
Compensation of employees	2 615.1	2 819.3	3 106.8	3 227.7	7.3%	91.1%	3 482.9	3 758.3	4 035.0	7.7%	91.5%
Goods and services ¹	223.1	235.0	219.8	254.1	4.4%	7.2%	252.9	266.3	281.6	3.5%	6.7%
<i>of which:</i>											
Communication	28.0	29.5	22.1	31.6	4.2%	0.9%	25.2	26.8	28.4	-3.5%	0.7%
Fleet services (including government motor transport)	108.9	103.5	91.2	121.3	3.6%	3.3%	109.6	116.0	123.1	0.5%	3.0%
Consumables: Stationery, printing and office supplies	11.6	10.7	13.6	13.7	5.6%	0.4%	14.5	15.3	16.1	5.6%	0.4%
Operating leases	15.0	16.2	14.0	17.6	5.5%	0.5%	16.6	17.5	18.5	1.6%	0.4%
Travel and subsistence	35.5	46.5	53.2	40.2	4.2%	1.4%	54.5	56.2	58.9	13.6%	1.3%
Operating payments	8.2	12.9	9.3	12.7	15.6%	0.3%	11.5	12.4	13.1	1.0%	0.3%
Transfers and subsidies¹	14.8	17.0	23.1	12.7	-5.1%	0.5%	18.9	19.8	20.9	18.1%	0.5%
Provinces and municipalities	1.2	1.1	1.1	1.2	-0.6%	-	1.2	1.3	1.4	5.7%	-
Households	13.7	16.0	22.0	11.5	-5.5%	0.5%	17.7	18.6	19.5	19.2%	0.4%
Payments for capital assets	31.1	30.7	38.2	51.6	18.4%	1.2%	50.0	53.9	56.8	3.2%	1.3%
Buildings and other fixed structures	-	0.1	-	-	-	-	-	-	-	-	-
Machinery and equipment	31.1	30.6	38.2	51.6	18.4%	1.2%	50.0	53.9	56.8	3.2%	1.3%
Total	2 884.1	3 102.0	3 387.9	3 546.0	7.1%	100.0%	3 804.7	4 098.3	4 394.2	7.4%	100.0%
Proportion of total programme expenditure to vote expenditure	4.0%	4.0%	4.2%	4.1%	-	-	4.1%	4.2%	4.2%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	13.5	15.9	22.0	11.5	-5.2%	0.5%	17.7	18.6	19.5	19.2%	0.4%
Employee social benefits	13.5	15.9	22.0	11.5	-5.2%	0.5%	17.7	18.6	19.5	19.2%	0.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Protection and Security Services

Programme purpose

Provide protection and security services to all identified dignitaries and government interests.

Objectives

- Minimise security violations by:
 - protecting all identified local and foreign dignitaries while in transit, without any security breaches, on an ongoing basis
 - protecting the locations in which dignitaries, including persons related to the president and deputy president, are present, without security breaches, on an ongoing basis
 - auditing 51.2 per cent of strategic installations per year over the medium term
 - evaluating 100 per cent of national key points per year over the medium term.

Subprogrammes

- *VIP Protection Services* provides for the protection of the president, deputy president, former presidents, their spouses, and other identified dignitaries while in transit.
- *Static and Mobile Security* provides for the protection of other local and foreign dignitaries and the places in which all dignitaries, including persons related to the president and the deputy president, are present.

- *Government Security Regulator* provides for security regulations and evaluations, the administration of national key points, and strategic installations.
- *Operational Support* provides administrative support to the programme, including personnel development.

Expenditure trends and estimates

Table 23.13 Protection and Security Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
VIP Protection Services	977.9	1 158.1	1 222.5	1 407.0	12.9%	47.8%	1 500.8	1 611.9	1 727.5	7.1%	50.9%
Static and Mobile Security	909.7	913.0	969.7	997.9	3.1%	38.0%	1 062.1	1 132.6	1 216.4	6.8%	35.9%
Government Security Regulator	107.6	113.6	101.7	132.9	7.3%	4.6%	112.2	120.4	129.8	-0.8%	4.0%
Operational Support	207.7	229.3	252.4	270.2	9.2%	9.6%	267.2	286.2	307.2	4.4%	9.2%
Total	2 202.9	2 414.1	2 546.3	2 808.1	8.4%	100.0%	2 942.4	3 151.1	3 380.9	6.4%	100.0%
Change to 2017 Budget estimate				-			(51.4)	157.3	387.1		
Economic classification											
Current payments	2 146.4	2 322.2	2 503.4	2 725.1	8.3%	97.2%	2 862.0	3 067.3	3 292.6	6.5%	97.3%
Compensation of employees	1 926.2	2 070.5	2 280.6	2 460.7	8.5%	87.6%	2 607.6	2 798.9	3 009.4	6.9%	88.6%
Goods and services ¹	220.2	251.7	222.8	264.4	6.3%	9.6%	254.4	268.4	283.2	2.3%	8.7%
of which:											
Minor assets	3.7	3.4	2.9	4.3	5.2%	0.1%	4.6	4.9	5.1	5.6%	0.2%
Communication	8.2	8.4	5.9	10.1	7.0%	0.3%	6.7	7.1	7.5	-9.5%	0.3%
Fleet services (including government motor transport)	61.8	72.2	61.3	76.3	7.3%	2.7%	76.7	81.0	85.5	3.8%	2.6%
Consumable supplies	2.1	3.3	4.2	2.8	10.8%	0.1%	3.8	4.1	4.3	14.9%	0.1%
Consumables: Stationery, printing and office supplies	5.8	6.1	7.4	6.6	4.6%	0.3%	7.0	7.3	7.8	5.6%	0.2%
Travel and subsistence	118.0	143.1	128.0	152.5	8.9%	5.4%	141.8	149.5	157.7	1.1%	4.9%
Transfers and subsidies ¹	3.3	7.0	6.0	5.4	17.7%	0.2%	5.7	6.0	6.3	5.6%	0.2%
Provinces and municipalities	0.9	0.8	0.8	1.0	3.9%	-	1.1	1.1	1.2	5.6%	-
Households	2.4	6.2	5.2	4.3	22.2%	0.2%	4.6	4.8	5.1	5.6%	0.2%
Payments for capital assets	53.2	84.9	36.9	77.6	13.4%	2.5%	74.7	77.8	82.1	1.9%	2.5%
Buildings and other fixed structures	0.5	-	-	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	52.8	84.9	36.9	77.6	13.7%	2.5%	74.7	77.8	82.1	1.9%	2.5%
Total	2 202.9	2 414.1	2 546.3	2 808.1	8.4%	100.0%	2 942.4	3 151.1	3 380.9	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	3.0%	3.1%	3.1%	3.2%	-	-	3.2%	3.2%	3.2%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	2.3	6.0	4.9	4.3	24.3%	0.2%	4.6	4.8	5.1	5.6%	0.2%
Employee social benefits	2.3	6.0	4.9	4.3	24.3%	0.2%	4.6	4.8	5.1	5.6%	0.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Other departments within the vote

Civilian Secretariat for the Police Service

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	54.7	53.8	0.1	0.7	58.5	62.6
Intersectoral Coordination and Strategic Partnerships	24.5	24.2	–	0.3	26.2	28.0
Legislation and Policy Development	21.4	21.1	–	0.3	22.9	24.5
Civilian Oversight, Monitoring and Evaluations	30.7	30.3	–	0.4	32.9	35.2
Total expenditure estimates	131.2	129.4	0.1	1.7	140.5	150.3

Executive authority

Minister of Police

Accounting officer

Secretary for the Police Service

Website address

www.policeseecretariat.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Department purpose

Provide strategic advice and support to the Minister of Police. Exercise civilian oversight over the South African Police Service to ensure a transformed and accountable police service that reflects the values of a developmental state.

Mandate

The Civilian Secretariat for the Police Service was established in terms of the Civilian Secretariat for Police Service Act (2011) and section 208 of the Constitution, which provides for the establishment of a civilian secretariat for the police service to function under the direction of the Minister of Police. In terms of the act, the secretariat's mandate is to conduct civilian oversight of the police service and provide policy and strategic support to the minister, including administrative support in relation to his international obligations. The act also mandates responsibility on the secretariat to monitor the implementation of the Domestic Violence Act (1998) by the South African Police Service.

Selected performance indicators

Table 23.14 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past				Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Number of anti-crime campaigns conducted per year ¹	Intersectoral Coordination and Strategic Partnerships	Outcome 3: All people in South Africa are and feel safe	1	2	1	3	3	3	3	
Number of policies on policing submitted to the Minister of Police for approval per year ²	Legislation and Policy Development		0 ²	3	2	3 ³	2	2	2	
Number of bills on policing submitted to the Minister of Police for approval per year ⁴	Legislation and Policy Development		0 ⁴	0 ⁴	1	4 ³	3	2	2	
Number of reports on oversight visits conducted in police stations approved by the Secretary for the Police Service per year ⁵	Civilian Oversight, Monitoring and Evaluations		– ⁵	– ⁵	– ⁵	– ⁵	1	2	2	

Table 23.14 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of compliance reports on the implementation of the Domestic Violence Act (1998) by the South African Police Service approved by the Secretary for the Police Service per year ⁶	Civilian Oversight, Monitoring and Evaluations	Outcome 3: All people in South Africa are and feel safe	2	2	2	2 ³	2	2	2

1. Indicator previously appeared in the department's annual performance plan and was not included in the Estimates of National Expenditure. High performance in 2015/16 relative to 2014/15 and 2016/17 was due to the department having conducted the We Are One Humanity campaign in 2015/16, which had not been planned for but was considered necessary to condemn the xenophobic attacks in April 2015. Targets for 2017/18 and over MTEF period remain constant as the department plans to conduct a minimum of 3 campaigns per year.
2. No policies were finalised in 2014/15 as the department was conducting research towards the development of policies. The department finalised 1 more policy than was initially planned in 2015/16, the draft white paper on policing, hence the increase in performance in 2016/17. The 2017/18 target increases to 3 policies as a result of recommendations made by the Marikana Commission of Inquiry. Over the MTEF period, the number of policies will be maintained at 2 per year using 2016/17 as the baseline for performance.
3. Based on published targets in the department's 2017/18 annual performance plan, which were revised after the publication of the 2017 Estimates of National Expenditure.
4. No bills submitted to the minister for approval in 2014/15 and 2015/16 to allow for the finalisation of policies and research affecting the planned bills. The department plans to submit the Critical Infrastructure Protection Bill, the Firearms Control Amendment Bill, the Criminal Law (Forensic Procedures) Amendment Bill and the Independent Police Investigative Directorate Amendment Bill for the minister's approval in 2017/18. In 2018/19, the department plans to submit the Second-Hand Goods Amendment Bill, the Animal Movement and Animal Produce Bill, and the South African Police Service Amendment Bill. Targets for 2019/20 and 2020/21 remain constant at 2 bills per year, in line with the department's strategic plan.
5. New indicator, which the department will start reporting on in 2018/19. The department will compile 1 consolidated report in 2018/19 as it plans to conduct visits to all 1 144 police stations in South Africa as part of the census. Thereafter, reports will be compiled biannually based on a sample of police stations, hence the targets for 2019/20 and 2020/21 remain constant at 2 reports per year. The number of oversight visits undertaken will be included in the published reports, hence it is no longer necessary for the department to report on this indicator separately.
6. Targets for compliance reports in relation to the implementation of the Domestic Violence Act (1998) remain constant as they have been aligned with the number of reports (2 per year) to be submitted to Parliament as per agreement with the police portfolio committee.

Expenditure analysis

The work of the Civilian Secretariat for the Police Service is aligned with the NDP's vision of ensuring crime prevention and detection through active involvement from civil society. The department forms partnerships and collaborates with various community groups and government organisations on safety and crime prevention, in line with its mandate and outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework. Over the medium term, the department intends focusing on: facilitating the establishment and capacitation of community safety forums and community policing forums, including the revitalisation of those that are not functional; developing implementation plans for the white papers on policing, and safety and security; reviewing governing legislation for the police service; and monitoring compliance by conducting a census at all police stations to assess service delivery performance by the South African Police Service.

A projected 73.8 per cent of the department's total budget over the MTEF period is allocated to spending on compensation of employees, as the department requires adequate human resources to fulfil its oversight role effectively. To provide for annual cost of living adjustments, spending on compensation of employees is expected to increase from R88.6 million in 2017/18 to R112.7 million in 2020/21.

Facilitating the establishment and capacitation of community safety forums

Community safety forums are critical to building safer communities as they coordinate and promote the implementation, at the municipal level, of community safety initiatives aligned with national and provincial priorities. The *Intersectoral Coordination and Strategic Partnerships* programme is responsible for the department's oversight of community safety and policing forums. At the end of 2016/17, 124 community safety forums had been established in eight provinces. Over the medium term, the department aims to facilitate the establishment of 60 new community safety forums and revitalise 73 that are not currently functional. To ensure that community safety forums are adequately capacitated over the MTEF period, the department plans to hold 20 provincial workshops with municipalities and other relevant stakeholders on the implementation of the community safety forum policy. The department also expects to provide regular training to community policing forums on how to execute effective oversight of the police service, as well as develop a programme of action on how to sustain these forums.

As these activities are labour intensive, compensation of employees is expected to be the main cost driver in the *Intersectoral Coordination and Strategic Partnerships* programme, increasing at an average annual rate of 5.1 per cent, from R17.2 million in 2017/18 to R20 million in 2020/21.

Developing implementation plans for the white papers on policing, and safety and security

Following Cabinet's approval of the 2016 White Paper on Safety and Security and the 2016 White Paper on Policing, the department began developing implementation plans for them. A steering committee to oversee the development of the implementation plan for the 2016 White Paper on Safety and Security was established in 2017/18. The steering committee is consulting with various stakeholders at the provincial and local government levels in partnership with the South African Local Government Association and the Department of Cooperative Governance to gather input for the implementation plan and finalise its costing. The plan is expected to be finalised at the end of 2018/19, and the department anticipates focusing on monitoring its implementation over the MTEF period.

The department is also in the process of finalising the state of policing report, which will be used to inform the strategic content of the implementation plan for the 2016 White Paper on Policing. The report, which will serve as the foundation on which interventions to professionalise the police are derived, is expected to be finalised at the end of 2017/18, after which the development of the implementation plan for the 2016 White Paper on Policing is expected to commence. This plan is expected to be finalised over the MTEF period.

Due to the department having to conduct countrywide public consultations, the largest cost driver for the development of these implementation plans is travel and subsistence. In 2016/17, R1.2 million was spent on travel and subsistence in the *Legislation and Policy Development* programme, which is responsible for the development of the plans. Over the medium term, spending in this programme on travel and subsistence is expected to increase to R7.3 million as the department finalises the implementation plans. Completed implementation plans for the white papers are expected to ensure that the department meets its medium-term performance target in relation to the number of bills on policing submitted to the Minister of Police for approval, as finalisation of key legislation such as the South African Police Service Amendment Bill will be informed by the content of the plans.

Reviewing governing legislation for the police service

Over the MTEF period, the department's legislation unit will focus on the drafting of proposed amendments to the South African Police Service Act (1995) with the intention of aligning the act with the 2016 White Paper on Policing and the Constitution. Other legislation and bills to be finalised over the medium term include the Firearms Control Amendment Bill, the Second-Hand Goods Amendment Bill, the Animal Movement and Animal Produce Bill, and the Criminal Law (Forensic Procedures) Amendment Bill. Working with the Independent Police Investigative Directorate, the department also plans to finalise the review of the Independent Police Investigative Directorate Act (2011) to align it with recent Constitutional Court rulings. Work on drafting and reviewing legislation is done in the *Legislation* subprogramme in the *Legislation and Policy Development* programme, which has a total allocation of R22.1 million over the medium term. It is anticipated that the *Legislation* subprogramme's main cost drivers over the MTEF period are printing and stationery (R310 000) for the publication of draft bills for public consultations, and travel and subsistence (R1.9 million) for public consultations. An estimated 7 bills will be finalised over the MTEF period.

Monitoring compliance

Working closely with provincial departments of community safety, the department plans to conduct oversight visits at all 1 144 police stations across South Africa in 2018/19. These visits are intended to finalise the department's census, which commenced in 2017/18, on the status of service delivery by the police service and the implementation of, and compliance with, policing regulations such as the Domestic Violence Act (1998). In 2017/18, the department focused on conducting a pilot of the processing system for census data and a questionnaire in preparation for the census to be conducted in all police stations in 2018/19.

To generate enough savings to appoint 10 temporary workers for four months in 2018/19, the department plans to leave 2 deputy director posts vacant in 2017/18 and 2018/19 in the *Civilian Oversight, Monitoring and Evaluations* programme. Temporary workers will assist with the capturing of data collected from the census. Accordingly, compensation of employees is set to remain the largest cost driver in the programme, spending on which is expected to increase at an average annual rate of 8.2 per cent over the MTEF period, from R21 million in 2017/18 to R26.7 million in 2020/21. Travel and subsistence is expected to be another large cost driver, spending on which is expected to increase at an average annual rate of 9 per cent, from R4 million in 2017/18 to R5.2 million in 2020/21. Findings from the census are expected to be consolidated into a report in 2018/19 for approval by the Secretary for the Police Service, and will guide the implementation of the transformation agenda proposed in the 2016 White Paper on Policing and the 2016 White Paper on Safety and Security, as well as the department's research agenda and strategy for partnerships, over the MTEF period.

Expenditure trends

Table 23.15 Departmental expenditure trends by programme and economic classification

Programmes																															
1. Administration																															
2. Intersectoral Coordination and Strategic Partnerships																															
3. Legislation and Policy Development																															
4. Civilian Oversight, Monitoring and Evaluations																															
Programme																															
	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Revised estimate			Average: Outcome/Annual budget (%)		Average: Outcome/Adjusted appropriation (%)	
R million	2014/15			2015/16			2016/17			2017/18			2014/15			2017/18			2014/15 - 2017/18		2014/15		2017/18		2014/15 - 2017/18						
Programme 1	28.3	32.4	31.2	36.5	41.8	46.7	42.9	42.9	40.5	48.1	52.2	53.0	110.0%	101.2%																	
Programme 2	20.4	19.5	23.7	22.5	23.9	26.6	22.2	22.2	22.0	24.9	24.9	23.8	106.7%	106.2%																	
Programme 3	26.3	28.4	11.8	23.4	24.8	18.9	15.4	17.8	13.4	20.8	18.5	19.6	74.2%	71.2%																	
Programme 4	24.7	19.5	15.7	22.7	22.7	25.4	30.1	27.7	23.5	30.9	29.0	28.3	85.7%	94.1%																	
Total	99.8	99.8	82.4	105.1	113.2	117.6	110.6	110.6	99.4	124.7	124.7	124.7	96.4%	94.6%																	
Change to 2017 Budget estimate																															
Economic classification																															
Current payments	98.8	98.8	82.1	103.2	111.3	116.2	108.8	108.9	98.3	123.0	122.7	122.7	96.6%	94.9%																	
Compensation of employees	71.5	69.4	60.9	68.3	68.3	65.3	79.4	79.4	66.3	88.8	88.6	88.6	91.2%	91.9%																	
Goods and services	27.3	29.4	21.2	34.9	43.0	50.9	29.4	29.4	32.0	34.2	34.2	34.2	109.9%	101.6%																	
Transfers and subsidies	0.0	0.0	0.0	0.2	0.2	0.0	0.2	0.2	0.3	0.1	0.4	0.4	125.0%	87.3%																	
Provinces and municipalities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	87.0%	83.3%																	
Departmental agencies and accounts	-	-	-	0.2	0.2	-	0.2	0.1	-	0.1	0.1	0.1	-	-																	
Households	-	-	-	-	-	-	-	0.1	0.3	-	0.3	0.3	-	156.5%																	
Payments for capital assets	0.9	1.0	0.3	1.7	1.7	1.4	1.5	1.5	0.9	1.6	1.6	1.6	72.5%	71.7%																	
Machinery and equipment	0.9	1.0	0.3	1.6	1.6	1.4	1.5	1.5	0.8	1.5	1.5	1.5	74.0%	73.2%																	
Software and other intangible assets	0.1	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1	0.1	25.1%	25.1%																	
Total	99.8	99.8	82.4	105.1	113.2	117.6	110.6	110.6	99.4	124.7	124.7	124.7	96.4%	94.6%																	

Expenditure estimates

Table 23.16 Departmental expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Intersectoral Coordination and Strategic Partnerships								
3. Legislation and Policy Development								
4. Civilian Oversight, Monitoring and Evaluations								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	53.0	17.9%	40.4%	54.7	58.5	62.6	5.7%	41.9%
Programme 2	23.8	6.8%	22.7%	24.5	26.2	28.0	5.6%	18.7%
Programme 3	19.6	-11.7%	15.0%	21.4	22.9	24.5	7.7%	16.2%
Programme 4	28.3	13.2%	21.9%	30.7	32.9	35.2	7.6%	23.2%
Total	124.7	7.7%	100.0%	131.2	140.5	150.3	6.4%	100.0%
Change to 2017 Budget estimate				(3.4)	(3.6)	(3.8)		
Economic classification								
Current payments	122.7	7.5%	98.9%	129.4	138.6	148.3	6.5%	98.6%
Compensation of employees	88.6	8.5%	66.3%	97.5	104.9	112.7	8.4%	73.8%
Goods and services	34.2	5.1%	32.6%	32.0	33.8	35.6	1.4%	24.8%
Transfers and subsidies	0.4	316.0%	0.2%	0.1	0.1	0.1	-27.7%	0.1%
Provinces and municipalities	0.0	6.3%	0.0%	0.0	0.0	0.0	-	0.0%
Departmental agencies and accounts	0.1	-	0.0%	0.1	0.1	0.1	7.7%	0.1%
Households	0.3	-	0.1%	-	-	-	-100.0%	0.0%
Payments for capital assets	1.6	16.5%	1.0%	1.7	1.7	1.8	4.6%	1.2%
Machinery and equipment	1.5	17.3%	1.0%	1.6	1.7	1.8	4.6%	1.2%
Software and other intangible assets	0.1	0.6%	0.0%	0.1	0.1	0.1	5.1%	0.0%
Total	124.7	7.7%	100.0%	131.2	140.5	150.3	6.4%	100.0%

Expenditure trends and estimates for significant spending items

Table 23.17 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Compensation of employees	60 920	65 294	66 290	88 565	13.3%	66.3%	97 452	104 859	112 723	8.4%	73.8%
Computer services	-	9 014	6 270	6 092	-	5.0%	5 407	5 707	5 994	-0.5%	4.2%
Travel and subsistence	8 072	15 651	10 394	11 273	11.8%	10.7%	12 604	13 321	14 066	7.7%	9.4%
Total	68 992	89 959	82 954	105 930	25.1%	82.0%	115 463	123 887	132 783	15.6%	87.4%

Goods and services expenditure trends and estimates

Table 23.18 Departmental goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Administrative fees	98	12	124	109	3.6%	0.2%	57	59	61	-17.6%	0.2%
Advertising	2 452	3 571	2 071	218	-55.4%	6.0%	1 249	1 313	1 390	85.4%	3.1%
Minor assets	216	456	85	2 199	116.7%	2.1%	989	1 011	1 076	-21.2%	3.9%
Audit costs: External	-	1 967	1 940	2 255	-	4.5%	1 131	1 163	1 205	-18.9%	4.2%
Bursaries: Employees	239	287	245	250	1.5%	0.7%	480	492	506	26.5%	1.3%
Catering: Departmental activities	2 403	1 491	826	2 998	7.7%	5.6%	1 875	1 946	2 054	-11.8%	6.5%
Communication	1 381	1 740	1 553	2 353	19.4%	5.1%	1 623	1 711	1 815	-8.3%	5.5%
Computer services	-	9 014	6 270	6 092	-	15.5%	5 407	5 707	5 994	-0.5%	17.1%
Consultants: Business and advisory services	793	1 878	1 155	813	0.8%	3.4%	1 479	1 522	1 646	26.5%	4.0%
Legal services	-	5 696	2 322	99	-	5.9%	-	-	-	-100.0%	0.1%
Contractors	84	641	682	999	128.3%	1.7%	467	494	521	-19.5%	1.8%
Fleet services (including government motor transport)	-	124	181	118	-	0.3%	155	166	170	12.9%	0.4%
Inventory: Clothing material and accessories	5	-	-	-	-100.0%	-	-	-	-	-	-

Table 23.18 Departmental goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Inventory: Food and food supplies	27	22	–	–	-100.0%	–	–	–	–	–	–
Inventory: Fuel, oil and gas	202	21	–	26	-49.5%	0.2%	–	–	–	-100.0%	–
Inventory: Materials and supplies	53	–	–	36	-12.1%	0.1%	–	–	–	-100.0%	–
Consumable supplies	45	94	287	329	94.1%	0.5%	219	234	248	-9.0%	0.8%
Consumables: Stationery, printing and office supplies	733	1 364	867	1 270	20.1%	3.1%	1 100	1 166	1 236	-0.9%	3.5%
Operating leases	501	686	301	701	11.8%	1.6%	907	975	1 004	12.7%	2.6%
Rental and hiring	–	–	43	–	–	–	4	4	4	–	–
Transport provided: Departmental activity	288	637	320	–	-100.0%	0.9%	148	157	165	–	0.3%
Travel and subsistence	8 072	15 651	10 394	11 273	11.8%	32.8%	12 604	13 321	14 066	7.7%	37.8%
Training and development	335	1 461	651	607	21.9%	2.2%	858	954	986	17.6%	2.5%
Operating payments	290	836	366	737	36.5%	1.6%	596	625	663	-3.5%	1.9%
Venues and facilities	2 938	3 253	1 297	676	-38.7%	5.9%	646	734	802	5.9%	2.1%
Total	21 155	50 902	31 980	34 158	17.3%	100.0%	31 994	33 754	35 612	1.4%	100.0%

Transfers and subsidies expenditure trends and estimates**Table 23.19 Departmental transfers and subsidies trends and estimates**

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	–	104	–	15.3%	114	123	130	7.7%	63.2%
Safety and Security Education and Training Authority	–	–	–	104	–	15.3%	114	123	130	7.7%	63.2%
Households											
Social benefits											
Current	–	–	307	250	–	81.8%	–	–	–	-100.0%	33.6%
Employee social benefits	–	–	307	250	–	81.8%	–	–	–	-100.0%	33.6%
Provinces and municipalities											
Municipal bank accounts											
Current	5	5	4	6	6.3%	2.9%	6	6	6	–	3.2%
Vehicle licences	5	5	4	6	6.3%	2.9%	6	6	6	–	3.2%
Total	5	5	311	360	316.0%	100.0%	120	129	136	-27.7%	100.0%

Personnel information**Table 23.20 Departmental personnel numbers and cost by salary level and programme¹**

Programmes																			
1. Administration																			
2. Intersectoral Coordination and Strategic Partnerships																			
3. Legislation and Policy Development																			
4. Civilian Oversight, Monitoring and Evaluations																			
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2017/18 - 2020/21	Average: Salary level/Total (%) 2017/18 - 2020/21				
		2016/17	Unit cost	Cost	2017/18	Unit cost	Cost	2018/19	Unit cost	Cost	2019/20	Unit cost	Cost			2020/21	Unit cost	Cost	
Civilian Secretariat for Police Service																			
Salary level	150	5	135	66.3	0.5	153	88.6	0.6	158	97.5	0.6	159	104.9	0.7	156	112.7	0.7	0.6%	100.0%
1 – 6	33	1	25	4.9	0.2	33	6.6	0.2	33	7.1	0.2	33	7.7	0.2	33	8.3	0.3	–	21.1%
7 – 10	60	–	52	17.6	0.3	60	28.5	0.5	60	30.8	0.5	60	33.3	0.6	60	35.9	0.6	–	38.3%
11 – 12	27	–	26	16.7	0.6	27	21.1	0.8	27	22.8	0.8	27	24.6	0.9	27	26.6	1.0	–	17.3%
13 – 16	30	–	28	27.0	1.0	30	32.1	1.1	32	36.5	1.1	32	39.0	1.2	32	41.7	1.3	2.2%	20.1%
Other	–	4	4	0.1	0.0	3	0.1	0.0	6	0.2	0.0	7	0.2	0.0	4	0.1	0.0	10.1%	3.2%
Programme	150	5	135	66.3	0.5	153	88.6	0.6	158	97.5	0.6	159	104.9	0.7	156	112.7	0.7	0.6%	100.0%
Programme 1	72	4	63	29.0	0.5	75	38.0	0.5	78	41.0	0.5	79	44.1	0.6	76	47.4	0.6	0.4%	49.2%
Programme 2	22	–	21	13.3	0.6	22	16.1	0.7	22	17.3	0.8	22	18.6	0.8	22	20.0	0.9	–	14.1%
Programme 3	20	–	19	10.2	0.5	20	14.1	0.7	21	16.2	0.8	21	17.4	0.8	21	18.7	0.9	1.6%	13.3%
Programme 4	36	1	32	13.8	0.4	36	20.3	0.6	37	23.0	0.6	37	24.7	0.7	37	26.7	0.7	0.9%	23.5%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million

Departmental receipts

Table 23.21 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	2	-	11	171	171	340.5%	100.0%	153	159	165	-1.2%	100.0%
Tax receipts	-	-	-	21	-	-	-	-	-	-	-	-
Sales of goods and services produced by department	2	-	-	61	99	267.2%	54.9%	79	83	87	-4.2%	53.7%
Sales by market establishments	-	-	-	35	49	-	26.6%	53	55	57	5.2%	33.0%
of which:												
Market establishment: Rental parking covered and open	-	-	-	35	49	-	26.6%	53	55	57	5.2%	33.0%
Other sales	2	-	-	26	50	192.4%	28.3%	26	28	30	-15.7%	20.7%
of which:												
Service rendered: Commission insurance and garnishee	2	-	-	26	50	192.4%	28.3%	26	28	30	-15.7%	20.7%
Sales of scrap, waste, arms and other used current goods	-	-	2	-	-	-	1.1%	-	-	-	-	-
of which:												
Other sales	-	-	2	-	-	-	1.1%	-	-	-	-	-
Transactions in financial assets and liabilities	-	-	9	89	72	-	44.0%	74	76	78	2.7%	46.3%
Total	2	-	11	171	171	340.5%	100.0%	153	159	165	-1.2%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Table 23.22 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
R million												
Department Management	9.2	17.4	10.5	9.6	1.4%	27.3%	10.9	11.7	12.5	9.2%	19.6%	
Corporate Services	8.8	10.2	10.6	20.5	32.6%	29.4%	21.8	23.3	24.8	6.6%	39.7%	
Finance Administration	10.5	15.7	15.7	17.0	17.5%	34.5%	17.0	18.3	19.7	5.0%	31.6%	
Office Accommodation	-	-	-	0.7	-	0.4%	0.8	0.8	0.8	6.6%	1.4%	
Internal Audit	2.7	3.3	3.7	4.5	18.3%	8.4%	4.1	4.5	4.8	2.0%	7.8%	
Total	31.2	46.7	40.5	52.2	18.8%	100.0%	54.7	58.5	62.6	6.2%	100.0%	
Change to 2017				(0.8)			(1.6)	(1.8)	(1.9)			
Budget estimate												
Economic classification												
Current payments	31.0	46.1	39.8	51.4	18.4%	98.7%	53.8	57.7	61.7	6.2%	98.5%	
Compensation of employees	26.3	27.5	29.0	37.3	12.3%	70.4%	41.0	44.1	47.4	8.3%	74.4%	
Goods and services ¹	4.7	18.6	10.9	14.2	44.9%	28.4%	12.9	13.6	14.3	0.2%	24.1%	
of which:												
Audit costs: External	-	1.0	1.3	2.3	-	2.7%	1.1	1.2	1.2	-18.9%	2.5%	
Communication	0.5	0.8	1.1	0.7	11.0%	1.9%	0.6	0.6	0.7	-3.0%	1.2%	
Computer services	-	4.1	2.6	5.7	-	7.2%	5.3	5.5	5.8	0.6%	9.8%	
Consumables: Stationery, printing and office supplies	0.3	0.4	0.2	0.9	37.9%	1.1%	0.5	0.5	0.6	-13.7%	1.1%	
Operating leases	0.5	0.3	0.3	0.7	11.8%	1.1%	0.9	0.9	1.0	10.7%	1.5%	
Travel and subsistence	1.4	3.9	1.2	1.1	-6.5%	4.4%	2.5	2.6	2.8	34.9%	4.0%	

Table 23.22 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Transfers and subsidies¹	0.0	0.0	0.2	0.1	188.4%	0.2%	0.1	0.1	0.1	4.3%	0.2%
Provinces and municipalities	0.0	0.0	0.0	0.0	6.3%	–	0.0	0.0	0.0	–	–
Departmental agencies and accounts	–	–	–	0.1	–	0.1%	0.1	0.1	0.1	7.7%	0.2%
Households	–	–	0.2	0.0	–	0.1%	–	–	–	-100.0%	–
Payments for capital assets	0.2	0.6	0.5	0.7	55.4%	1.1%	0.7	0.7	0.8	4.6%	1.3%
Machinery and equipment	0.2	0.6	0.5	0.7	55.4%	1.1%	0.7	0.7	0.8	4.6%	1.3%
Total	31.2	46.7	40.5	52.2	18.8%	100.0%	54.7	58.5	62.6	6.2%	100.0%
Proportion of total programme expenditure to vote expenditure	37.8%	39.7%	40.7%	41.9%	–	–	41.7%	41.7%	41.6%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Intersectoral Coordination and Strategic Partnerships

Programme purpose

Manage and encourage national dialogue on community safety and crime prevention.

Objectives

- Contribute towards creating a safe and secure environment for society through ongoing partnerships with stakeholders such as community safety forums and community policing forums by:
 - conducting at least 3 anti-crime campaigns per year over the medium term
 - conducting a total of 24 imbizos and public participation programmes with communities over the medium term to promote community safety.

Subprogrammes

- *Intergovernmental, Civil Society and Public-Private Partnerships* manages and facilitates intergovernmental, civil society and public partnerships.
- *Community Outreach* promotes, encourages and facilitates community participation in safety programmes.

Expenditure trends and estimates

Table 23.23 Intersectoral Coordination and Strategic Partnerships expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Intergovernmental, Civil Society and Public-Private Partnerships	21.3	23.9	18.2	22.2	1.3%	88.0%	20.3	21.8	23.3	1.7%	84.5%
Community Outreach	2.4	2.7	3.8	2.8	4.4%	12.0%	4.1	4.4	4.7	19.7%	15.5%
Total	23.7	26.6	22.0	24.9	1.6%	100.0%	24.5	26.2	28.0	4.0%	100.0%
Change to 2017 Budget estimate				1.1			(0.5)	(0.6)	(0.6)		
Economic classification											
Current payments	23.7	26.4	21.8	24.6	1.2%	99.4%	24.2	25.9	27.7	4.0%	98.8%
Compensation of employees	13.6	13.2	13.3	17.2	8.1%	59.0%	17.3	18.6	20.0	5.1%	70.5%
Goods and services ¹	10.1	13.2	8.5	7.4	-9.8%	40.3%	6.9	7.3	7.7	1.3%	28.3%
of which:											
Advertising	1.8	2.1	1.7	–	-100.0%	5.8%	0.8	0.8	0.9	–	2.4%
Catering: Departmental activities	1.6	1.2	0.5	2.2	10.8%	5.6%	1.3	1.3	1.4	-13.2%	6.0%
Communication	0.4	0.2	0.0	0.5	11.2%	1.2%	0.3	0.3	0.3	-17.7%	1.3%
Contractors	0.0	0.5	0.7	0.2	80.7%	1.4%	0.2	0.2	0.2	8.9%	0.8%
Travel and subsistence	3.2	4.5	3.9	3.8	5.6%	15.8%	3.1	3.3	3.5	-2.7%	13.2%
Training and development	–	0.8	0.1	–	–	0.9%	0.4	0.5	0.5	–	1.3%

Table 23.23 Intersectoral Coordination and Strategic Partnerships expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Payments for capital assets	–	0.2	0.1	0.3	–	0.6%	0.3	0.3	0.3	4.6%	1.2%
Machinery and equipment	–	0.2	0.1	0.3	–	0.6%	0.3	0.3	0.3	4.6%	1.2%
Total	23.7	26.6	22.0	24.9	1.6%	100.0%	24.5	26.2	28.0	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	28.8%	22.6%	22.1%	20.0%	–	–	18.7%	18.6%	18.6%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Legislation and Policy Development

Programme purpose

Develop policy and legislation for the police sector and conduct research on policing and crime.

Objectives

- Provide for constitutionally compliant legislation, research and evidence-led policies for policing and public safety by:
 - finalising at least 2 policies per year on policing for the approval of the Minister of Police over the medium term
 - submitting 7 bills to the Minister of Police for approval over the medium term.

Subprogrammes

- *Policy Development and Research* develops policies and undertakes research in various areas of policing and crime.
- *Legislation* produces legislation for effective policing and provides legislative support services to the Minister of Police.

Expenditure trends and estimates

Table 23.24 Legislation and Policy Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Policy Development and Research	7.2	13.4	9.0	14.3	25.3%	70.2%	14.5	15.5	16.6	5.3%	69.8%
Legislation	4.6	5.5	4.4	4.3	-2.3%	29.8%	6.9	7.4	7.9	22.6%	30.2%
Total	11.8	18.9	13.4	18.5	16.2%	100.0%	21.4	22.9	24.5	9.8%	100.0%
Change to 2017 Budget estimate				(1.1)			(0.5)	(0.5)	(0.5)		
Economic classification											
Current payments	11.7	18.6	13.3	18.0	15.5%	98.4%	21.1	22.6	24.2	10.3%	98.5%
Compensation of employees	9.7	10.9	10.2	13.1	10.6%	69.9%	16.2	17.4	18.7	12.7%	74.9%
Goods and services ¹	2.1	7.8	3.0	5.0	34.2%	28.5%	4.9	5.2	5.5	3.4%	23.6%
of which:											
Minor assets	0.0	0.1	0.0	1.1	338.1%	2.0%	0.6	0.6	0.6	-18.4%	3.2%
Catering: Departmental activities	0.1	0.0	0.1	0.5	104.0%	1.1%	0.2	0.2	0.3	-21.5%	1.4%
Communication	0.2	0.3	0.1	0.3	21.6%	1.4%	0.3	0.3	0.3	4.9%	1.5%
Consultants: Business and advisory services	0.3	1.6	0.4	(0.1)	-167.7%	3.4%	0.7	0.7	0.8	-305.8%	2.4%
Consumables: Stationery, printing and office supplies	0.0	0.4	0.4	0.2	102.4%	1.5%	0.4	0.4	0.4	33.5%	1.5%
Travel and subsistence	1.3	2.3	1.2	2.3	22.7%	11.3%	2.3	2.4	2.6	3.4%	11.1%

Table 23.24 Legislation and Policy Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Transfers and subsidies ¹	–	–	0.0	0.2	–	0.4%	–	–	–	-100.0%	0.3%
Households	–	–	0.0	0.2	–	0.4%	–	–	–	-100.0%	0.3%
Payments for capital assets	0.1	0.3	0.1	0.3	35.7%	1.2%	0.3	0.3	0.3	4.7%	1.2%
Machinery and equipment	0.1	0.3	0.1	0.3	35.7%	1.2%	0.3	0.3	0.3	4.7%	1.2%
Total	11.8	18.9	13.4	18.5	16.2%	100.0%	21.4	22.9	24.5	9.8%	100.0%
Proportion of total programme expenditure to vote expenditure	14.3%	16.1%	13.5%	14.9%	–	–	16.3%	16.3%	16.3%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Civilian Oversight, Monitoring and Evaluations

Programme purpose

Oversee, monitor and report on the performance of the South African Police Service; provide for the functions of the Office of the Judge for the Directorate for Priority Crime Investigation, and the National Forensic Oversight and Ethics Board.

Objectives

- Provide effective oversight, monitoring and evaluation that contributes towards an accountable and transformed police service by:
 - conducting regular police oversight visits at selected police stations per year and compiling biannual reports for the approval of the Secretary for the Police Service over the medium term
 - compiling 2 compliance reports per year over the medium term on the implementation of the Domestic Violence Act (1998), as required by Parliament for approval by the Secretary for the Police Service
 - increasing the number of reports submitted to the Minister of Police on the implementation of the Independent Police Investigative Directorate's recommendations for the South African Police Service from 1 in 2017/18 to 2 in 2020/21.

Subprogrammes

- *Police Performance, Conduct and Compliance* monitors the performance, conduct and transformation of, and compliance with policing legislation and regulations by, the South African Police Service.
- *Policy and Programme Evaluations* evaluates the effectiveness of all crime prevention and other programmes implemented by the South African Police Service.
- *Information Management* provides reliable, accurate and timely information to management that informs evidence-based decision-making.
- *Office of the Directorate for Priority Crime Investigation Judge* funds the operations of the Office of the Judge for the Directorate for Priority Crime Investigation, which investigates complaints by any member of the public and/or the Directorate for Priority Crime Investigation, in terms of section 17L(4)(a) and 17L(4)(b) of the South African Police Service Amendment Act (2012).
- *National Forensic Oversight and Ethics Board* funds the operations of the National Forensic Oversight and Ethics Board, which provides oversight of processes relating to the collection, retention, storage, destruction and disposal of DNA samples.

Expenditure trends and estimates**Table 23.25 Civilian Oversight, Monitoring and Evaluations expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Police Performance, Conduct and Compliance	10.4	15.9	13.4	15.4	14.1%	58.9%	13.0	13.9	14.9	-1.3%	44.7%
Policy and Programme Evaluations	3.3	3.1	3.7	5.1	14.9%	16.3%	5.2	5.5	5.9	5.3%	17.0%
Information Management	0.6	1.0	0.5	1.1	25.3%	3.4%	3.5	3.8	4.1	52.9%	9.8%
Office of the Directorate for Priority Crime Investigation Judge	1.4	5.1	5.2	4.2	45.0%	17.0%	5.1	5.5	5.9	11.9%	16.3%
National Forensic Oversight and Ethics Board	–	0.3	0.7	3.1	–	4.4%	3.9	4.2	4.5	12.3%	12.2%
Total	15.7	25.4	23.5	29.0	22.7%	100.0%	30.7	32.9	35.2	6.7%	100.0%
Change to 2017 Budget estimate				0.7			(0.7)	(0.7)	(0.8)		
Economic classification											
Current payments	15.6	25.0	23.3	28.6	22.3%	98.9%	30.3	32.5	34.8	6.7%	98.7%
Compensation of employees	11.3	13.7	13.8	21.0	22.9%	63.9%	23.0	24.7	26.7	8.2%	74.7%
Goods and services ¹	4.3	11.3	9.6	7.6	20.6%	35.0%	7.3	7.7	8.1	2.4%	24.1%
<i>of which:</i>											
Advertising	0.2	0.7	0.2	0.2	-8.0%	1.4%	0.3	0.3	0.3	23.6%	0.8%
Catering: Departmental activities	0.7	0.2	0.1	0.2	-37.6%	1.2%	0.2	0.2	0.2	11.9%	0.7%
Communication	0.3	0.4	0.3	0.8	39.1%	1.9%	0.5	0.5	0.5	-13.8%	1.8%
Consultants: Business and advisory services	0.5	0.1	0.3	0.5	6.1%	1.5%	0.4	0.4	0.5	-4.4%	1.5%
Travel and subsistence	2.2	5.0	4.2	4.0	22.1%	16.4%	4.7	4.9	5.2	9.0%	14.7%
Venues and facilities	0.2	0.5	0.3	0.6	40.9%	1.8%	0.3	0.3	0.3	-19.2%	1.2%
Transfers and subsidies¹	–	0.0	0.1	–	–	0.1%	–	–	–	–	–
Households	–	–	0.1	–	–	0.1%	–	–	–	–	–
Payments for capital assets	0.0	0.4	0.2	0.4	121.2%	1.0%	0.4	0.4	0.4	4.6%	1.3%
Machinery and equipment	0.0	0.4	0.2	0.3	109.8%	1.0%	0.3	0.4	0.4	4.5%	1.1%
Software and other intangible assets	–	–	–	0.1	–	0.1%	0.1	0.1	0.1	5.1%	0.2%
Total	15.7	25.4	23.5	29.0	22.7%	100.0%	30.7	32.9	35.2	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	19.0%	21.6%	23.7%	23.3%	–	–	23.4%	23.4%	23.4%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity

Comprehensive coverage of the following public entity is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Private Security Industry Regulatory Authority** was established in terms of section 2 of the Private Security Industry Regulation Act (2001), which replaced the Security Officers Act (1987). The authority is mandated to regulate the private security industry, and exercise control over the practice of the occupation of security service providers in the public and national interest, as well as in the interest of the private security industry itself. The authority's total budget for 2018/19 is R267 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Departmental infrastructure										
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Parow forensic laboratory	Construction of a forensic laboratory	Handed over	659.6	4.0	0.2	–	–	–	–	
Telkom Towers	Construction of office accommodation	Complete	694.3	–	544.0	–	–	–	–	
Small projects (total project cost of less than R250 million over the project life cycle)										
Police stations	Construction of new and re-established police stations	Various	4 257.3	345.0	516.1	733.3	684.5	605.9	627.6	644.7
Member and office accommodation	Construction of living quarters and offices	Construction	689.4	134.6	70.0	32.9	124.0	131.2	142.8	162.5
Small infrastructure projects	Repairs and renovation of infrastructure	Construction	281.5	3.3	13.7	1.9	32.6	34.5	44.7	50.8
Forensic science laboratory	Repairs and renovation of infrastructure	Handed over	1.7	0.0	0.1	–	0.4	0.4	0.5	0.5
Shooting ranges	Construction of facilities to improve shooting competency of police officers	Construction	183.0	1.8	29.0	3.2	45.2	47.8	49.9	56.7
Training facilities	Construction of facilities to improve police personnel capabilities	Construction	420.7	235.0	19.4	26.0	1.7	1.8	1.9	2.1
Mobile homes and storage facilities	Implementation of basic services for accommodation and storage	Various	54.4	161.1	–	–	3.0	3.2	3.5	4.0
Total			7 241.9	884.8	1 192.4	797.3	891.5	824.9	870.7	921.4

Vote 24

Agriculture, Forestry and Fisheries

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	923.2	879.7	20.4	23.1	931.5	938.0
Agricultural Production, Health and Food Safety	2 367.1	746.6	1 598.3	22.2	2 507.7	2 596.2
Food Security and Agrarian Reform	2 037.9	252.9	1 746.9	38.1	2 305.0	2 369.1
Trade Promotion and Market Access	273.9	144.6	128.9	0.5	291.3	309.6
Forestry and Natural Resources Management	1 075.1	787.6	242.8	44.8	1 046.0	1 047.4
Fisheries	487.8	228.1	259.7	–	519.7	553.2
Total expenditure estimates	7 165.0	3 039.4	3 997.0	128.6	7 601.3	7 813.4

Executive authority: Minister of Agriculture, Forestry and Fisheries
 Accounting officer: Director General of Agriculture, Forestry and Fisheries
 Website address: www.daff.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Lead, support and promote agricultural, forestry and fisheries resources management through policies, strategies and programmes to enhance sustainable use, and achieve economic growth, job creation, food security, rural development and transformation.

Mandate

The mandate of the Department of Agriculture, Forestry and Fisheries includes value chains, inputs, production and consumption in the agriculture, forestry and fishery sectors. The department's mandate is derived from a range of legislation, including the Sea Fishery Act (1988), the National Forests Act (1998), the Agricultural Products Standards Act (1990), and the Conservation of Agricultural Resources Act (1983).

Selected performance indicators

Table 24.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of animal and plant improvement schemes for prioritised value chain commodities monitored per year	Agricultural Production, Health and Food Safety	Outcome 7: Comprehensive rural development and land reform	4	4	4	4	4	4	4
Number of surveillances on animal diseases conducted per year	Agricultural Production, Health and Food Safety		2	2	2	2	2	2	2
Number of surveillances on plant diseases conducted per year	Agricultural Production, Health and Food Safety		1	1	1	1	1	1	1
Number of mobile veterinary clinics provided to improve animal health in rural areas per year	Agricultural Production, Health and Food Safety		41	49	29	–1	–1	–1	–1
Number of veterinary graduates deployed for the compulsory veterinary services programme per year	Agricultural Production, Health and Food Safety		–2	126	127	150	150	150	150
Number of subsistence and smallholder producers supported per year	Food Security and Agrarian Reform		156 500	30 679 ³	36 795 ³	145 000	145 000	145 000	145 000

Table 24.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of hectares cultivated in underutilised communal areas per year	Food Security and Agrarian Reform	Outcome 7: Comprehensive rural development and land reform	107 151 ha	0 ³	35 213 ha	120 000 ha	120 000 ha	120 000 ha	120 000 ha
Number of agro-processing entrepreneurs trained on processing norms and standards per year	Trade Promotion and Market Access		– ²	– ²	16	14	45	60	85
Number of hectares of land restored through reforestation and land rehabilitation per year	Forestry and Natural Resources Management	Outcome 10: Protect and enhance our environmental assets and natural resources	30 500 ha	25 207 ha ⁴	26 311 ha	16 300 ha	16 300 ha	16 300 ha	16 300 ha
Number of hectares of temporary unplanted areas planted per year	Forestry and Natural Resources Management		2 300 ha	2 279 ha	1 992 ha ⁴	1 725 ha	550 ha	550 ha	550 ha

1. Target achieved.

2. No historical data available.

3. Target not achieved in 2015/16 and 2016/17 due to drought.

4. Hectares of temporary unplanted areas decrease as targets have been achieved.

Expenditure analysis

The National Development Plan sets out a broad vision of eliminating poverty and reducing inequality by 2030. This vision is supported by outcome 4 (decent employment through inclusive economic growth), outcome 7 (comprehensive rural development and land reform) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. The work of the Department of Agriculture, Forestry and Fisheries is closely aligned with these outcomes. As such, over the MTEF period, the department intends to focus on improving food security; creating jobs; increasing the contribution of the agriculture, forestry and fisheries sectors to GDP; enhancing primary animal health care services; and enabling trade in the global economy. The department also expects to implement the agriculture policy action plan, which focuses on value chains with high potential for food security, job creation and economic contribution; the revitalisation of the agricultural and agro-processing value chain; and Operation Phakisa.

The department's total budget is expected to increase at an average annual rate of 4.5 per cent, from R6.8 billion in 2017/18 to R7.8 billion in 2020/21. Transfers to entities and conditional grants to provinces account for an estimated 55.9 per cent of this expenditure, increasing at an average annual rate of 4.6 per cent, from R3.8 billion in 2017/18 to R4.4 billion in 2020/21. Compensation of employees is the second largest spending item, accounting for a projected 31 per cent (R7 billion) of the department's total budget over the medium term.

The department receives an additional allocation of R40 million over the MTEF period to upgrade infrastructure and equipment for the analytical services laboratories in Stellenbosch and Pretoria. This is expected to strengthen global market access to South African agricultural products by providing assurance to global trading partners that the country's products meet technical standards for human safety and food quality. The allocation will also be used to obtain laboratory accreditation to ensure analytical test results are internationally recognised, and thereby facilitate unhindered trade in agricultural products. A further R70 million over the medium term is provided for inspection services to increase and strengthen capacity at ports of entry to improve plant and animal quarantine services.

Improving food security

Over the MTEF period, the department aims to promote food security through the Fetsa Tlala programme, which forms part of the national policy on food and nutrition. The programme focuses on assisting vulnerable households and subsistence and smallholder producers to produce their own food by ensuring that 1 million hectares of land are used for production by 2030. Through the *Ilima/Letsema conditional grant*, which is set to receive an estimated R1.8 billion over the medium term, rural households are expected to benefit from food production initiatives, including the provision of production inputs such as fertilisers, seeds, seedlings, breeding animals, and machinery and equipment.

The comprehensive agricultural support programme aims to provide support to subsistence, smallholder and black commercial producers within areas that are strategically identified for the production of grains, livestock, horticulture and aquaculture. The department expects to spend R5.6 billion on the programme over the MTEF period. Through the *Ilima/Letsema conditional grant* and the comprehensive agricultural support programme, the department expects to support 145 000 black commercial, subsistence and smallholder producers per year. The programme will also be used for providing production inputs and farm infrastructure, and piloting the blended funding model in partnership with commercial and development funding institutions such as the Land and Agricultural Development Bank of South Africa.

In line with the outcomes of Operation Phakisa, the department aims to create and support 450 sustainable and profitable black commercial producers participating in prioritised value chains over a five-year period through the reprioritisation of funds from the *comprehensive agricultural support programme grant*. An estimated R581.7 million is expected to be used in the black producer commercialisation programme, which is intended to support investment that will unlock and enhance the output of black producers through targeted interventions. Further concessionary loans to emerging farmers will be accessed from the Micro Agricultural Finance Institution of South Africa, which aims to address the financial services needs of smallholder farmers and agribusinesses.

The implementation of the agriculture policy action plan and the revitalisation of agriculture and agro-processing value chains policy is expected to focus on the production of high value crops such as macadamia nuts. Over the MTEF period, implementation is expected to extend to fruit production, the fast-tracking of poultry production, and the expansion of red meat production schemes or initiatives such as the Kaonafatso ya Dikgomo and grass-fed beef initiatives to improve animal production in rural areas.

In 2013, the department identified fisheries as key to addressing food security, while recognising the need for transformation in the sector. In this regard, the small-scale fisheries policy and the Marine Living Resources Amendment Act (2014) support food security and transformation as key priorities in the sector. Over the medium term, R128.7 million is allocated to the *Aquaculture* subprogramme in the *Fisheries* programme for aquaculture projects aimed at providing technical, advisory services and compliance assessment, and conducting research on reproduction and nutrition fish species. These projects are expected to increase the production of fish from the current 4 000 tonnes per year to 20 000 tonnes per year over the MTEF period.

Creating decent jobs

Over the medium term, the department plans to create 3 481 full-time equivalent jobs through Working for Fisheries projects. This is expected to be achieved through allocations amounting to R250.5 million over the medium term to the Marine Living Resources Fund. The *Land Care* programme, which has a total allocation of R246.9 million over the medium term, aims to promote sustainable land and soil management practices, prevent land degradation and desertification in rural areas, and contribute to job creation. The programme expects to create 2 400 full-time equivalent jobs and contribute to the rehabilitation of 48 900 hectares of land through restoration and reforestation over the MTEF period. In addition, 3 300 jobs are expected to be created over the medium term for planting trees on 1 650 hectares of state-owned forests.

Increasing the contribution of the agriculture sector to GDP

The primary agriculture sector's contribution to GDP has decreased from 3.5 per cent over the past 20 years to the current 2.5 per cent of GDP. However, the broader agro-food production chain accounts for about 12 per cent of GDP. As such, over the medium term, the department plans to focus on promoting agro-processing, market access and trade to smallholder and commercial producers. This is expected to be achieved through the implementation of the South African good agricultural practices certification programme for smallholder producers of fresh produce, which seeks to ensure compliance with market requirements on mandatory food safety and quality standards. Interventions aimed at improving market access will focus on training in agro-processing, providing marketing information, revitalising agro-processing infrastructure and addressing barriers to trade. The department expects to spend R874.8 million over the MTEF period in the *Trade Promotion and Market Access* programme to carry out these activities.

Enhancing primary animal health care services

The department's primary animal health care programme is aimed at improving the accessibility and affordability of veterinary services, and improving awareness on animal health and welfare. In rolling out the programme over the medium term, spending will be geared towards the recapitalisation and revitalisation of veterinary infrastructure to create an enabling environment for the deployment of newly qualified veterinarians. The department plans to deploy 150 veterinary graduates in rural areas per year over the MTEF period, at an estimated cost of R425.8 million over the medium term.

Major outbreaks of avian influenza and foot and mouth disease resulted in additional spending for the department in 2017/18. To contain the outbreaks, mobile veterinary clinics and associated equipment for laboratories were procured to strengthen veterinary public health in rural areas across all provinces. The department received an additional allocation of R40 million from the fiscus for combatting the outbreak of highly pathogenic avian influenza in 2017/18.

Over the medium term, the department expects to receive an additional allocation of R120 million to address biosecurity issues at South Africa's 16 land border posts; acquire 2 additional plant quarantine stations and 2 additional animal quarantine stations; and strengthen pest surveillance and control, and inspection and laboratory services.

Enabling trade in the global economy

The department has identified that for South Africa to trade on common footing in the global economy, it needs to migrate from the current paper-based certification and permit system. In this regard, the South African Revenue Service has pledged technical support to the department towards the development of an internationally recognised and interphase ready import and export system, at a projected cost of R80 million over the medium term.

Expenditure trends

Table 24.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Agricultural Production, Health and Food Safety														
3. Food Security and Agrarian Reform														
4. Trade Promotion and Market Access														
5. Forestry and Natural Resources Management														
6. Fisheries														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	694.6	718.9	738.4	729.9	739.4	785.8	788.1	781.4	828.5	902.5	906.8	906.8	104.6%	103.6%
Programme 2	2 199.8	2 187.1	2 183.7	2 134.8	2 144.5	2 143.0	1 953.4	1 944.6	1 927.0	2 197.2	2 236.9	2 236.9	100.1%	99.7%
Programme 3	1 711.1	1 711.7	1 656.3	1 930.3	1 919.4	1 906.8	1 889.7	1 888.7	1 879.0	1 946.8	1 944.1	1 944.1	98.8%	99.0%
Programme 4	294.2	298.3	307.0	238.2	233.9	236.8	297.6	304.0	310.5	261.7	261.7	261.7	102.2%	101.6%
Programme 5	1 364.9	1 348.7	1 303.6	906.6	906.2	862.3	945.6	1 137.7	1 077.7	1 016.7	1 015.7	1 015.7	100.6%	96.6%
Programme 6	427.8	427.8	439.8	443.3	465.3	465.9	458.6	458.6	468.1	482.2	481.9	481.9	102.4%	101.2%
Total	6 692.4	6 692.4	6 628.9	6 383.0	6 408.8	6 400.5	6 333.0	6 515.0	6 490.8	6 807.0	6 847.0	6 847.0	100.6%	99.6%
Change to 2017 Budget estimate										40.0				
Economic classification														
Current payments	2 562.4	2 516.3	2 397.0	2 594.1	2 540.2	2 479.2	2 724.6	2 846.2	2 826.0	2 921.5	2 906.2	2 906.2	98.2%	98.1%
Compensation of employees	1 697.9	1 698.4	1 661.6	1 737.8	1 763.0	1 761.1	2 055.4	1 992.6	1 938.3	2 105.8	2 100.2	2 100.2	98.2%	98.8%
Goods and services	863.3	816.5	735.1	854.8	775.6	718.1	668.2	852.5	887.3	814.4	804.1	804.1	98.2%	96.8%
Interest and rent on land	1.2	1.4	0.3	1.5	1.5	-	1.0	1.1	0.3	1.3	1.9	1.9	49.7%	42.9%

Table 24.2 Vote expenditure trends by programme and economic classification

R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Transfers and subsidies	4 028.4	4 040.7	4 025.7	3 692.7	3 691.6	3 701.5	3 487.6	3 501.7	3 510.1	3 774.6	3 821.3	3 821.3	100.5%	100.0%
Provinces and municipalities	2 390.1	2 390.1	2 363.3	2 189.2	2 172.6	2 172.7	2 203.5	2 203.7	2 203.7	2 242.8	2 242.9	2 242.9	99.5%	99.7%
Departmental agencies and accounts	1 354.6	1 354.6	1 338.3	1 132.5	1 138.1	1 125.4	1 113.7	1 110.2	1 110.2	1 300.3	1 300.0	1 300.0	-	-
Foreign governments and international organisations	34.7	38.7	38.8	29.5	32.4	31.9	34.5	42.4	42.3	36.3	36.6	36.6	110.8%	99.6%
Public corporations and private enterprises	220.2	222.0	222.3	312.9	314.7	314.8	98.3	98.3	98.5	150.8	150.8	150.8	100.5%	100.1%
Non-profit institutions	26.9	26.8	24.4	26.7	25.9	23.7	17.2	17.0	17.0	19.8	20.1	20.1	94.0%	94.8%
Households	1.9	8.4	38.6	1.9	7.9	33.0	20.2	30.0	38.4	24.6	70.8	70.8	371.3%	154.3%
Payments for capital assets	101.6	135.4	206.0	96.2	176.9	218.5	120.8	167.2	153.8	111.0	119.5	119.5	162.4%	116.5%
Buildings and other fixed structures	42.7	41.3	48.0	42.5	48.6	40.3	67.4	78.3	51.7	63.8	69.2	69.2	96.7%	88.1%
Machinery and equipment	58.2	93.9	157.5	53.2	128.2	178.0	53.3	88.5	99.8	47.0	49.8	49.8	229.2%	134.6%
Biological assets	0.8	0.2	-	0.5	0.2	-	0.1	0.1	0.2	0.1	0.2	0.2	22.4%	57.3%
Software and other intangible assets	0.0	0.1	0.4	-	-	0.2	0.1	0.3	2.2	0.1	0.4	0.4	2 554.4%	455.5%
Payments for financial assets	-	-	0.2	-	-	1.4	-	-	0.9	-	-	-	-	-
Total	6 692.4	6 692.4	6 628.9	6 383.0	6 408.8	6 400.5	6 333.0	6 515.0	6 490.8	6 807.0	6 847.0	6 847.0	100.6%	99.6%

Expenditure estimates

Table 24.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Agricultural Production, Health and Food Safety								
3. Food Security and Agrarian Reform								
4. Trade Promotion and Market Access								
5. Forestry and Natural Resources Management								
6. Fisheries								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
Programme 1	906.8	8.0%	12.4%	923.2	931.5	938.0	1.1%	12.6%
Programme 2	2 236.9	0.8%	32.2%	2 367.1	2 507.7	2 596.2	5.1%	33.0%
Programme 3	1 944.1	4.3%	28.0%	2 037.9	2 305.0	2 369.1	6.8%	29.4%
Programme 4	261.7	-4.3%	4.2%	273.9	291.3	309.6	5.8%	3.9%
Programme 5	1 015.7	-9.0%	16.2%	1 075.1	1 046.0	1 047.4	1.0%	14.2%
Programme 6	481.9	4.0%	7.0%	487.8	519.7	553.2	4.7%	6.9%
Total	6 847.0	0.8%	100.0%	7 165.0	7 601.3	7 813.4	4.5%	100.0%
Change to 2017 Budget estimate				25.6	24.5	(37.4)		
Economic classification								
Current payments	2 906.2	4.9%	40.2%	3 039.4	3 195.2	3 321.1	4.5%	42.3%
Compensation of employees	2 100.2	7.3%	28.3%	2 182.3	2 348.2	2 519.0	6.2%	31.1%
Goods and services	804.1	-0.5%	11.9%	855.7	845.5	800.5	-0.1%	11.2%
Interest and rent on land	1.9	12.3%	0.0%	1.4	1.5	1.6	-6.2%	0.0%
Transfers and subsidies	3 821.3	-1.8%	57.1%	3 997.0	4 269.2	4 368.1	4.6%	55.9%
Provinces and municipalities	2 242.9	-2.1%	34.1%	2 382.3	2 542.8	2 705.2	6.4%	33.6%
Departmental agencies and accounts	1 300.0	-1.4%	18.5%	1 357.3	1 433.2	1 511.9	5.2%	19.0%
Foreign governments and international organisations	36.6	-1.8%	0.6%	38.5	39.7	41.9	4.5%	0.5%
Public corporations and private enterprises	150.8	-12.1%	3.0%	173.8	206.8	59.9	-26.5%	2.0%
Non-profit institutions	20.1	-9.1%	0.3%	20.1	20.4	21.4	2.1%	0.3%
Households	70.8	103.3%	0.7%	25.2	26.4	27.8	-26.7%	0.5%
Payments for capital assets	119.5	-4.1%	2.6%	128.6	136.9	124.2	1.3%	1.7%
Buildings and other fixed structures	69.2	18.8%	0.8%	55.4	69.2	64.8	-2.1%	0.9%
Machinery and equipment	49.8	-19.1%	1.8%	73.1	67.7	59.3	6.0%	0.8%
Biological assets	0.2	-2.4%	0.0%	0.0	0.0	0.0	-46.1%	0.0%
Software and other intangible assets	0.4	98.7%	0.0%	-	-	-	-100.0%	0.0%
Total	6 847.0	0.8%	100.0%	7 165.0	7 601.3	7 813.4	4.5%	100.0%

Goods and services expenditure trends and estimates

Table 24.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	3 547	10 647	9 576	7 761	29.8%	1.0%	7 885	8 421	9 054	5.3%	1.0%
Advertising	26 480	8 104	7 514	7 669	-33.8%	1.6%	5 870	6 059	6 465	-5.5%	0.8%
Minor assets	6 851	7 178	3 697	7 474	2.9%	0.8%	3 638	3 370	3 539	-22.1%	0.5%
Audit costs: External	10 362	10 816	10 146	12 867	7.5%	1.4%	13 424	15 204	16 060	7.7%	1.7%
Bursaries: Employees	2 724	2 417	2 671	5 212	24.1%	0.4%	4 839	4 991	5 223	0.1%	0.6%
Catering: Departmental activities	813	740	837	693	-5.2%	0.1%	362	382	403	-16.5%	0.1%
Communication	27 791	29 115	29 846	22 253	-7.1%	3.5%	29 264	29 998	29 500	9.9%	3.4%
Computer services	35 424	11 530	28 869	50 980	12.9%	4.0%	50 772	52 437	55 852	3.1%	6.4%
Consultants: Business and advisory services	20 540	22 985	22 974	15 332	-9.3%	2.6%	11 517	12 122	11 424	-9.3%	1.5%
Infrastructure and planning services	6 957	3 708	2 069	336	-63.6%	0.4%	500	649	619	22.6%	0.1%
Laboratory services	232	219	206	346	14.3%	-	189	211	213	-14.9%	-
Legal services	8 519	5 334	6 139	5 572	-13.2%	0.8%	6 387	7 243	7 097	8.4%	0.8%
Contractors	24 249	9 505	15 459	19 429	-7.1%	2.2%	8 102	8 440	8 674	-23.6%	1.4%
Agency and support/outsourced services	30 695	24 636	22 995	131 460	62.4%	6.7%	148 841	105 080	55 861	-24.8%	13.3%
Entertainment	776	306	287	354	-23.0%	0.1%	336	337	338	-1.5%	-
Fleet services (including government motor transport)	18 459	21 936	17 575	19 709	2.2%	2.5%	30 942	33 580	25 277	8.6%	3.3%
Inventory: Clothing material and accessories	-	823	3 095	6 829	-	0.3%	12 654	12 957	9 145	10.2%	1.3%
Inventory: Farming supplies	7 708	17 959	219 753	30 636	58.4%	8.8%	34 524	32 688	33 739	3.3%	4.0%
Inventory: Food and food supplies	474	1 132	1 437	2 324	69.9%	0.2%	1 234	1 299	1 364	-16.3%	0.2%
Inventory: Fuel, oil and gas	266	952	1 211	1 149	62.9%	0.1%	2 344	2 479	2 097	22.2%	0.2%
Inventory: Materials and supplies	36	922	210	1 129	215.4%	0.1%	228	256	283	-36.9%	0.1%
Inventory: Medical supplies	-	31	89	602	-	-	1 002	1 078	660	3.1%	0.1%
Inventory: Medicine	970	49	1 307	3 152	48.1%	0.2%	2 775	3 481	4 109	9.2%	0.4%
Inventory: Other supplies	121	1 123	719	2 112	159.4%	0.1%	6 489	6 724	3 420	17.4%	0.6%
Consumable supplies	42 602	20 814	7 989	26 354	-14.8%	3.1%	18 648	19 495	15 422	-16.4%	2.4%
Consumables: Stationery, printing and office supplies	10 707	8 826	8 901	19 305	21.7%	1.5%	20 752	22 609	20 545	2.1%	2.5%
Operating leases	84 510	90 460	108 384	41 465	-21.1%	10.3%	37 016	27 144	16 207	-26.9%	3.7%
Rental and hiring	69	10	-	1 449	175.9%	-	1 524	1 530	1 311	-3.3%	0.2%
Property payments	144 315	155 660	145 341	178 557	7.4%	19.8%	184 897	205 281	228 410	8.6%	24.1%
Transport provided: Departmental activity	-	-	-	15	-	-	20	21	22	13.6%	-
Travel and subsistence	128 554	131 940	120 095	104 514	-6.7%	15.4%	132 185	142 819	146 463	11.9%	15.9%
Training and development	39 370	30 372	37 577	41 557	1.8%	4.7%	44 595	47 708	50 784	6.9%	5.6%
Operating payments	20 289	18 420	17 475	20 417	0.2%	2.4%	16 790	16 689	17 563	-4.9%	2.2%
Venues and facilities	30 685	69 393	32 889	15 084	-21.1%	4.7%	15 201	12 684	13 380	-3.9%	1.7%
Total	735 095	718 062	887 332	804 097	3.0%	100.0%	855 746	845 466	800 523	-0.1%	100.0%

Expenditure trends and estimates for significant spending items

Table 24.5 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Agricultural Research Council	1 029 151	804 133	813 189	974 783	-1.8%	13.7%	1 031 109	1 088 851	1 148 740	5.6%	14.4%
Ilima/Letsema projects grant	460 625	466 713	491 363	522 139	4.3%	7.4%	552 423	583 359	615 444	5.6%	7.7%
Comprehensive agricultural support programme grant: Infrastructure	929 529	1 167 779	1 148 115	1 112 138	6.2%	16.5%	1 164 766	1 350 209	1 509 021	10.7%	17.5%
Comprehensive agricultural support programme grant: Extension recovery planning service	352 708	343 873	346 149	337 906	-1.4%	5.2%	355 648	380 544	404 881	6.2%	5.0%
Comprehensive agricultural support programme grant: Disasters: (flood damaged infrastructure)	493 761	58 601	76 734	139 071	-34.4%	2.9%	155 935	65 631	-	-100.0%	1.2%
Marine Living Resources Fund	251 331	258 623	241 759	261 666	1.4%	3.8%	259 733	274 278	289 363	3.4%	3.7%
Total	3 517 105	3 099 722	3 117 309	3 347 703	-25.7%	49.5%	3 519 614	3 742 872	3 967 449	-68.5%	49.5%

Transfers and subsidies expenditure trends and estimates

Table 24.6 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
R thousand											
Households											
Social benefits											
Current	19 268	14 131	16 302	6 201	-31.5%	0.4%	652	692	733	-50.9%	0.1%
Employee social benefits	19 268	14 131	16 302	6 201	-31.5%	0.4%	652	692	733	-50.9%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 230 590	1 012 771	991 596	1 175 425	-1.5%	29.3%	1 225 477	1 293 999	1 365 046	5.1%	30.7%
Public Service Sector Education and Training Authority	–	370	–	–	–	–	–	–	–	–	–
Primary Agriculture Sector Education and Training Authority	901	937	1 175	1 207	10.2%	–	1 223	1 314	1 409	5.3%	–
National Research Foundation	15 000	20 841	15 697	17 310	4.9%	0.5%	18 647	19 691	20 774	6.3%	0.5%
Communication	26	27	24	29	3.7%	–	28	29	30	1.1%	–
Fibre Processing and Manufacturing Sector Education and Training Authority	446	429	462	464	1.3%	–	468	504	541	5.3%	–
Agricultural Research Council	921 456	691 484	694 570	850 232	-2.6%	21.0%	899 554	949 938	1 002 173	5.6%	22.5%
Perishable Products Export Control Board	600	600	600	600	–	–	585	585	584	-0.9%	–
National Agricultural Marketing Council	36 005	34 635	35 005	41 917	5.2%	1.0%	43 239	45 660	48 172	4.7%	1.1%
Small Enterprise Development Agency	1 825	1 825	304	–	-100.0%	–	–	–	–	–	–
Water Research Commission	3 000	3 000	2 000	2 000	-12.6%	0.1%	2 000	2 000	2 000	–	–
Marine Living Resources Fund	251 331	258 623	241 759	261 666	1.4%	6.7%	259 733	274 278	289 363	3.4%	6.6%
Capital	107 695	112 649	118 619	124 551	5.0%	3.1%	131 775	139 155	146 809	5.6%	3.3%
Agricultural Research Council	107 695	112 649	118 619	124 551	5.0%	3.1%	131 775	139 155	146 809	5.6%	3.3%
Households											
Other transfers to households											
Current	19 332	18 852	22 062	64 555	49.5%	0.8%	24 521	25 698	27 112	-25.1%	0.9%
Claims against the state	626	511	301	–	-100.0%	–	–	–	–	–	–
Avian Influenza	–	–	–	40 000	–	0.3%	–	–	–	-100.0%	0.2%
Agricultural colleges	788	1 905	1 499	1 800	31.7%	–	1 800	1 900	2 005	3.7%	–
Grootfontein Agricultural Development Institute: Studies	1 391	1 391	1 400	1 500	2.5%	–	1 600	1 690	1 783	5.9%	–
Female entrepreneur of the year awards	600	550	–	1 000	18.6%	–	500	500	528	-19.2%	–
National Student Financial Aid Scheme	15 927	14 495	18 862	19 955	7.8%	0.5%	20 621	21 608	22 796	4.5%	0.5%
Youth in Agriculture, Forestry and Fisheries award ceremony	–	–	–	300	–	–	–	–	–	-100.0%	–
Provinces and municipalities											
Municipal bank accounts											
Current	1 188	1 273	1 276	1 249	1.7%	–	1 182	1 200	1 220	-0.8%	–
Vehicle licences	688	773	776	649	-1.9%	–	582	600	620	-1.5%	–
National Arbor City Awards	500	500	500	600	6.3%	–	600	600	600	–	–
Non-profit institutions											
Current	24 362	23 685	16 984	20 125	-6.2%	0.6%	20 056	20 350	21 448	2.1%	0.5%
Deciduous Fruit Producers' Trust	10 000	10 000	12 100	14 410	13.0%	0.3%	14 410	14 410	15 203	1.8%	0.4%
Annual Beef Cattle Improvement Scheme Awards	200	–	–	–	-100.0%	–	–	–	–	–	–
Citrus Growers' Association of Southern Africa	–	986	–	–	–	–	–	–	–	–	–
Wine and Spirit Board	–	–	–	300	–	–	–	–	–	-100.0%	–
Forestry South Africa	6 024	4 418	4 684	4 965	-6.2%	0.1%	5 246	5 540	5 845	5.6%	0.1%
Centre for International Forestry Research	100	–	–	–	-100.0%	–	–	–	–	–	–
Food and Trees for Africa	200	200	200	400	26.0%	–	400	400	400	–	–
Lima Rural Development Foundation	7 838	8 081	–	–	-100.0%	0.1%	–	–	–	–	–
Institute for Commercial Forestry Research	–	–	–	50	–	–	–	–	–	-100.0%	–
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	322	86	173	1	-85.4%	–	1	1	1	–	–
Claims against the state	322	85	173	–	-100.0%	–	–	–	–	–	–
Red Meat Industry Forum	–	1	–	1	–	–	1	1	1	–	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	221 976	314 714	98 333	150 828	-12.1%	5.2%	173 776	206 789	59 912	-26.5%	3.6%
Onderstepoort Biological Products	127 500	268 400	–	–	-100.0%	2.6%	–	–	–	–	–
Ncera Farms	5 420	5 622	5 935	6 246	4.8%	0.2%	6 608	6 978	7 362	5.6%	0.2%
Land and Agricultural Development Bank of South Africa	85 348	36 762	88 232	140 166	18.0%	2.3%	162 496	194 876	47 344	-30.4%	3.3%
Forest Sector Charter Council	3 708	3 930	4 166	4 416	6.0%	0.1%	4 672	4 935	5 206	5.6%	0.1%

Table 24.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Provinces and municipalities											
Provincial revenue funds											
Current	2 362 161	2 171 450	2 202 452	2 241 689	-1.7%	59.6%	2 381 106	2 541 649	2 703 953	6.4%	60.0%
Ilima/Letsema projects grant	460 625	466 713	491 363	522 139	4.3%	12.9%	552 423	583 359	615 444	5.6%	13.8%
Comprehensive agricultural support programme grant: Infrastructure	929 529	1 167 779	1 148 115	1 112 138	6.2%	28.9%	1 164 766	1 350 209	1 509 021	10.7%	31.2%
Comprehensive agricultural support programme grant: Extension recovery planning services	352 708	343 873	346 149	337 906	-1.4%	9.2%	355 648	380 544	404 881	6.2%	9.0%
Comprehensive agricultural support programme grant: Upgrading of provincial agricultural colleges	57 701	69 473	70 826	56 831	-0.5%	1.7%	74 461	79 672	87 850	15.6%	1.8%
Land care programme grant	67 837	65 011	69 265	73 604	2.8%	1.8%	77 873	82 234	86 757	5.6%	1.9%
Comprehensive agricultural support programme grant: Disasters: Flood damaged infrastructure	493 761	58 601	76 734	139 071	-34.4%	5.1%	155 935	65 631	-	-100.0%	2.2%
Foreign governments and international organisations											
Current	38 784	31 911	42 306	36 637	-1.9%	1.0%	38 466	39 689	41 861	4.5%	1.0%
Consultative Group on International Agricultural Research	7 140	6 375	7 020	7 000	-0.7%	0.2%	7 300	8 400	8 527	6.8%	0.2%
International Union for the Protection of New Varieties of Plants	638	677	789	745	5.3%	-	880	890	980	9.6%	-
Commonwealth Agricultural Bureau International	263	276	337	269	0.8%	-	280	300	350	9.2%	-
International Commission of Agricultural Engineering	32	-	21	20	-14.5%	-	20	20	20	-	-
Food and Agriculture Organisation of the United Nations	24 600	21 029	30 140	24 363	-0.3%	0.7%	24 800	25 500	26 800	3.2%	0.6%
Foreign rates and taxes	329	306	457	411	7.7%	-	593	674	761	22.8%	-
International Fund for Agricultural Development	2 163	-	-	-	-100.0%	-	-	-	-	-	-
International Cotton Advisory Council	769	301	374	285	-28.2%	-	290	300	330	5.0%	-
International Dairy Federation	50	50	50	50	-	-	50	50	50	-	-
International Grains Council	200	215	212	193	-1.2%	-	200	212	250	9.0%	-
International Seed Testing Association	94	97	120	159	19.1%	-	180	200	330	27.6%	-
International Organisation of Vine and Wine	807	789	977	800	-0.3%	-	852	830	880	3.2%	-
World Organisation for Animal Health	1 349	1 624	1 616	1 973	13.5%	-	1 700	1 852	2 000	0.5%	-
Organisation for Economic Cooperation and Development	342	161	183	359	1.6%	-	1 311	450	571	16.7%	-
International Union of Forest Research Organisations	8	11	10	10	7.7%	-	10	11	12	6.3%	-
Total	4 025 678	3 701 522	3 510 103	3 821 261	-1.7%	100.0%	3 997 012	4 269 222	4 368 095	4.6%	100.0%

Personnel information

Table 24.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																		
1. Administration																		
2. Agricultural Production, Health and Food Safety																		
3. Food Security and Agrarian Reform																		
4. Trade Promotion and Market Access																		
5. Forestry and Natural Resources Management																		
6. Fisheries																		
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment									Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost
		Number	Cost		Number	Cost		Number	Cost		Number	Cost				Number	Cost	
Agriculture, Forestry and Fisheries																		
Salary level	6 548	446	5 815	1 953.0	0.3	-	2 116.3	-	-	2 198.8	-	-	2 365.7	-	-	2 537.8	-	-
1 - 6	3 443	292	3 044	472.9	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-
7 - 10	2 321	7	2 091	879.4	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-
11 - 12	621	141	540	391.2	0.7	-	-	-	-	-	-	-	-	-	-	-	-	-
13 - 16	161	6	138	205.2	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	2	-	2	4.2	2.1	-	2 116.3	-	-	2 198.8	-	-	2 365.7	-	-	2 537.8	-	-
Programme	6 548	446	5 815	1 953.0	0.3	-	2 116.3	-	-	2 198.8	-	-	2 365.7	-	-	2 537.8	-	-
Programme 1	1 143	7	1 028	409.6	0.4	-	451.7	-	-	466.1	-	-	501.7	-	-	539.5	-	-
Programme 2	1 601	175	1 479	537.3	0.4	-	606.7	-	-	631.9	-	-	679.6	-	-	725.2	-	-
Programme 3	650	239	606	157.3	0.3	-	177.9	-	-	185.1	-	-	199.2	-	-	213.7	-	-
Programme 4	165	4	151	106.4	0.7	-	105.8	-	-	110.1	-	-	118.3	-	-	127.4	-	-
Programme 5	2 404	-	2 052	516.3	0.3	-	554.4	-	-	577.6	-	-	621.5	-	-	668.1	-	-
Programme 6	585	21	499	226.1	0.5	-	219.8	-	-	228.1	-	-	245.4	-	-	263.9	-	-

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 24.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	191 652	212 414	202 706	246 223	246 223	8.7%	100.0%	258 524	271 452	285 025	5.0%	100.0%
Sales of goods and services produced by department	163 186	185 974	190 625	225 793	225 793	11.4%	89.8%	237 073	248 928	261 375	5.0%	91.7%
Sales by market establishments	2 370	2 347	2 279	2 185	2 185	-2.7%	1.1%	2 295	2 410	2 531	5.0%	0.9%
of which:												
Dwellings	1 959	1 748	1 677	1 827	1 827	-2.3%	0.8%	1 918	2 014	2 115	5.0%	0.7%
Rental parking: Covered and open	313	322	323	339	339	2.7%	0.2%	356	374	393	5.1%	0.1%
Wool and skin	98	277	279	19	19	-42.1%	0.1%	21	22	23	6.6%	-
Administrative fees	129 749	149 966	134 822	163 132	163 132	7.9%	67.7%	171 278	179 843	188 835	5.0%	66.3%
of which:												
Farm feeds registration	6 485	12 600	8 970	10 680	10 680	18.1%	4.5%	11 214	11 775	12 364	5.0%	4.3%
Plant breeders right	2 834	3 713	2 889	5 878	5 878	27.5%	1.8%	6 161	6 469	6 792	4.9%	2.4%
Stock remedy	8 045	1 260	861	1 114	1 114	-48.3%	1.3%	1 170	1 229	1 290	5.0%	0.5%
Inspection fees: Statutory services	73 190	85 216	76 306	98 339	98 339	10.3%	39.0%	103 256	108 419	113 840	5.0%	39.9%
Other	39 195	47 177	45 796	47 121	47 121	6.3%	21.0%	49 477	51 951	54 549	5.0%	19.1%
Other sales	31 067	33 661	53 524	60 476	60 476	24.9%	21.0%	63 500	66 675	70 009	5.0%	24.6%
of which:												
Service rendered: Boarding services (private)	1 736	1 285	1 625	1 969	1 969	4.3%	0.8%	2 067	2 170	2 279	5.0%	0.8%
Service rendered: Commission on insurance	1 425	1 432	1 442	1 537	1 537	2.6%	0.7%	1 614	1 695	1 780	5.0%	0.6%
Service rendered: Course fees	1 036	1 823	2 011	1 997	1 997	24.5%	0.8%	2 097	2 202	2 312	5.0%	0.8%
Laboratory services: Plant	629	905	884	1 015	1 015	17.3%	0.4%	1 066	1 119	1 175	5.0%	0.4%
Other	26 241	28 216	47 562	53 958	53 958	27.2%	18.3%	56 656	59 489	62 463	5.0%	21.9%
Sales of scrap, waste, arms and other used current goods	44	53	124	713	713	153.1%	0.1%	748	785	824	4.9%	0.3%
of which:												
Waste paper	44	53	8	25	25	-17.2%	-	26	27	28	3.8%	-
Sales scrap	-	-	116	688	688	-	0.1%	722	758	796	5.0%	0.3%
Transfers received	727	355	274	446	446	-15.0%	0.2%	468	491	516	5.0%	0.2%
Fines, penalties and forfeits	33	270	45	49	49	14.1%	-	52	55	57	5.2%	-
Interest, dividends and rent on land	6 727	5 143	4 738	4 926	4 926	-9.9%	2.5%	5 172	5 431	5 703	5.0%	2.0%
Interest	5 565	4 111	3 791	3 827	3 827	-11.7%	2.0%	4 018	4 219	4 430	5.0%	1.6%
Rent on land	1 162	1 032	947	1 099	1 099	-1.8%	0.5%	1 154	1 212	1 273	5.0%	0.4%
Sales of capital assets	1 034	1 720	868	1 433	1 433	11.5%	0.6%	1 505	1 580	1 659	5.0%	0.6%
Transactions in financial assets and liabilities	19 901	18 899	6 032	12 863	12 863	-13.5%	6.8%	13 506	14 182	14 891	5.0%	5.2%
Total	191 652	212 414	202 706	246 223	246 223	8.7%	100.0%	258 524	271 452	285 025	5.0%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 24.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	38.0	39.6	40.5	42.7	3.9%	4.9%	45.5	48.6	52.0	6.8%	5.1%
Department Management	22.9	19.2	32.8	28.9	8.2%	3.2%	29.0	31.1	33.3	4.7%	3.3%
Financial Administration	158.6	163.1	177.8	194.8	7.1%	21.3%	205.6	221.8	237.3	6.8%	23.2%
Internal Audit	4.0	5.0	7.1	10.1	36.1%	0.8%	10.5	11.3	12.0	5.9%	1.2%
Corporate Services	170.0	162.9	187.8	179.9	1.9%	21.5%	189.0	202.3	216.5	6.4%	21.3%
Stakeholder Relations, Communication and Legal Services	90.4	117.5	92.6	80.6	-3.8%	11.7%	68.2	73.2	78.5	-0.9%	8.1%
Policy, Planning, Monitoring and Evaluation	72.1	79.5	78.5	173.8	34.1%	12.4%	187.6	144.7	100.1	-16.8%	16.4%
Office Accommodation	182.4	199.0	211.4	196.0	2.4%	24.2%	187.8	198.6	208.3	2.1%	21.4%
Total	738.4	785.8	828.5	906.8	7.1%	100.0%	923.2	931.5	938.0	1.1%	100.0%
Change to 2017 Budget estimate				4.4			(22.5)	(22.8)	(20.2)		

Table 24.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	701.2	743.1	791.1	851.1	6.7%	94.7%	879.7	883.9	887.7	1.4%	94.7%
Current payments	701.2	743.1	791.1	851.1	6.7%	94.7%	879.7	883.9	887.7	1.4%	94.7%
Compensation of employees	362.0	380.5	409.6	451.7	7.7%	49.2%	466.1	501.7	539.5	6.1%	53.0%
Goods and services ¹	339.2	362.6	381.4	399.2	5.6%	45.5%	413.6	382.2	348.3	-4.4%	41.7%
<i>of which:</i>											
<i>Audit costs: External</i>	9.8	9.9	10.1	12.9	9.6%	1.3%	13.4	15.2	16.1	7.7%	1.6%
<i>Computer services</i>	30.2	9.8	25.4	22.3	-9.6%	2.7%	23.0	24.6	26.5	5.9%	2.6%
<i>Agency and support/outsourced services</i>	3.4	2.7	2.9	96.0	203.1%	3.2%	104.3	55.5	4.6	-63.6%	7.0%
<i>Operating leases</i>	74.9	84.3	98.9	37.8	-20.4%	9.1%	28.1	17.3	4.6	-50.5%	2.4%
<i>Property payments</i>	111.0	117.0	116.6	138.6	7.7%	14.8%	153.0	172.2	194.0	11.9%	17.8%
<i>Travel and subsistence</i>	32.1	39.2	44.4	31.2	-1.0%	4.5%	45.5	48.7	51.5	18.2%	4.8%
<i>Interest and rent on land</i>	–	–	0.0	0.2	–	–	–	–	–	-100.0%	–
Transfers and subsidies¹	18.8	24.2	20.3	19.5	1.3%	2.5%	20.4	21.6	22.8	5.4%	2.3%
Provinces and municipalities	0.0	0.0	0.1	0.1	2.7%	–	0.0	0.0	0.0	-3.3%	–
Departmental agencies and accounts	16.4	22.6	17.4	19.0	5.1%	2.3%	20.4	21.5	22.8	6.2%	2.3%
Public corporations and private enterprises	0.1	0.1	0.0	–	-100.0%	–	–	–	–	–	–
Households	2.3	1.5	2.9	0.4	-43.1%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	18.5	18.1	17.1	36.3	25.2%	2.8%	23.1	26.0	27.5	-8.9%	3.1%
Buildings and other fixed structures	6.4	6.0	5.8	30.8	68.8%	1.5%	18.3	21.1	22.3	-10.2%	2.5%
Machinery and equipment	12.1	12.2	9.2	5.1	-24.9%	1.2%	4.8	4.9	5.2	0.4%	0.5%
Software and other intangible assets	–	0.0	2.1	0.4	–	0.1%	–	–	–	-100.0%	–
Payments for financial assets	0.0	0.3	0.0	–	-100.0%	–	–	–	–	–	–
Total	738.4	785.8	828.5	906.8	7.1%	100.0%	923.2	931.5	938.0	1.1%	100.0%
Proportion of total programme expenditure to vote expenditure	11.1%	12.3%	12.8%	13.2%	–	–	12.9%	12.3%	12.0%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	16.3	22.2	17.3	19.0	5.1%	2.3%	20.3	21.5	22.7	6.2%	2.3%
Primary Agriculture Sector Education and Training Authority	0.9	0.9	1.2	1.2	10.2%	0.1%	1.2	1.3	1.4	5.3%	0.1%
National Research Foundation	15.0	20.8	15.7	17.3	4.9%	2.1%	18.6	19.7	20.8	6.3%	2.1%
Fibre Processing and Manufacturing Sector Education and Training Authority	0.4	0.4	0.5	0.5	1.3%	0.1%	0.5	0.5	0.5	5.3%	0.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Agricultural Production, Health and Food Safety

Programme purpose

Manage the risks associated with animal diseases, plant pests and genetically modified organisms. Register products used in agriculture. Promote food safety and create an enabling environment for increased and sustainable agricultural production.

Objectives

- Promote productivity for prioritised value chains by:
 - implementing 6 animal improvement schemes, such as Kaonafatso ya Dikgomo, a programme that assists farmers without resources by providing breeding technical support; and the poultry scheme, which assists poultry farmers to identify and manage risks associated with poultry diseases by March 2021
 - implementing 6 plant improvement and seeds schemes, ensuring that all categories of producers have access to quality propagating material by March 2021.
- Manage biosecurity and related sector risks effectively by:
 - conducting 3 countrywide surveys of plant pests, in particular the exotic fruit fly, to manage the spread and/or incursion of these pests and eradicate them by March 2021.
- Implement national plans to conserve the diversity of plant genetic resources through the collection of 2 prioritised crops, namely calabash and bambara groundnut, on an ongoing basis.

- Ensure the conservation, protection, rehabilitation and recovery of depleted and degraded natural resources by implementing national plans to conserve the diversity of the animal genetic resources, in particular through promoting the sustainable use of indigenous animal breeds in the country, by March 2021.
- Enforce an agricultural animal disease regulatory framework to reduce the level of disease outbreaks and interception at export channels in production areas to a minimum level by conducting 2 planned animal risk surveillance exercises per year on foot and mouth disease and goat plague over the medium term.
- Implement regulatory compliance and monitoring interventions to prevent plant and animal pest and disease outbreaks through quarantine inspections, surveillance and testing by March 2021.
- Ensure access to primary animal health care services through the implementation of the animal diseases and management plan, and compulsory community services by deploying 450 veterinary graduates to rural areas by March 2021.

Subprogrammes

- *Management* oversees and manages the programme.
- *Inspection and Laboratory Services* provides leadership, guidance and support to ensure compliance with agricultural legislation and regulatory frameworks; and oversees the effective implementation of risk management strategies and plans for regulated agricultural products.
- *Plant Production and Health* focuses on increasing agricultural productivity with emphasis on a sustainable plant production system, the efficient use of genetic resources for food and agriculture, and the management of risks associated with plant pests and diseases, and genetically modified organisms.
- *Animal Production and Health* improves livestock production, and the health and safety of animal products. This entails implementing strategies, projects and programmes for animal production, health and public health that are founded on effective animal health and production management principles, an informed extension service, and sustainable natural resources management.
- *Agriculture Research* manages monthly transfers to the Agricultural Research Council.

Expenditure trends and estimates

Table 24.10 Agricultural Production, Health and Food Safety expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
R million											
Management	1.6	2.2	3.1	2.9	21.9%	0.1%	3.0	3.2	3.5	6.0%	0.1%
Inspection and Laboratory Services	317.5	322.5	330.1	372.4	5.5%	15.8%	444.9	472.6	442.8	5.9%	17.8%
Plant Production and Health	536.4	543.9	575.8	610.8	4.4%	26.7%	644.3	681.0	720.0	5.6%	27.4%
Animal Production and Health	299.1	470.5	205.1	276.2	-2.6%	14.7%	243.7	262.0	281.2	0.6%	11.0%
Agriculture Research	1 029.2	803.9	813.0	974.6	-1.8%	42.6%	1 031.1	1 088.9	1 148.7	5.6%	43.7%
Total	2 183.7	2 143.0	1 927.0	2 236.9	0.8%	100.0%	2 367.1	2 507.7	2 596.2	5.1%	100.0%
Change to 2017 Budget estimate				39.7			61.2	61.2	-		
Economic classification											
Current payments	490.6	509.0	584.4	682.4	11.6%	26.7%	746.6	798.5	814.2	6.1%	31.3%
Compensation of employees	401.7	444.4	537.3	606.7	14.7%	23.4%	631.9	679.6	725.2	6.1%	27.2%
Goods and services ¹	88.9	64.6	47.0	75.7	-5.2%	3.3%	114.7	118.9	88.9	5.5%	4.1%
of which:											
Communication	4.0	4.0	3.6	4.2	2.0%	0.2%	6.8	7.0	5.6	10.0%	0.2%
Computer services	0.4	0.2	0.5	25.0	282.5%	0.3%	25.0	25.0	26.4	1.8%	1.0%
Fleet services (including government motor transport)	7.3	8.0	6.1	4.4	-15.3%	0.3%	15.2	15.4	5.1	5.0%	0.4%
Inventory: Other supplies	0.1	1.1	0.5	1.8	209.5%	-	6.4	6.7	3.4	24.2%	0.2%
Consumables: Stationery, printing and office supplies	3.1	2.3	2.4	3.6	5.5%	0.1%	7.4	7.4	4.2	4.8%	0.2%
Travel and subsistence	29.4	25.5	15.3	16.0	-18.3%	1.0%	19.9	21.2	17.6	3.2%	0.8%

Table 24.10 Agricultural Production, Health and Food Safety expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21	
Transfers and subsidies¹	1 629.2	1 551.3	1 318.2	1 551.8	-1.6%	71.3%	1 598.3	1 687.0	1 779.7	4.7%	68.2%
Provinces and municipalities	460.7	466.9	491.5	522.2	4.3%	22.9%	552.4	583.4	615.5	5.6%	23.4%
Departmental agencies and accounts	1 029.2	804.1	813.2	974.8	-1.8%	42.7%	1 031.3	1 089.1	1 149.0	5.6%	43.7%
Public corporations and private enterprises	127.7	268.4	0.0	-	-100.0%	4.7%	-	-	-	-	-
Non-profit institutions	10.2	10.0	12.1	14.4	12.2%	0.6%	14.4	14.4	15.2	1.8%	0.6%
Households	1.4	1.9	1.3	40.4	204.2%	0.5%	0.1	0.1	0.1	-86.7%	0.4%
Payments for capital assets	63.8	82.4	24.4	2.7	-65.1%	2.0%	22.2	22.2	2.3	-6.0%	0.5%
Buildings and other fixed structures	-	-	-	-	-	-	-	8.5	-	-	0.1%
Machinery and equipment	63.8	82.4	24.4	2.7	-65.1%	2.0%	22.2	13.7	2.3	-6.0%	0.4%
Payments for financial assets	0.1	0.4	0.1	-	-100.0%	-	-	-	-	-	-
Total	2 183.7	2 143.0	1 927.0	2 236.9	0.8%	100.0%	2 367.1	2 507.7	2 596.2	5.1%	100.0%
Proportion of total programme expenditure to vote expenditure	32.9%	33.5%	29.7%	32.7%	-	-	33.0%	33.0%	33.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	921.5	691.5	694.6	850.2	-2.6%	37.2%	899.3	949.7	1 001.9	5.6%	38.1%
Agricultural Research Council	921.5	691.5	694.6	850.2	-2.6%	37.2%	899.3	949.7	1 001.9	5.6%	38.1%
Capital	107.7	112.6	118.6	124.6	5.0%	5.5%	131.8	139.2	146.8	5.6%	5.6%
Agricultural Research Council	107.7	112.6	118.6	124.6	5.0%	5.5%	131.8	139.2	146.8	5.6%	5.6%
Households											
Other transfers to households											
Current	-	-	-	40.0	-	0.5%	-	-	-	-100.0%	0.4%
Avian Influenza	-	-	-	40.0	-	0.5%	-	-	-	-100.0%	0.4%
Non-profit institutions											
Current	10.0	10.0	12.1	14.4	13.0%	0.5%	14.4	14.4	15.2	1.8%	0.6%
Deciduous Fruit Producers' Trust	10.0	10.0	12.1	14.4	13.0%	0.5%	14.4	14.4	15.2	1.8%	0.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	127.5	268.4	-	-	-100.0%	4.7%	-	-	-	-	-
Onderstepoort Biological Products	127.5	268.4	-	-	-100.0%	4.7%	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	460.6	466.7	491.4	522.1	4.3%	22.9%	552.4	583.4	615.4	5.6%	23.4%
Ilima/Letsema projects grant	460.6	466.7	491.4	522.1	4.3%	22.9%	552.4	583.4	615.4	5.6%	23.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Food Security and Agrarian Reform

Programme purpose

Facilitate and promote food security and agrarian reform programmes and initiatives.

Objectives

- Coordinate the implementation of the national policy on food and nutrition security by:
 - providing production inputs such as seeds and fertilisers to increase the number of households benefitting from food production initiatives to 200 000 by March 2021
 - cultivating 360 000 hectares of underutilised land in communal areas and land reform projects for food production by March 2021.
- Improve delivery capacity in support of sustainable growth in the sector by:
 - implementing sector capacity development policies, such as the national agriculture, forestry and fisheries training and education strategy and national policy on extension and advisory services on an ongoing basis

- facilitating collaborations with commodity organisations to build the capacity of 183 extension practitioners over the medium term.
- providing strategic leadership and support, such as research, training and extension services to targeted subsistence and smallholder producers in the agriculture, forestry and fisheries sectors by transforming all agricultural colleges into agricultural training institutions by March 2021.
- Coordinate comprehensive support systems and programmes provided to producers by:
 - providing support to 145 000 subsistence and smallholder producers per year
 - supporting the commercialisation of 1 350 smallholder producers by March 2021
 - placing 255 unemployed agricultural graduates in farms annually
 - providing support through access to resources for agribusiness development on an ongoing basis.

Subprogrammes

- *Management* oversees and manages the programme.
- *Food Security* provides national frameworks to promote the sustainable household food security programme by improving the production systems of subsistence and smallholder producers in the agriculture, forestry and fishery sectors; and facilitates the provision of production inputs, tools and infrastructure support.
- *Sector Capacity Development* provides education and training to promote the transformation of colleges of agriculture into centres of excellence. This is achieved by implementing the agriculture, forestry and fisheries national education and training strategy; promoting the development of agriculture training institutes as centres of excellence; and implementing a coordinated plan to track sector transformation in line with government objectives.
- *National Extension Support Services* develops and coordinates the implementation of national extension policies, and norms and standards on the transfer of technology. This subprogramme also provides strategic leadership and guidance for the planning, coordination and implementation of extension and advisory services in the sector.

Expenditure trends and estimates

Table 24.11 Food Security and Agrarian Reform expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management	2.5	4.0	4.7	3.7	14.1%	0.2%	15.4	16.4	17.3	67.3%	0.6%
Food Security	1 037.5	1 270.8	1 250.2	1 342.0	9.0%	66.3%	1 422.0	1 646.8	1 665.4	7.5%	70.2%
Sector Capacity Development	232.8	260.2	247.4	230.9	-0.3%	13.2%	213.7	228.3	246.4	2.2%	10.6%
National Extension Support Services	383.5	371.8	376.8	367.4	-1.4%	20.3%	386.8	413.6	439.9	6.2%	18.6%
Total	1 656.3	1 906.8	1 879.0	1 944.1	5.5%	100.0%	2 037.9	2 305.0	2 369.1	6.8%	100.0%
Change to 2017				(2.7)			2.1	2.2	69.2		
Budget estimate											
Economic classification											
Current payments	214.1	229.3	218.3	266.7	7.6%	12.6%	252.9	270.5	288.8	2.7%	12.5%
Compensation of employees	120.9	131.1	142.6	161.9	10.2%	7.5%	168.5	181.6	194.9	6.4%	8.2%
Goods and services ¹	93.3	98.1	75.7	104.8	4.0%	5.0%	84.4	88.8	93.9	-3.6%	4.3%
<i>of which:</i>											
<i>Communication</i>	1.8	2.0	1.8	3.0	17.9%	0.1%	2.0	2.2	2.3	-8.9%	0.1%
<i>Fleet services (including government motor transport)</i>	2.1	2.0	1.8	1.8	-6.0%	0.1%	1.7	1.9	2.1	5.5%	0.1%
<i>Inventory: Farming supplies</i>	0.2	1.3	1.9	1.9	113.2%	0.1%	1.8	2.1	2.3	7.6%	0.1%
<i>Travel and subsistence</i>	16.9	18.8	15.9	16.9	0.1%	0.9%	24.0	25.2	26.1	15.6%	1.1%
<i>Training and development</i>	26.7	22.8	30.0	30.9	5.0%	1.5%	32.9	35.1	37.5	6.7%	1.6%
<i>Venues and facilities</i>	2.3	1.2	2.1	0.9	-27.5%	0.1%	12.0	12.7	13.4	147.5%	0.4%

Table 24.11 Food Security and Agrarian Reform expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Transfers and subsidies¹	1 366.0	1 606.9	1 594.8	1 639.5	6.3%	84.0%	1 746.9	1 994.1	2 037.2	7.5%	85.7%
Provinces and municipalities	1 340.3	1 581.4	1 565.4	1 507.2	4.0%	81.2%	1 595.2	1 810.8	2 002.1	9.9%	79.9%
Departmental agencies and accounts	0.6	0.6	0.6	0.6	–	–	0.6	0.6	0.6	-0.9%	–
Public corporations and private enterprises	5.5	5.6	6.0	106.2	168.9%	1.7%	126.6	157.0	7.4	-58.9%	4.6%
Households	19.7	19.2	22.9	25.5	9.0%	1.2%	24.6	25.7	27.1	2.1%	1.2%
Payments for capital assets	76.2	70.3	65.5	37.8	-20.8%	3.4%	38.1	40.5	43.1	4.5%	1.8%
Buildings and other fixed structures	41.6	34.3	43.3	35.0	-5.5%	2.1%	34.1	36.6	39.1	3.7%	1.7%
Machinery and equipment	34.2	35.9	22.0	2.7	-57.1%	1.3%	3.9	4.0	4.0	14.1%	0.2%
Biological assets	–	–	0.2	0.0	–	–	–	–	–	-100.0%	–
Software and other intangible assets	0.4	0.1	0.0	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	0.0	0.3	0.4	–	-100.0%	–	–	–	–	–	–
Total	1 656.3	1 906.8	1 879.0	1 944.1	5.5%	100.0%	2 037.9	2 305.0	2 369.1	6.8%	100.0%
Proportion of total programme expenditure to vote expenditure	25.0%	29.8%	28.9%	28.4%	–	–	28.4%	30.3%	30.3%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	18.7	18.3	21.8	24.3	9.0%	1.1%	24.5	25.7	27.1	3.8%	1.2%
Agricultural colleges	0.8	1.9	1.5	1.8	31.7%	0.1%	1.8	1.9	2.0	3.7%	0.1%
Grootfontein Agricultural Development Institute: Studies	1.4	1.4	1.4	1.5	2.5%	0.1%	1.6	1.7	1.8	5.9%	0.1%
Female entrepreneur of the year awards	0.6	0.6	–	1.0	18.6%	–	0.5	0.5	0.5	-19.2%	–
National Student Financial Aid Scheme	15.9	14.5	18.9	20.0	7.8%	0.9%	20.6	21.6	22.8	4.5%	1.0%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	5.4	5.6	5.9	106.2	169.6%	1.7%	126.6	157.0	7.4	-58.9%	4.6%
Ncera Farms	5.4	5.6	5.9	6.2	4.8%	0.3%	6.6	7.0	7.4	5.6%	0.3%
Land and Agricultural Development Bank of South Africa	–	–	–	100.0	–	1.4%	120.0	150.0	–	-100.0%	4.3%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	1 339.9	1 581.1	1 565.1	1 506.9	4.0%	81.1%	1 594.9	1 810.4	2 001.8	9.9%	79.9%
Comprehensive agricultural support programme grant: Infrastructure	929.5	1 167.8	1 148.1	1 112.1	6.2%	59.0%	1 164.8	1 350.2	1 509.0	10.7%	59.3%
Comprehensive agricultural support programme grant: Extension recovery planning services	352.7	343.9	346.1	337.9	-1.4%	18.7%	355.6	380.5	404.9	6.2%	17.1%
Comprehensive agricultural support programme grant: Upgrading of provincial agricultural colleges	57.7	69.5	70.8	56.8	-0.5%	3.5%	74.5	79.7	87.9	15.6%	3.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Trade Promotion and Market Access

Programme purpose

Promote economic development, trade and market access for agricultural, forestry and fisheries products; and foster international relations for the sector.

Objectives

- Promote and facilitate market access and the processing of agriculture, forestry and fisheries products by:
 - certifying and accrediting 27 producers of fresh produce for exports through South African good agriculture practices certification and accreditation programme by March 2021
 - providing training to 190 agro-processing entrepreneurs on norms and standards for agro-processing by March 2021

- monitoring the implementation of the AgriBEE Sector Charter and forest sector code on an ongoing basis.
- Provide technical sector leadership in trade negotiations and implement trade agreements to improve market access by linking producers to high value markets on an ongoing basis.
- Implement the building of national skills capabilities in international market research by providing for the transfer of marketing skills to small and medium agro-processing entrepreneurs by March 2021.
- Implement the comprehensive Africa agriculture development programme by March 2021 by:
 - redrafting and presenting the comprehensive Africa agriculture development programme compact to the economic cluster
 - collecting data and drafting the biannual review report, which will include state-owned entities, commodity groups and some national departments.

Subprogrammes

- *Management* oversees and manages the programme.
- *International Relations and Trade* facilitates and coordinates international relations and trade through negotiations, and the development and implementation of appropriate policies and programmes.
- *Cooperatives and Rural Enterprise Development* facilitates and supports the development of businesses to ensure the transformation of the agriculture, forestry and fisheries sectors.
- *Agro-Processing and Marketing* develops and implements support programmes to promote market access and value addition for agriculture, forestry and fisheries products.

Expenditure trends and estimates

Table 24.12 Trade Promotion and Market Access expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management	2.6	3.1	3.3	5.1	24.3%	1.3%	5.3	5.7	6.0	5.9%	1.9%
International Relations and Trade	133.8	114.0	136.5	121.9	-3.0%	45.4%	127.2	135.6	144.5	5.8%	46.6%
Cooperatives and Rural Enterprise Development	112.6	64.3	114.8	70.8	-14.3%	32.5%	74.5	79.1	83.9	5.8%	27.1%
Agro-Processing and Marketing	57.9	55.3	55.9	63.9	3.3%	20.9%	66.9	70.9	75.1	5.5%	24.4%
Total	307.0	236.8	310.5	261.7	-5.2%	100.0%	273.9	291.3	309.6	5.8%	100.0%
Change to 2017 Budget estimate				-			(0.3)	(0.4)	(1.2)		
Economic classification											
Current payments	139.4	125.8	139.6	137.7	-0.4%	48.6%	144.6	155.8	166.6	6.6%	53.2%
Compensation of employees	97.8	94.4	106.4	105.8	2.6%	36.2%	110.1	118.3	127.4	6.4%	40.6%
Goods and services ¹	41.6	31.5	33.3	31.9	-8.5%	12.4%	34.5	37.5	39.2	7.1%	12.6%
<i>of which:</i>											
<i>Communication</i>	1.1	1.0	1.4	1.2	3.4%	0.4%	1.3	1.4	1.5	6.7%	0.5%
<i>Agency and support/outsourced services</i>	4.7	1.7	0.7	2.8	-15.6%	0.9%	8.8	10.2	10.7	56.0%	2.9%
<i>Consumables: Stationery, printing and office supplies</i>	0.5	0.6	0.6	1.0	25.9%	0.2%	1.3	1.4	1.5	14.1%	0.5%
<i>Operating leases</i>	9.4	6.0	9.3	2.0	-40.7%	2.4%	1.2	2.3	1.8	-2.7%	0.6%
<i>Travel and subsistence</i>	11.5	11.4	11.0	11.6	0.2%	4.1%	13.5	14.6	15.2	9.5%	4.8%
<i>Operating payments</i>	5.0	6.8	6.7	2.9	-16.8%	1.9%	4.2	3.3	3.6	7.6%	1.2%
Transfers and subsidies¹	166.7	110.3	170.2	123.7	-9.5%	51.2%	128.9	135.2	142.6	4.8%	46.7%
Departmental agencies and accounts	37.8	36.5	35.3	41.9	3.5%	13.6%	43.2	45.7	48.2	4.7%	15.7%
Foreign governments and international organisations	38.8	31.9	42.3	36.6	-1.9%	13.4%	38.5	39.7	41.9	4.5%	13.8%
Public corporations and private enterprises	89.1	40.7	92.4	44.6	-20.6%	23.9%	47.2	49.8	52.6	5.6%	17.1%
Non-profit institutions	-	1.0	-	0.3	-	0.1%	-	-	-	-100.0%	-
Households	1.0	0.3	0.2	0.3	-37.2%	0.2%	-	-	-	-100.0%	-

Table 24.12 Trade Promotion and Market Access expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Payments for capital assets	0.9	0.6	0.6	0.4	-25.8%	0.2%	0.5	0.3	0.4	1.4%	0.1%
Machinery and equipment	0.9	0.6	0.6	0.4	-25.8%	0.2%	0.5	0.3	0.4	1.4%	0.1%
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	307.0	236.8	310.5	261.7	-5.2%	100.0%	273.9	291.3	309.6	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	4.6%	3.7%	4.8%	3.8%	-	-	3.8%	3.8%	4.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	37.8	36.5	35.3	41.9	3.5%	13.6%	43.2	45.7	48.2	4.7%	15.7%
National Agricultural Marketing Council	36.0	34.6	35.0	41.9	5.2%	13.2%	43.2	45.7	48.2	4.7%	15.7%
Small Enterprise Development Agency	1.8	1.8	0.3	-	-100.0%	0.4%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	89.1	40.7	92.4	44.6	-20.6%	23.9%	47.2	49.8	52.6	5.6%	17.1%
Land and Agricultural Development Bank of South Africa	85.3	36.8	88.2	40.2	-22.2%	22.4%	42.5	44.9	47.3	5.6%	15.4%
Forest Sector Charter Council	3.7	3.9	4.2	4.4	6.0%	1.5%	4.7	4.9	5.2	5.6%	1.7%
Foreign governments and international organisations											
Current	38.7	31.9	42.2	36.6	-1.9%	13.4%	38.4	39.6	41.8	4.6%	13.8%
Consultative Group on International Agricultural Research	7.1	6.4	7.0	7.0	-0.7%	2.5%	7.3	8.4	8.5	6.8%	2.7%
International Union for the Protection of New Varieties of Plants	0.6	0.7	0.8	0.7	5.3%	0.3%	0.9	0.9	1.0	9.6%	0.3%
Commonwealth Agricultural Bureau International	0.3	0.3	0.3	0.3	0.8%	0.1%	0.3	0.3	0.4	9.2%	0.1%
Food and Agriculture Organisation of the United Nations	24.6	21.0	30.1	24.4	-0.3%	9.0%	24.8	25.5	26.8	3.2%	8.9%
Foreign rates and taxes	0.3	0.3	0.5	0.4	7.7%	0.1%	0.6	0.7	0.8	22.8%	0.2%
International Fund for Agricultural Development	2.2	-	-	-	-100.0%	0.2%	-	-	-	-	-
International Cotton Advisory Council	0.8	0.3	0.4	0.3	-28.2%	0.2%	0.3	0.3	0.3	5.0%	0.1%
International Grains Council	0.2	0.2	0.2	0.2	-1.2%	0.1%	0.2	0.2	0.3	9.0%	0.1%
International Seed Testing Association	0.1	0.1	0.1	0.2	19.1%	-	0.2	0.2	0.3	27.6%	0.1%
International Organisation of Vine and Wine	0.8	0.8	1.0	0.8	-0.3%	0.3%	0.9	0.8	0.9	3.2%	0.3%
World Organisation for Animal Health	1.3	1.6	1.6	2.0	13.5%	0.6%	1.7	1.9	2.0	0.5%	0.7%
Organisation for Economic Cooperation and Development	0.3	0.2	0.2	0.4	1.6%	0.1%	1.3	0.5	0.6	16.7%	0.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Forestry and Natural Resources Management

Programme purpose

Develop and facilitate the implementation of policies and targeted programmes to ensure proper management of forests, and the sustainable use and protection of land and water. Manage agricultural risks and disasters.

Objectives

- Ensure increased production and productivity in prioritised areas (Eastern Cape, KwaZulu-Natal, Limpopo, and Mpumalanga) and value chains by replanting 1 650 hectares of unplanted areas by March 2021.
- Lead and coordinate food security initiatives by implementing the agro-forestry strategy framework to contribute towards food security initiatives by March 2021.
- Ensure the conservation, protection, rehabilitation and recovery of depleted and degraded natural resources over the medium term by:
 - restoring and rehabilitating 2 550 hectares of state eucalyptus plantations
 - restoring and rehabilitating 48 900 hectares
 - restoring and rehabilitating 900 hectares of state indigenous forests and woodlands
 - implementing 3 projects to support the revitalisation of irrigation schemes.
- Ensure the adaptation and mitigation to climate change through the effective implementation of prescribed frameworks by:
 - implementing and reviewing the climate change mitigation and adaptation plan for agriculture, forestry and fisheries by March 2021
 - monitoring the implementation of the climate smart agriculture strategic framework for agriculture, forestry and fisheries on an ongoing basis.

Subprogrammes

- *Management* oversees and manages the programme.
- *Forestry Operations* ensures sustainable management of state forests and other assets, such as state nurseries, to optimise social and economic benefits in rural areas and promote the sector's growth throughout South Africa.
- *Forestry Oversight and Regulation* provides leadership, advice and direction in the formulation of forestry development and regulation policies, strategies and frameworks; and ensures the effective promotion and development of small-scale and commercial forestry.
- *Natural Resources Management* facilitates the development of infrastructure and the sustainable use of natural resources through an enabling framework for the sustainable management of woodlands and indigenous forests, and the efficient development and revitalisation of irrigation schemes and water use. This subprogramme also facilitates climate change mitigation and adaptation, and risk and disaster management; and promotes, regulates and coordinates the sustainable use of natural resources, particularly land and water.

Expenditure trends and estimates

Table 24.13 Forestry and Natural Resources Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
R million											
Management	6.0	25.4	4.8	5.2	-4.3%	1.0%	9.1	9.6	10.2	25.0%	0.8%
Forestry Operations	454.8	440.2	438.8	479.2	1.8%	42.6%	502.2	538.1	575.6	6.3%	50.1%
Forestry Oversight and Regulation	49.3	52.9	52.9	60.2	6.9%	5.1%	59.2	63.1	67.3	3.8%	6.0%
Natural Resources Management	793.5	343.7	581.2	471.1	-16.0%	51.4%	504.7	435.1	394.2	-5.8%	43.1%
Total	1 303.6	862.3	1 077.7	1 015.7	-8.0%	100.0%	1 075.1	1 046.0	1 047.4	1.0%	100.0%
Change to 2017				(1.0)			1.7	1.8	(66.7)		
Budget estimate											

Table 24.13 Forestry and Natural Resources Management expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
Current payments	663.7	664.9	866.5	748.6	4.1%	69.1%	787.6	841.1	899.9	6.3%	78.3%
Compensation of employees	491.2	503.7	516.3	554.4	4.1%	48.5%	577.6	621.5	668.1	6.4%	57.9%
Goods and services ¹	172.2	161.3	349.9	192.5	3.8%	20.6%	208.6	218.1	230.2	6.1%	20.3%
<i>of which:</i>											
<i>Agency and support/outsourced services</i>	19.8	17.7	18.2	24.3	7.2%	1.9%	34.3	38.0	39.7	17.7%	3.3%
<i>Fleet services (including government motor transport)</i>	5.3	8.1	6.3	10.1	23.8%	0.7%	10.8	13.0	14.6	12.9%	1.2%
<i>Inventory: Farming supplies</i>	6.5	16.2	217.7	28.6	64.2%	6.3%	32.0	29.8	31.1	2.8%	2.9%
<i>Consumable supplies</i>	25.4	10.9	3.8	9.8	-27.1%	1.2%	9.2	9.9	10.6	2.4%	0.9%
<i>Property payments</i>	20.7	13.5	20.1	34.9	19.0%	2.1%	28.7	29.2	29.8	-5.1%	2.9%
<i>Travel and subsistence</i>	38.7	37.0	33.5	28.8	-9.4%	3.2%	29.3	33.2	36.0	7.8%	3.0%
Interest and rent on land	0.3	-	0.3	1.7	81.0%	0.1%	1.4	1.5	1.6	-2.5%	0.1%
Transfers and subsidies¹	593.3	150.0	164.7	224.7	-27.6%	26.6%	242.8	157.2	96.4	-24.6%	17.2%
Provinces and municipalities	562.3	124.3	146.8	213.5	-27.6%	24.6%	234.6	148.7	87.6	-25.7%	16.4%
Departmental agencies and accounts	3.0	3.0	2.0	2.0	-12.6%	0.2%	2.0	2.0	2.0	-	0.2%
Public corporations and private enterprises	0.0	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	14.2	12.7	4.9	5.4	-27.4%	0.9%	5.6	5.9	6.2	4.9%	0.6%
Households	13.8	9.9	10.9	3.8	-34.9%	0.9%	0.5	0.6	0.6	-45.9%	0.1%
Payments for capital assets	46.7	47.0	46.2	42.4	-3.2%	4.3%	44.8	47.8	51.0	6.4%	4.4%
Buildings and other fixed structures	0.1	-	2.6	3.4	229.5%	0.1%	3.0	3.0	3.5	1.0%	0.3%
Machinery and equipment	46.6	47.0	43.6	38.9	-5.9%	4.1%	41.7	44.7	47.5	6.9%	4.1%
Biological assets	-	-	-	0.1	-	-	0.0	0.0	0.0	-40.9%	-
Software and other intangible assets	-	-	0.1	-	-	-	-	-	-	-	-
Payments for financial assets	0.0	0.4	0.3	-	-100.0%	-	-	-	-	-	-
Total	1 303.6	862.3	1 077.7	1 015.7	-8.0%	100.0%	1 075.1	1 046.0	1 047.4	1.0%	100.0%
Proportion of total programme expenditure to vote expenditure	19.7%	13.5%	16.6%	14.8%	-	-	15.0%	13.8%	13.4%	-	-
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	13.7	9.6	10.8	3.7	-35.4%	0.9%	0.5	0.6	0.6	-45.2%	0.1%
Employee social benefits	13.7	9.6	10.8	3.7	-35.4%	0.9%	0.5	0.6	0.6	-45.2%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3.0	3.0	2.0	2.0	-12.6%	0.2%	2.0	2.0	2.0	-	0.2%
Water Research Commission	3.0	3.0	2.0	2.0	-12.6%	0.2%	2.0	2.0	2.0	-	0.2%
Non-profit institutions											
Current	14.1	12.7	4.9	5.4	-27.5%	0.9%	5.6	5.9	6.2	5.2%	0.6%
Forestry South Africa	6.0	4.4	4.7	5.0	-6.2%	0.5%	5.2	5.5	5.8	5.6%	0.5%
Food and Trees for Africa	0.2	0.2	0.2	0.4	26.0%	-	0.4	0.4	0.4	-	-
Lima Rural Development Foundation	7.8	8.1	-	-	-100.0%	0.4%	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	561.6	123.6	146.0	212.7	-27.7%	24.5%	233.8	147.9	86.8	-25.8%	16.3%
Land care programme grant	67.8	65.0	69.3	73.6	2.8%	6.5%	77.9	82.2	86.8	5.6%	7.7%
Comprehensive agricultural support programme grant: Disasters: Flood damaged infrastructure	493.8	58.6	76.7	139.1	-34.4%	18.0%	155.9	65.6	-	-100.0%	8.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Fisheries

Programme purpose

Promote the development, management, monitoring and sustainable use of marine living resources and the development of the fisheries sector.

Objectives

- Ensure increased production and productivity in prioritised areas and value chains over the medium term by:
 - supporting 36 Operation Phakisa aquaculture projects

- conducting 2 new research studies on the reproduction of species used in aquaculture
- implementing the Aquaculture Development Act.
- Lead and coordinate government food security initiatives over the medium term by:
 - developing sector-specific policies and allocating rights in the abalone sector
 - reviewing policies and application forms for 12 fishing sectors
 - allocating rights to registered small-scale fisheries cooperatives.
- Ensure the conservation, protection, rehabilitation and recovery of depleted and degraded natural resources by:
 - developing recovery plans in priority fish stocks, such as abalone and the West Coast rock lobster, by March 2021
 - compiling 2 research reports on the conservation, protection and rehabilitation of fish stocks for 2 sectors, abalone and the West Coast rock lobster, by March 2021
 - conducting 4 500 compliance and enforcement measures in the 6 prioritised fisheries sectors (abalone, the West Coast rock lobster, line fish, deep water hake, pelagic and squid) over the medium term
 - conducting 40 joint operations with partners identified in Operation Phakisa aquaculture initiatives over the medium term
 - conducting 280 investigations on rights and non-rights holders in terms of the Marine Living Resources Act (1998) over the medium term
 - creating 3 481 job opportunities in the Working for Fisheries programme by March 2021.

Subprogrammes

- *Management* oversees and manages the programme.
- *Aquaculture* ensures the growth and economic development of the aquaculture and fisheries industries for sustainable livelihoods by providing public support and an integrated platform for the management of aquaculture.
- *Monitoring Control and Surveillance* ensures the protection, promotion and sustainable use of marine living resources by intensifying enforcement and compliance.
- *Marine Resources Management* ensures the sustainable, equitable and orderly use of and access to marine living resources through improved management and regulation.
- *Fisheries Research and Development* ensures the promotion of the sustainable development of fisheries resources and ecosystems by conducting and supporting appropriate research.
- *Marine Living Resources Fund* receives transfers for the management and sustainable use of marine living resources to supplement the revenue received from levies on fish and fish products, permits, licences and application fees, as well as proceeds from the sale of confiscated fish and fish products.

Expenditure trends and estimates

Table 24.14 Fisheries expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18					2017/18 - 2020/21	
Management	3.2	2.1	2.8	3.1	-0.4%	0.6%	3.2	3.5	3.7	6.2%	0.7%
Aquaculture	30.0	33.8	40.7	38.5	8.7%	7.7%	39.8	42.8	46.1	6.2%	8.2%
Monitoring Control and Surveillance	78.1	87.2	93.3	86.2	3.4%	18.6%	89.2	96.0	103.2	6.2%	18.3%
Marine Resources Management	19.2	20.3	21.4	22.7	5.7%	4.5%	23.5	25.3	27.2	6.2%	4.8%
Fisheries Research and Development	58.1	63.8	68.2	69.8	6.3%	14.0%	72.3	77.8	83.7	6.2%	14.9%
Marine Living Resources Fund	251.3	258.6	241.8	261.7	1.4%	54.6%	259.7	274.3	289.4	3.4%	53.1%
Total	439.8	465.9	468.1	481.9	3.1%	100.0%	487.8	519.7	553.2	4.7%	100.0%
Change to 2017 Budget estimate				(0.3)			(16.6)	(17.6)	(18.5)		

Table 24.14 Fisheries expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
Current payments	188.0	207.0	226.1	219.8	5.3%	45.3%	228.1	245.4	263.9	6.3%	46.9%
Compensation of employees	188.0	207.0	226.1	219.8	5.3%	45.3%	228.1	245.4	263.9	6.3%	46.9%
Transfers and subsidies¹	251.7	258.8	241.9	262.1	1.4%	54.7%	259.7	274.3	289.4	3.4%	53.1%
Departmental agencies and accounts	251.3	258.6	241.8	261.7	1.4%	54.6%	259.7	274.3	289.4	3.4%	53.1%
Households	0.4	0.2	0.2	0.4	0.2%	0.1%	–	–	–	-100.0%	–
Payments for financial assets	0.0	0.0	0.0	–	-100.0%	–	–	–	–	–	–
Total	439.8	465.9	468.1	481.9	3.1%	100.0%	487.8	519.7	553.2	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	6.6%	7.3%	7.2%	7.0%	–	–	6.8%	6.8%	7.1%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	251.3	258.6	241.8	261.7	1.4%	54.6%	259.7	274.3	289.4	3.4%	53.1%
Marine Living Resources Fund	251.3	258.6	241.8	261.7	1.4%	54.6%	259.7	274.3	289.4	3.4%	53.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity¹

Agricultural Research Council

Mandate

The Agricultural Research Council was established in terms of the Agricultural Research Act (1990) as the main agricultural research institution in South Africa. In terms of the act, the council's primary mandate is to conduct research and development, and effect the transfer of technology to promote agriculture and industry, contribute to a better quality of life, and facilitate and ensure the conservation of natural resources.

Selected performance indicators

Table 24.15 Agricultural Research Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of peer reviewed scientific publications in crop production per year	Crop production, improvement and protection	Outcome 7: Comprehensive rural development and land reform	110	94	160	87	90	90	90
Number of cultivars registered per year	Crop production, improvement and protection		12	12	5	13	6	6	6
Number of diagnostic and analytical services rendered per year	Crop production, improvement and protection		922	664	741	589	594	594	594
Number of technical reports produced per year	Agro-processing, food technology and safety		– ¹	30	100	25	23	23	23
Number of peer reviewed scientific publications in smallholder agricultural development per year	Smallholder agricultural development		0 ²	4	0 ²	8	8	8	8
Number of smallholder farmers supported per year	Smallholder agricultural development		9 991	1 506	1 577	588	668	668	668
Number of smallholder farmers participating in the Kaonafatso ya Dikgomo animal improvement scheme per year	Smallholder agricultural development		– ³	7 500	8 404	8 500	9 000	9 500	9 500

1. No historical data available.

2. No new discoveries made in these years.

3. Project at pilot stage.

Expenditure analysis

Over the medium term, the Agricultural Research Council intends to focus on the management of natural resources, and research and development. In line with its mandate, the council provides training, transfers

¹ This section has been compiled with the latest available information from the entity concerned.

technological innovations and shares the knowledge it generates through research with farmers to enhance crop production, animal production and animal health. The council's work is aligned with outcome 4 (decent employment through inclusive growth) and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework.

The council's total projected expenditure over the MTEF period is R4.5 billion. In this period, the council aims to support 28 000 farmers participating in animal health improvement schemes through developing efficient and cost effective feeding strategies; conduct 1 782 diagnostic and analytical services such as diagnostic research and genetic analysis, and produce 270 peer reviewed scientific publications in natural resource management. In response to the effects of climate change, the council is working on 56 research studies into new cultivars. As such, in each year over the medium term, 6 cultivars in vegetables, grain crops, industrial crops and fruits are to be registered. Through genetic improvement and modification, the crops are made more resistant to drought and are expected to benefit South Africa and the Southern African Development Community.

The work of the council is labour intensive, requiring research and technical experts. As such, compensation of employees is the largest cost driver, accounting for 60.8 per cent (R2.7 billion) of total estimated expenditure over the MTEF period, for 3 297 permanent and contract personnel. Over the medium term, the council intends to explore incentives such as retrenchments, early retirements and voluntary severance packages to reduce fixed costs arising from compensation of employees.

Since 2013/14, the council's transfers from departments have been steadily decreasing in line with budget reductions. To generate more of its own income over the MTEF period, the council intends exploring a variety of collaborations and partnerships in the agriculture industry, and with universities, farmer organisations and communities.

Over the medium term, transfers from the Department of Agriculture, Forestry and Fisheries and the Department of Science and Technology, amounting to R3 billion, comprise 66.2 per cent of the total projected revenue of R4.5 billion. The council generates the remainder of its revenue through sales of publications, analytical and research services, sale of farm products, and rental income.

Programmes/Objectives/Activities

Table 24.16 Agricultural Research Council expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
Administration	172.5	171.0	188.0	202.9	5.6%	13.9%	207.6	216.9	226.6	3.8%	14.6%
Crop production, improvement and protection	292.9	360.5	344.3	373.4	8.4%	25.9%	385.1	401.2	421.8	4.1%	27.0%
Animal health, improvement and protection	288.9	299.0	309.3	332.2	4.8%	23.2%	342.7	361.7	379.7	4.6%	24.2%
Natural resource management	175.7	160.3	136.2	138.4	-7.6%	11.5%	152.6	165.7	174.2	8.0%	10.8%
Mechanisation and engineering	14.3	15.9	18.8	20.1	12.1%	1.3%	20.8	21.7	22.8	4.2%	1.5%
Agro-processing, food technology and safety	59.7	53.8	57.1	60.5	0.4%	4.4%	62.3	65.1	68.5	4.2%	4.4%
Smallholder agricultural development	137.2	145.1	148.3	155.5	4.3%	11.1%	161.3	168.6	177.4	4.5%	11.3%
Agricultural economics and commercialisation	31.1	48.6	53.2	56.4	22.0%	3.6%	58.1	60.7	63.9	4.2%	4.1%
Training and extension	17.7	25.3	27.1	29.5	18.5%	1.9%	30.5	31.8	33.4	4.3%	2.1%
Other projects	135.0	37.6	-	-	-100.0%	3.3%	-	-	-	-	-
Total	1 325.0	1 317.2	1 282.2	1 369.0	1.1%	100.0%	1 421.1	1 493.3	1 568.3	4.6%	100.0%

Statements of historical financial performance and position

Table 24.17 Agricultural Research Council statements of historical financial performance and position

Statement of financial performance								Average: Outcome/ Budget (%)	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
R million	2014/15		2015/16		2016/17		2017/18		
Revenue									
Non-tax revenue	391.2	439.1	413.6	461.5	445.3	438.0	462.5	432.5	103.4%
Sale of goods and services other than capital assets	364.8	386.5	386.7	411.7	409.9	421.6	434.5	389.2	100.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	364.8	386.5	386.7	411.7	409.9	421.6	434.5	389.2	100.8%
Other non-tax revenue	26.4	52.6	27.0	49.8	35.4	16.3	28.0	43.3	138.7%
Transfers received	956.8	919.3	744.7	787.4	739.5	758.6	882.5	882.5	100.7%
Total revenue	1 348.0	1 358.4	1 158.3	1 248.9	1 184.7	1 196.6	1 345.0	1 315.0	101.6%
Expenses									
Current expenses	1 269.1	1 325.0	1 075.7	1 317.2	1 290.5	1 282.2	1 253.7	1 369.0	108.3%
Compensation of employees	738.9	760.4	779.3	766.9	818.3	744.5	859.2	826.0	96.9%
Goods and services	496.7	517.7	261.4	509.8	432.0	495.2	353.5	498.3	130.9%
Depreciation	33.5	47.0	35.0	40.4	40.2	42.5	41.0	44.7	116.6%
Total expenses	1 269.1	1 325.0	1 075.7	1 317.2	1 290.5	1 282.2	1 253.7	1 369.0	108.3%
Surplus/(Deficit)	79.0	33.0	83.0	(68.0)	(106.0)	(86.0)	91.0	(54.0)	
Statement of financial position									
Carrying value of assets	992.3	944.3	991.8	1 006.4	1 104.0	1 049.1	1 155.7	1 150.7	97.8%
<i>of which:</i>									
<i>Acquisition of assets</i>	(150.4)	(111.1)	(141.0)	(103.3)	(87.0)	(86.6)	(91.3)	(90.3)	83.3%
Investments	2.0	5.3	4.3	5.0	4.3	5.2	4.3	4.3	132.1%
Inventory	13.9	12.4	14.7	7.5	15.4	15.4	16.5	16.5	85.7%
Receivables and prepayments	93.6	121.4	98.8	273.3	151.5	258.5	176.0	176.0	159.5%
Cash and cash equivalents	401.5	508.2	316.9	301.5	187.6	97.4	235.8	9.1	80.2%
Total assets	1 503.4	1 591.6	1 426.4	1 593.7	1 462.8	1 425.6	1 588.2	1 356.5	99.8%
Accumulated surplus/(deficit)	875.8	870.0	888.9	851.1	739.0	765.1	830.3	684.5	95.1%
Capital and reserves	2.4	2.6	2.4	2.6	2.4	2.4	2.4	2.4	105.8%
Capital reserve fund	109.6	112.0	109.6	112.0	112.0	112.0	112.0	112.0	101.1%
Deferred income	192.6	192.6	192.6	138.1	192.6	132.9	192.6	192.6	85.2%
Trade and other payables	248.0	275.2	163.9	375.8	348.8	328.9	379.0	293.1	111.7%
Taxation	–	12.8	–	5.7	–	5.3	–	–	–
Provisions	75.0	126.4	69.1	108.4	68.1	79.1	71.9	71.9	135.8%
Total equity and liabilities	1 503.4	1 591.6	1 426.4	1 593.7	1 462.8	1 425.6	1 588.2	1 356.5	99.8%

Statements of estimates of financial performance and position

Table 24.18 Agricultural Research Council statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	Revised estimate	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	432.5	-0.5%	34.7%	489.0	509.2	530.2	7.0%	33.8%
Sale of goods and services other than capital assets	389.2	0.2%	31.6%	456.0	475.0	494.7	8.3%	31.3%
<i>of which:</i>								
<i>Sales by market establishment</i>	389.2	0.2%	31.6%	456.0	475.0	494.7	8.3%	31.3%
Other non-tax revenue	43.3	-6.3%	3.1%	32.9	34.1	35.5	-6.4%	2.5%
Transfers received	882.5	-1.4%	65.3%	932.1	984.1	1 038.1	5.6%	66.2%
Total revenue	1 315.0	-1.1%	100.0%	1 421.1	1 493.3	1 568.3	6.0%	100.0%
Expenses								
Current expenses	1 369.0	1.1%	100.0%	1 421.1	1 493.3	1 568.3	4.6%	100.0%
Compensation of employees	826.0	2.8%	58.5%	867.3	910.7	956.2	5.0%	60.8%
Goods and services	498.3	-1.3%	38.2%	508.2	536.2	565.7	4.3%	36.0%
Depreciation	44.7	-1.7%	3.3%	45.6	46.5	46.5	1.3%	3.1%
Total expenses	1 369.0	1.1%	100.0%	1 421.1	1 493.3	1 568.3	4.6%	100.0%
Surplus/(Deficit)	(54.0)			–	–	–		
Statement of financial position								
Carrying value of assets	1 150.7	6.8%	70.2%	1 201.5	1 256.3	1 317.9	4.6%	86.7%
<i>of which:</i>								
<i>Acquisition of assets</i>	(90.3)	-6.7%	-6.5%	(95.9)	(102.1)	(107.7)	6.0%	-7.0%
Investments	4.3	-6.3%	0.3%	4.3	4.6	4.3	–	0.3%
Inventory	16.5	9.9%	0.9%	16.5	17.4	19.0	4.8%	1.2%
Receivables and prepayments	176.0	13.2%	14.0%	164.0	152.4	162.3	-2.7%	11.6%
Cash and cash equivalents	9.1	-73.9%	14.6%	–	–	–	-100.0%	0.2%
Total assets	1 356.5	-5.2%	100.0%	1 386.2	1 430.7	1 503.5	3.5%	100.0%

Table 24.18 Agricultural Research Council statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
R million	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
Accumulated surplus/(deficit)	684.5	-7.7%	53.0%	684.5	684.5	684.5	-	48.3%
Capital and reserves	2.4	-3.5%	0.2%	2.4	2.5	2.4	0.1%	0.2%
Capital reserve fund	112.0	-	7.5%	112.0	112.0	112.0	-	7.9%
Borrowings	-	-	-	72.7	128.2	189.4	-	6.7%
Deferred income	192.6	0.0%	11.1%	112.6	102.6	92.6	-21.7%	8.9%
Trade and other payables	293.1	2.1%	21.4%	333.8	330.1	354.5	6.5%	23.1%
Provisions	71.9	-17.1%	6.4%	68.3	70.7	68.1	-1.8%	4.9%
Total equity and liabilities	1 356.5	-5.2%	100.0%	1 386.2	1 430.7	1 503.5	3.5%	100.0%

Personnel information

Table 24.19 Agricultural Research Council personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment										Number								
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)							
		2016/17	Unit cost	2017/18	Unit cost	2018/19	Unit cost	2019/20	Unit cost	2020/21	Unit cost			2017/18 - 2020/21						
Agricultural Research Council		3 297	3 297	3 169	744.5	0.2	3 297	826.0	0.3	3 297	867.3	0.3	3 297	910.7	0.3	3 297	956.2	0.3	5.0%	100.0%
Salary level																				
1 – 6	2 063	2 063	1 963	174.0	0.1	2 063	204.5	0.1	2 063	214.7	0.1	2 063	225.4	0.1	2 063	236.7	0.1	5.0%	62.6%	
7 – 10	1 071	1 071	1 043	416.9	0.4	1 071	458.7	0.4	1 071	481.7	0.4	1 071	505.8	0.5	1 071	531.1	0.5	5.0%	32.5%	
11 – 12	117	117	117	93.0	0.8	117	98.5	0.8	117	103.5	0.9	117	108.7	0.9	117	114.1	1.0	5.0%	3.5%	
13 – 16	44	44	44	55.2	1.3	44	58.6	1.3	44	61.5	1.4	44	64.6	1.5	44	67.8	1.5	5.0%	1.3%	
17 – 22	2	2	2	5.3	2.7	2	5.7	2.8	2	6.0	3.0	2	6.3	3.1	2	6.6	3.3	5.0%	0.1%	

1. Rand million.

Other entities

Comprehensive coverage of the following public entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Marine Living Resources Fund** was established in terms of the Marine Living Resources Act (1998). The fund's mandate is to manage the development and sustainable use of South Africa's marine resources, and to protect the integrity and quality of the marine ecosystem. The fund's total budget for 2018/19 is R475.2 million.
- The **National Agricultural Marketing Council** was established in terms of section 3 and section 4 of the Marketing of Agricultural Products Act (1996). The council is mandated to investigate the establishment, continuation, amendment or revocation of statutory measures affecting the marketing of agricultural products; and evaluate the desirability, necessity or efficiency of these statutory measures. It is also mandated to, if necessary, propose alternatives to the establishment, continuation, amendment or repeal of a statutory measure, and to report to and advise the minister accordingly. The entity's total budget for 2018/19 is R43.2 million.
- **Ncera Farms** is a schedule 3B public company, with the Department of Agriculture, Forestry and Fisheries its sole shareholder. The company's mandate is to provide extension, mechanical, and training and agricultural support services to the farmers settled on Ncera farmland and neighbouring communities. The entity's total budget for 2018/19 is R6.8 million.
- **Onderstepoort Biological Products** was established as a public company in terms of the Onderstepoort Biological Products Incorporation Act (1999), with government as its sole shareholder. The company's mandate is to prevent and control animal diseases that impact on food security, human health and livelihoods through the continued development and efficient manufacturing of innovative animal-related pharmaceuticals (including vaccines) and related products. The entity's total budget for 2018/19 is R295.8 million.
- The **Perishable Products Export Control Board** is an independent service provider of quality assurance, food safety, and cold chain management services, for producers and exporters of perishable food products.

It is mandated by government in terms of the Perishable Products Export Control Act (1983), which broadly requires the board to ensure the orderly export of perishables and monitor the proper maintenance of a continuous cold chain for exports. It also derives its mandate from the Agricultural Products Standards Act (1990), which broadly requires the board to monitor the minimum quality standards of perishable exports, as required by government and bilateral agreements with importing countries. The entity's total budget for 2018/19 is R399 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
Drilling of boreholes	Siting, drilling and testing of boreholes for small-scale farmers identified in priority projects by provinces	Various	200.0	10.6	8.9	9.2	9.6	9.8	10.6	11.2
Foot-and-mouth disease border fence	Repairs and construction of foot-and-mouth disease fences in priority areas identified by the animal health directorate	Various	250.0	29.5	25.4	24.2	25.5	24.4	26.0	27.8
KwaZulu-Natal: Durban	Site-clearance	Feasibility	17.7	0.1	-	-	-	-	-	-
Various	New guard house	Construction	-	-	-	0.7	-	-	-	-
Upington (051539)	Upgrade of offices and storerooms and construction of evaporation pan and laboratory	Feasibility	8.4	-	-	-	1.9	-	-	-
Various	Upgrade of offices	Construction	-	-	-	0.0	-	-	-	-
Grootefontein Agricultural Development Institute	Minor upgrade and repairs of institute	Handed over	1.9	0.1	-	-	-	-	-	-
Western Cape: Cape Town	Building of sniffer dog kennels	Feasibility	7.7	-	-	-	1.0	-	-	-
Gauteng: Pretoria reception (051541)	Upgrade of reception areas at: Agriculture Place, Harvest House and Séfala	Design	2.1	-	0.1	-	-	-	-	-
Limpopo: Mutale municipal district (052459)	Construction of a seed bank: Mutale (Project on-hold pending the finalisation of site-clearance for construction)	On hold	4.4	0.2	-	-	1.3	1.1	1.1	1.2
Eastern Cape: Sterkspruit	Construction of a seed bank: Mthatha (Project on-hold pending the finalisation of site-clearance for construction)	On hold	4.4	0.1	-	0.1	0.5	3.3	0.5	0.6
Western Cape: Stellenbosch (plant health laboratory)	Alterations of Polka Draai Road entrance in terms of traffic regulations	On hold	1.0	-	-	-	0.4	-	-	-
Mpumalanga: Skukuza alterations (052069)	Upgrade of existing buildings and laboratories	Design	6.7	0.1	2.3	1.6	-	-	-	-
Western Cape: Stellenbosch	Upgrade of electrical substation	Construction	0.4	-	0.4	-	-	-	-	-
Gauteng: Harvest House (052143)	Revamping of the parking area at Harvest House	Design	2.6	0.4	0.1	0.1	1.9	-	-	-
Western Cape: Cape Town	Design and construction of minor capital projects along South Africa's coastline	Design	1.2	0.4	0.3	-	-	-	-	-
KwaZulu-Natal: Durban	Construction of an animal quarantine station	Design	48.7	3.0	2.0	1.0	9.5	-	-	-
Western Cape: Stellenbosch lab (052777)	Upgrade and maintenance of building and laboratory facility (glasshouses and tunnels)	Design	24.4	2.6	0.1	0.1	3.0	3.4	-	-
Western Cape: Cape Town	Repairs and maintenance of fisheries harbours along the coastline	Design	2.3	-	-	-	1.0	-	-	-
Western Cape: Stellenbosch (054896)	Rehabilitation of two irrigation dams including repairs of dam wall	Site identification	0.2	-	-	-	-	0.1	0.1	0.1
Western Cape: Stellenbosch (054896)	Rehabilitation of two irrigation dams including repairs of dam wall	Identification	0.1	-	-	-	0.1	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Western Cape: Stillebosch sewerage (054350)	Upgrade of sewerage system	Pre-feasibility	0.3	-	-	-	0.3	-	-	-
Gauteng: Maizeboard (042079)	Maizeboard: Repairs and Maintenance : Status Quo	Construction	0.1	-	0.1	-	-	-	-	-
Gauteng: Roopeplaat plant genetic centre (052805)	Upgrade of Plant Genetic Centre: Roopeplaat	Complete	3.5	0.1	0.1	0.3	3.0	-	-	-
Western Cape: Milnerton	Upgrade of animal quarantine station	Complete	4.7	-	-	-	0.2	4.0	-	-
Eastern Cape: Grootfontein Agricultural Development Institute (053304)	Upgrade of infrastructure at Grootfontein Agriculture Development Institute	Feasibility	29.8	-	0.6	0.0	3.0	6.3	19.2	20.3
Eastern Cape: Sterkspruit (052458)	Site clearance of seed bank at Sterkspruit	Feasibility	0.6	-	0.0	-	-	-	-	-
Gauteng: Sefala Roof (052387)	Sefala building replacement of roof water proofing structures	Construction	3.4	-	-	1.9	3.4	-	-	-
Gauteng: Maizeboard (044038)	Maizeboard: Repairs and Maintenance : Status Quo	Hand over	0.7	-	-	-	0.3	0.2	0.2	0.2
Sectoral Colleges	Upgrading	Identification	0.4	-	-	9.9	-	-	-	-
Woodlands	Upgrading	Identification	0.1	-	-	-	-	-	-	-
Prevention and mitigation of disasters	Building of water reservoirs	Identification	8.4	-	-	2.6	3.0	3.0	3.0	3.5
Prevention and mitigation of disasters	Drilling of boreholes	Construction	0.4	-	-	-	0.4	-	-	-
Upgrade of laboratory - Stellenbosch FSQA	Upgrade of laboratory - Stellenbosch FSQA	Construction	-	-	-	-	-	-	2.0	-
Upgrade of laboratory - Pretoria FSQA	Upgrade of laboratory - Pretoria FSQA	Construction	-	-	-	-	-	-	6.5	-
Comprehensive agricultural support programme grant: Flood damaged infrastructure	Repairs of damaged infrastructure and soil rehabilitation	On-going	1 845.0	493.8	58.6	76.7	139.1	155.9	65.6	-
Onderstepoort Biological Products	Building and facilitation of vaccine production	On-going	492.4	127.5	268.4	-	-	-	-	-
Agriculture Research Council: Maintenance of infrastructure	Maintenance of building (for research and development)	On-going	120.3	15.5	16.2	17.1	17.9	19.0	20.0	21.1
Total			3 093.8	684.0	383.5	145.5	226.2	230.3	154.8	86.0

Vote 25

Economic Development

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	86.5	82.8	–	3.7	92.2	98.1
Growth Path and Social Dialogue	34.4	33.8	–	0.6	37.0	39.8
Investment, Competition and Trade	951.7	18.6	932.9	0.2	887.1	929.3
Total expenditure estimates	1 072.6	135.2	932.9	4.5	1 016.2	1 067.2

Executive authority: Minister of Economic Development
Accounting officer: Director General of Economic Development
Website address: www.economic.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Promote economic development policy formulation and planning for the benefit of all South Africans.

Mandate

The Economic Development Department was established in 2009 and has assumed responsibilities relating to the creation of decent employment through inclusive growth, as captured in outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework. This includes the implementation of certain aspects of the National Development Plan (NDP), the new growth path and the national infrastructure plan, as well as the framework's outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 7 (comprehensive rural development and land reform).

The department is also responsible for five public entities, comprising three regulatory bodies (the Competition Commission, the Competition Tribunal and the International Trade Administration Commission of South Africa) and two development finance institutions (the Industrial Development Corporation of South Africa and the Small Enterprise Finance Agency).

In line with these responsibilities, the department's mandate includes the administration of the following legislation:

- the Industrial Development Corporation Act (1940)
- the Competition Act (1998)
- the International Trade Administration Act (2002)
- the Infrastructure Development Act (2014).

Selected performance indicators

Table 25.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of analytical and public policy advocacy reports on socioeconomic development and the new growth path produced per year	Growth Path and Social Dialogue	Outcome 4: Decent employment through inclusive growth	6	5	4	4	4	4	4
Number of spatial, local and provincial initiatives to promote employment, empowerment and development per year	Growth Path and Social Dialogue		6	9	8	10	10	10	10
Number of quarterly Cabinet-level progress reports on strategic integrated projects per year	Investment, Competition and Trade		72	72	72	64	64	64	64
Number of infrastructure projects unblocked, fast-tracked or facilitated per year	Investment, Competition and Trade		14	22	9	14	14	14	14
Number of Cabinet and presidential infrastructure coordinating committee strategic decisions on infrastructure implemented per year	Investment, Competition and Trade		5	8	5	4	4	4	4
Number of ministerial and departmental oversight engagements with the Industrial Development Corporation held per year	Investment, Competition and Trade		4	8	4	4	4	4	4
Number of ministerial/parliamentary monitoring reports on the funding impact of development finance institutions produced per year	Investment, Competition and Trade		4	6	4	4	4	4	4
Number of ministerial and departmental oversight engagements with trade and competition authorities held per year	Investment, Competition and Trade		-1	7	8	5	5	5	5

1. No historical data available.

Expenditure analysis

Chapter 3 of the National Development Plan (NDP) details a long-term vision for South Africa's economic growth trajectory. This vision is expressed in terms of outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term expenditure framework, which is closely aligned with the work of the Economic Development Department. Over the medium term, the department intends to focus on supporting provinces' economic planning, facilitating interventions in infrastructure initiatives, and providing strategic support to development finance institutions and regulatory bodies.

Transfers to the department's entities account for the bulk of its total expenditure over the MTEF period. As a result of Cabinet's approved reductions of R38.9 million to the department's total budget over the period, transfers and subsidies to the Small Enterprise Finance Agency are expected to be reduced by R25.5 million, and transfers to the International Trade Administration Commission by R8.3 million. The allocation to the *Administration* programme for goods and services is expected to be reduced by R5.1 million. To mitigate the impact of these reductions, the department plans to reduce spending on non-core items such as catering, venues and facilities, and communication. Due to the labour intensive nature of the department's work, compensation of employees is the second largest spending area, accounting for a projected 9.4 per cent (R383.5 million) of its total budget between 2017/18 and 2020/21.

Supporting provinces' economic planning

Over the MTEF period, the department expects to continue providing support to provinces and municipalities to improve their economic development plans, and assess the alignment of these plans with the NDP, the new

growth path, and government's nine point plan and 2014-2019 medium-term strategic framework. The department anticipates holding 30 coordination and planning support engagements with provincial and local governments over the medium term to align their economic plans with government's broader strategic policies. The aim of these engagements is to identify and jointly support the implementation of common initiatives such as skills development, employment creation, local procurement, greening the economy, and responses to sector-wide industrial conflict and the uncertain global economic environment. Funding for these activities is provided in the *Growth Path and Social Dialogue* programme, allocations to which are set to increase at an average annual rate of 6.6 per cent, from R32.8 million in 2017/18 to R39.8 million in 2020/21.

Facilitating interventions in infrastructure initiatives

Through the Presidential Infrastructure Coordinating Commission's secretariat, the department provides support for the implementation of the national infrastructure plan and its 18 strategic integrated projects, which include the construction of power plants, schools, health care facilities, roads, ports, water pipelines and bus route systems. Over the medium term, the secretariat expects to continue working closely with other regulatory departments to unblock or facilitate applications for permits or licences to accelerate the implementation of projects in the national infrastructure plan. During this period, the department plans to unblock 42 infrastructure projects ranging from easing regulatory challenges to ensuring municipal services are made available for new and existing investments. The secretariat's work is allocated R45.8 million over the MTEF period, budgeted for in the *Competition and Trade* programme.

Providing strategic support to development finance institutions and regulatory bodies

The department oversees development finance institutions and trade and competition authorities to enhance their impact on economic transformation, job creation and industrial development. Through the *Investment, Competition and Trade* programme, the department plans to transfer 85.8 per cent (R2.7 billion) of its total budget over the medium term to the entities within its portfolio. The Competition Commission is set to receive the largest transfer over the MTEF period, amounting to R909.7 million.

Over the medium term, through the Industrial Development Corporation, the department plans to implement a settlement agreement that was reached in 2016 between the state and seven construction companies following investigations by the Competition Commission that found the activities of these companies to be in contravention of the Competition Act (1998). In terms of this agreement, the companies will collectively contribute R490 million to the Tirisano Construction Fund Trust over the MTEF period, and R1.5 billion over 12 years. The objectives of the trust are to: contribute to the transformation of the construction industry through the development and promotion of construction firms owned and managed by black people; provide bursary funding to previously disadvantaged people in the fields of engineering, building science or quantity surveying; provide bursaries to previously disadvantaged people training to be artisans; support and enhance mathematics and science education at public schools; fund the department's social infrastructure build programmes; and appoint professionals to provide government with assistance in engineering, project management and other services. As a result of the construction companies' contributions to the trust through the department's vote, the department's baseline budget is expected to increase at an average annual rate of 5.3 per cent, from R914.2 million in 2017/18 to R1.1 billion in 2020/21. The trust is expected to fund an estimated 75 engineers and 135 artisans through its bursary scheme over the medium term, and more than 24 000 learners are expected to benefit from the mathematics and science programme. The trust is also expected to support 12 emerging contractors through its enterprise and contractor development programme.

Expenditure trends

Table 25.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Growth Path and Social Dialogue														
3. Investment, Competition and Trade														
Programme														
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	79.5	94.9	87.4	83.2	83.2	83.1	79.2	89.2	90.4	80.7	86.5	86.5	107.7%	98.2%
Programme 2	38.3	20.9	22.0	27.9	27.9	26.7	36.0	33.1	27.8	35.6	32.8	32.8	79.3%	95.4%
Programme 3	579.1	581.1	585.5	774.7	774.7	773.9	559.4	552.3	546.9	681.0	795.0	795.0	104.1%	99.9%
Total	696.9	696.9	694.9	885.8	885.8	883.7	674.7	674.7	665.1	797.2	914.2	914.2	103.4%	99.6%
Change to 2017 Budget estimate										117.0				
Economic classification														
Current payments	160.8	132.0	116.3	150.3	140.9	128.4	143.0	142.5	133.5	139.8	139.3	139.3	87.1%	93.3%
Compensation of employees	107.8	76.9	75.7	96.1	87.8	79.4	94.0	94.0	85.0	90.1	90.0	90.0	85.1%	94.7%
Goods and services	53.0	55.0	40.6	54.2	53.1	49.0	49.0	48.5	48.5	49.7	49.2	49.2	91.0%	91.0%
Transfers and subsidies	533.9	560.5	575.9	733.2	742.3	750.4	528.8	528.8	528.8	656.2	773.3	773.3	107.2%	100.9%
Departmental agencies and accounts	291.3	291.6	306.8	326.8	330.8	338.8	315.7	315.7	315.7	387.5	387.5	387.5	–	–
Public corporations and private enterprises	242.6	268.8	268.8	406.4	411.4	411.4	213.1	213.1	213.1	268.8	385.8	385.8	113.1%	100.0%
Non-profit institutions	–	–	0.1	–	–	–	–	–	–	–	–	–	–	–
Households	–	–	0.2	–	0.1	0.2	–	–	0.1	–	0.0	0.0	–	422.7%
Payments for capital assets	2.2	4.4	2.7	2.2	2.6	4.9	2.9	3.4	2.8	1.2	1.7	1.7	141.9%	100.0%
Machinery and equipment	1.7	4.0	2.7	1.8	2.1	3.4	2.5	3.3	1.5	0.8	1.4	1.4	134.3%	83.8%
Software and other intangible assets	0.5	0.5	–	0.5	0.5	1.6	0.4	0.1	1.3	0.4	0.3	0.3	170.1%	230.6%
Payments for financial assets	–	–	–	–	0.0	0.0	–	–	–	–	–	–	–	100.0%
Total	696.9	696.9	694.9	885.8	885.8	883.7	674.7	674.7	665.1	797.2	914.2	914.2	103.4%	99.6%

Expenditure estimates

Table 25.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Growth Path and Social Dialogue								
3. Investment, Competition and Trade								
Programme								
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
Programme 1	86.5	-3.0%	11.0%	86.5	92.2	98.1	4.3%	8.9%
Programme 2	32.8	16.3%	3.5%	34.4	37.0	39.8	6.6%	3.5%
Programme 3	795.0	11.0%	85.5%	951.7	887.1	929.3	5.3%	87.5%
Total	914.2	9.5%	100.0%	1 072.6	1 016.2	1 067.2	5.3%	100.0%
Change to 2017 Budget estimate	(117.0)			227.9	112.0	111.3		
Economic classification								
Current payments	139.3	1.8%	16.4%	135.2	144.5	154.3	3.5%	14.1%
Compensation of employees	90.0	5.4%	10.5%	90.8	97.7	105.0	5.3%	9.4%
Goods and services	49.2	-3.7%	5.9%	44.4	46.8	49.3	0.1%	4.7%
Transfers and subsidies	773.3	11.3%	83.2%	932.9	867.0	907.8	5.5%	85.5%
Departmental agencies and accounts	387.5	9.9%	42.7%	419.1	450.5	475.3	7.0%	42.6%
Public corporations and private enterprises	385.8	12.8%	40.5%	513.8	416.5	432.5	3.9%	43.0%
Households	0.0	–	0.0%	–	–	–	-100.0%	0.0%
Payments for capital assets	1.7	-27.3%	0.4%	4.5	4.7	5.1	44.0%	0.4%
Machinery and equipment	1.4	-28.6%	0.3%	4.0	4.2	4.6	46.9%	0.4%
Software and other intangible assets	0.3	-18.1%	0.1%	0.5	0.5	0.5	25.8%	0.0%
Total	914.2	9.5%	100.0%	1 072.6	1 016.2	1 067.2	5.3%	100.0%

Expenditure trends and estimates for significant spending items

Table 25.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Competition											
Commission	198 212	231 045	208 541	258 354	9.2%	28.4%	281 788	305 576	322 383	7.7%	28.7%
Competition Tribunal	19 911	19 102	20 115	30 041	14.7%	2.8%	35 086	37 051	39 089	9.2%	3.5%
International Trade Administration	88 374	88 701	87 001	99 065	3.9%	11.5%	102 191	107 913	113 848	4.7%	10.4%
Commission											
Small Enterprise Finance Agency	242 608	407 103	213 124	223 780	-2.7%	34.4%	228 837	241 453	254 733	4.4%	23.3%
Total	549 105	745 951	528 781	611 240	25.1%	77.1%	647 902	691 993	730 053	26.0%	65.9%

Goods and services expenditure trends and estimates

Table 25.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	523	794	466	597	4.5%	1.3%	358	376	394	-12.9%	0.9%
Advertising	6 138	2 705	444	770	-49.9%	5.4%	1 243	1 312	1 385	21.6%	2.5%
Minor assets	62	174	42	65	1.6%	0.2%	138	145	153	33.0%	0.3%
Audit costs: External	3 037	2 669	2 609	3 221	2.0%	6.2%	3 447	3 640	3 840	6.0%	7.5%
Bursaries: Employees	97	209	270	132	10.8%	0.4%	331	331	330	35.7%	0.6%
Catering: Departmental activities	410	1 351	244	1 088	38.4%	1.7%	426	472	511	-22.3%	1.3%
Communication	1 471	1 130	1 668	1 640	3.7%	3.2%	1 853	1 955	2 062	7.9%	4.0%
Computer services	1 612	326	779	1 015	-14.3%	2.0%	899	946	998	-0.6%	2.0%
Consultants: Business and advisory services	372	833	1 807	1 494	59.0%	2.4%	2 957	3 055	3 223	29.2%	5.7%
Legal services	3 355	6 636	18 918	10 020	44.0%	20.8%	12 253	12 925	13 604	10.7%	25.7%
Contractors	237	460	96	1 083	65.9%	1.0%	634	667	702	-13.5%	1.6%
Agency and support/outsourced services	202	21	280	238	5.6%	0.4%	238	252	266	3.8%	0.5%
Entertainment	9	-	1	23	36.7%	-	25	26	27	5.5%	0.1%
Fleet services (including government motor transport)	1 085	917	1 059	807	-9.4%	2.1%	721	760	801	-0.2%	1.6%
Inventory: Clothing material and accessories	429	-	-	155	-28.8%	0.3%	112	119	125	-6.9%	0.3%
Inventory: Materials and supplies	4	-	-	12	44.2%	-	8	8	8	-12.6%	-
Inventory: Medical supplies	-	-	-	-	-	-	4	4	4	-	-
Consumable supplies	100	98	112	172	19.8%	0.3%	176	186	196	4.5%	0.4%
Consumables: Stationery, printing and office supplies	1 035	703	656	1 445	11.8%	2.1%	862	900	948	-13.1%	2.2%
Operating leases	9 185	10 924	9 592	13 689	14.2%	23.2%	10 521	11 122	11 734	-5.0%	24.8%
Rental and hiring	10	90	-	31	45.8%	0.1%	121	127	133	62.5%	0.2%
Property payments	-	-	-	43	-	-	47	49	51	5.9%	0.1%
Transport provided: Departmental activity	1	55	-	25	192.4%	-	27	28	29	5.1%	0.1%
Travel and subsistence	9 561	11 295	6 964	8 693	-3.1%	19.5%	6 008	6 349	6 721	-8.2%	14.6%
Training and development	221	348	808	1 037	67.4%	1.3%	211	243	183	-43.9%	0.9%
Operating payments	1 068	987	1 421	1 144	2.3%	2.5%	629	653	692	-15.4%	1.6%
Venues and facilities	343	6 263	239	579	19.1%	4.0%	187	174	184	-31.8%	0.6%
Total	40 567	48 988	48 475	49 218	6.7%	100.0%	44 436	46 824	49 304	0.1%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 25.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
Households												
Social benefits												
Current	211	150	30	29	-48.4%	-	-	-	-	-100.0%	-	-
Households	211	150	30	29	-48.4%	-	-	-	-	-100.0%	-	-
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	306 820	338 848	315 657	387 460	8.1%	51.3%	419 065	450 540	475 320	7.0%	49.8%	
Public Service Sector Education and Training Authority	323	-	-	-	-100.0%	-	-	-	-	-	-	-
Competition Commission	198 212	231 045	208 541	258 354	9.2%	34.1%	281 788	305 576	322 383	7.7%	33.6%	
Competition Tribunal	19 911	19 102	20 115	30 041	14.7%	3.4%	35 086	37 051	39 089	9.2%	4.1%	
International Trade Administration Commission	88 374	88 701	87 001	99 065	3.9%	13.8%	102 191	107 913	113 848	4.7%	12.2%	
Households												
Other transfers to households												
Current	9	1	35	-	-100.0%	-	-	-	-	-	-	-
Households	9	1	35	-	-100.0%	-	-	-	-	-	-	-
Non-profit institutions												
Current	60	-	-	-	-100.0%	-	-	-	-	-	-	-
Non-profit organisations	60	-	-	-	-100.0%	-	-	-	-	-	-	-
Public corporations and private enterprises												
Other transfers to public corporations												
Current	268 845	411 397	213 124	385 780	12.8%	48.7%	513 837	416 453	432 482	3.9%	50.2%	
Small Enterprise Finance Agency	268 845	406 397	213 124	223 780	-5.9%	42.3%	228 837	241 453	254 732	4.4%	27.3%	
Industrial Development Corporation	-	5 000	-	162 000	-	6.4%	285 000	175 000	177 750	3.1%	23.0%	
Total	575 945	750 396	528 846	773 269	10.3%	100.0%	932 902	866 993	907 802	5.5%	100.0%	

Personnel information

Table 25.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2018		Medium-term expenditure estimate															Average growth rate (%)	Average: Salary level/Total (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			2018/19			2019/20			2020/21					2017/18 - 2020/21
		2016/17	Unit	Cost	2017/18	Unit	Cost	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
Economic Development	134	1	122	85.0	0.7	122	90.0	0.7	125	90.8	0.7	125	97.7	0.8	125	105.0	0.8	0.8%	100.0%
Salary level	134	1	122	85.0	0.7	122	90.0	0.7	125	90.8	0.7	125	97.7	0.8	125	105.0	0.8	0.8%	100.0%
1-6	19	-	18	4.6	0.3	18	5.0	0.3	18	5.4	0.3	18	5.8	0.3	18	6.3	0.3	-	14.5%
7-10	36	-	36	15.7	0.4	36	17.2	0.5	36	17.8	0.5	36	19.2	0.5	36	20.8	0.6	-	29.0%
11-12	34	-	30	22.3	0.7	30	22.7	0.8	30	21.3	0.7	30	23.1	0.8	30	25.0	0.8	-	24.1%
13-16	43	1	36	37.3	1.0	36	40.9	1.1	39	43.1	1.1	39	46.1	1.2	39	49.3	1.3	2.7%	30.8%
Other	2	-	2	5.1	2.6	2	4.3	2.2	2	3.2	1.6	2	3.4	1.7	2	3.7	1.8	-	1.6%
Programme	134	1	122	85.0	0.7	122	90.0	0.7	125	90.8	0.7	125	97.7	0.8	125	105.0	0.8	0.8%	100.0%
Programme 1	79	1	70	44.1	0.6	70	44.9	0.6	72	42.7	0.6	72	46.0	0.6	72	49.4	0.7	0.9%	57.5%
Programme 2	28	-	27	25.9	1.0	27	29.5	1.1	28	32.3	1.2	28	34.8	1.2	28	37.4	1.3	1.2%	22.3%
Programme 3	27	-	25	15.0	0.6	25	15.6	0.6	25	15.8	0.6	25	17.0	0.7	25	18.3	0.7	-	20.1%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 25.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	50 367	50 296	137 336	137 271	137 271	39.7%	100.0%	260 354	145 397	145 451	1.9%	100.0%
Sales of goods and services produced by department	85	35	30	21	21	-37.3%	-	49	57	66	46.5%	-
Sales by market establishments	85	35	17	14	14	-45.2%	-	35	40	45	47.6%	-
of which:												
<i>Rental: Parking</i>	85	35	17	14	14	-45.2%	-	35	40	45	47.6%	-
Other sales	-	-	13	7	7	-	-	14	17	21	44.2%	-
of which:												
<i>Commission on insurance garnishee</i>	-	-	13	7	7	-	-	14	17	21	44.2%	-
Fines, penalties and forfeits	-	-	117 000	117 000	117 000	-	62.4%	125 000	125 000	125 000	2.2%	85.8%
Interest, dividends and rent on land	50 237	50 278	20 259	20 200	20 200	-26.2%	37.6%	20 250	20 280	20 320	0.2%	14.1%
Interest	237	278	259	200	200	-5.5%	0.3%	250	280	320	17.0%	0.2%
Dividends	50 000	50 000	20 000	20 000	20 000	-26.3%	37.3%	20 000	20 000	20 000	-	14.0%
of which:												
<i>Dividends from the Industrial Development Corporation</i>	50 000	50 000	20 000	20 000	20 000	-26.3%	37.3%	20 000	20 000	20 000	-	14.0%
Transactions in financial assets and liabilities	45	(17)	47	50	50	3.6%	-	55	60	65	9.1%	-
Total	50 367	50 296	137 336	137 271	137 271	39.7%	100.0%	145 354	145 397	145 451	1.9%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 25.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	19.8	20.2	18.4	27.5	11.5%	24.7%	23.9	25.6	27.4	-0.1%	28.7%
Office of the Director General	12.6	14.6	11.0	9.7	-8.5%	13.8%	11.2	11.9	12.8	9.7%	12.5%
Corporate Management	42.2	36.6	48.3	37.9	-3.5%	47.5%	37.1	39.4	41.7	3.2%	42.9%
Services											
Financial Management	12.8	11.8	12.7	11.4	-3.6%	14.0%	14.4	15.3	16.4	12.7%	15.8%
Total	87.4	83.1	90.4	86.5	-0.4%	100.0%	86.5	92.2	98.1	4.3%	100.0%
Change to 2017 Budget estimate				5.8			7.2	7.5	7.9		
Economic classification	74.5	80.0	87.6	85.2	4.6%	94.2%	82.8	88.3	93.9	3.3%	96.4%
Current payments											
Compensation of employees	39.5	41.7	44.1	44.9	4.3%	49.0%	42.7	46.0	49.4	3.3%	50.4%
Goods and services ¹	35.0	38.3	43.5	40.3	4.8%	45.2%	40.1	42.3	44.5	3.4%	46.0%
of which:											
<i>Audit costs: External</i>	3.0	2.7	2.6	3.2	2.0%	3.3%	3.4	3.6	3.8	6.0%	3.9%
<i>Communication</i>	1.3	1.1	1.3	1.1	-4.2%	1.4%	1.6	1.7	1.8	16.1%	1.7%
<i>Consultants: Business and advisory services</i>	0.4	0.6	0.5	0.4	4.8%	0.5%	2.2	2.3	2.5	82.9%	2.0%
<i>Legal services</i>	3.4	6.6	18.8	10.0	44.0%	11.2%	12.3	12.9	13.6	10.7%	13.4%
<i>Operating leases</i>	9.2	10.9	9.6	13.7	14.2%	12.5%	10.5	11.1	11.7	-5.0%	13.0%
<i>Travel and subsistence</i>	7.1	9.0	5.3	5.9	-5.6%	7.8%	5.1	5.3	5.6	-1.8%	6.0%
Transfers and subsidies¹	10.5	0.1	0.1	0.0	-86.0%	3.1%	-	-	-	-100.0%	-
Departmental agencies and accounts	10.4	-	-	-	-100.0%	3.0%	-	-	-	-	-
Households	0.1	0.1	0.1	0.0	-28.7%	0.1%	-	-	-	-100.0%	-

Table 25.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Payments for capital assets	2.4	3.0	2.7	1.3	-19.7%	2.7%	3.7	3.9	4.2	49.5%	3.6%
Machinery and equipment	2.4	3.0	1.5	1.1	-23.1%	2.3%	3.7	3.9	4.2	55.6%	3.5%
Software and other intangible assets	–	0.1	1.3	0.2	–	0.4%	0.0	0.1	0.1	-29.8%	0.1%
Total	87.4	83.1	90.4	86.5	-0.4%	100.0%	86.5	92.2	98.1	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	12.6%	9.4%	13.6%	9.5%	–	–	8.1%	9.1%	9.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	10.1	–	–	–	-100.0%	2.9%	–	–	–	–	–
Competition Commission	10.1	–	–	–	-100.0%	2.9%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Growth Path and Social Dialogue

Programme purpose

Strengthen the economic development capacity of government. Align economic development policies aimed at broadening participation in the economy to create decent work opportunities.

Objectives

- Coordinate job drivers, sector/spatial projects and the implementation of the new growth path for job creation, inclusive growth, industrialisation and social inclusion by ensuring regular reviews of systemic obstacles over the medium term.
- Increase employment at the sectoral and workplace levels through the facilitation of social dialogue and the implementation of social accords; and support productivity, innovation and entrepreneurship by engaging in public policy forums over the medium term.

Subprogrammes

- *Growth Path and Job Drivers* monitors and supports the unblocking of job drivers in the new growth path as central to the implementation of the NDP, and engages with the relevant structures.
- *Social Dialogue, Productivity and Innovation* supports social dialogue to address workplace, sectoral and national economic requirements.

Expenditure trends and estimates

Table 25.10 Growth Path and Social Dialogue expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Growth Path and Job Drivers	12.8	16.8	19.7	24.5	24.2%	67.4%	22.4	24.0	25.8	1.8%	67.1%
Social Dialogue, Productivity and Innovation	9.3	9.9	8.1	8.4	-3.3%	32.6%	12.1	13.0	14.0	18.6%	32.9%
Total	22.0	26.7	27.8	32.8	14.2%	100.0%	34.4	37.0	39.8	6.6%	100.0%
Change to 2017 Budget estimate				(2.8)			(5.2)	(5.4)	(5.7)		

Table 25.10 Growth Path and Social Dialogue expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Current payments	21.8	24.9	27.8	32.6	14.2%	97.9%	33.8	36.4	39.1	6.3%	98.5%
Compensation of employees	18.4	22.3	25.9	29.5	17.1%	87.9%	32.3	34.8	37.4	8.1%	93.0%
Goods and services ¹	3.4	2.7	1.9	3.0	-4.0%	10.0%	1.5	1.6	1.7	-16.7%	5.5%
of which:											
<i>Catering: Departmental activities</i>	0.2	0.5	0.1	0.1	-12.1%	0.8%	0.1	0.1	0.1	-5.7%	0.3%
<i>Communication</i>	0.1	0.0	0.2	0.2	33.2%	0.4%	0.2	0.2	0.2	-2.0%	0.5%
<i>Computer services</i>	1.2	0.0	0.5	0.5	-26.7%	2.0%	0.4	0.4	0.4	-4.5%	1.2%
<i>Rental and hiring</i>	0.0	–	–	0.0	6.3%	–	0.1	0.1	0.1	109.3%	0.2%
<i>Travel and subsistence</i>	1.2	1.1	0.8	1.4	6.3%	4.1%	0.3	0.4	0.4	-33.6%	1.7%
<i>Operating payments</i>	0.1	0.1	0.1	0.1	-9.2%	0.3%	0.1	0.1	0.1	3.8%	0.3%
Transfers and subsidies¹	0.1	0.1	0.0	–	-100.0%	0.2%	–	–	–	–	–
Households	0.1	0.1	0.0	–	-100.0%	0.2%	–	–	–	–	–
Payments for capital assets	0.1	1.7	0.0	0.3	26.3%	1.9%	0.6	0.6	0.7	35.6%	1.5%
Machinery and equipment	0.1	0.2	0.0	0.2	6.2%	0.4%	0.2	0.2	0.2	6.4%	0.5%
Software and other intangible assets	–	1.5	–	0.1	–	1.5%	0.4	0.4	0.5	63.7%	1.0%
Total	22.0	26.7	27.8	32.8	14.2%	100.0%	34.4	37.0	39.8	6.6%	100.0%
Proportion of total programme expenditure to vote expenditure	3.2%	3.0%	4.2%	3.6%	–	–	3.2%	3.6%	3.7%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Investment, Competition and Trade

Programme purpose

Coordinate infrastructure development. Provide oversight and coordinate policy regarding identified development finance institutions and economic regulatory bodies.

Objectives

- Promote investments, expand industrial funding and entrepreneurship, and improve the performance of development finance institutions by ensuring that these institutions support the development of industrial and small, medium and micro enterprises (SMMEs) over the medium term.
- Promote competition, trade and other economic regulation by ensuring the promotion of the effective management of competition authorities and trade administration over the medium term.
- Coordinate infrastructure development over the medium term by:
 - providing regular reports on each strategic infrastructure project
 - unblocking specific projects
 - providing secretariat support to the presidential infrastructure coordinating commission.

Subprogrammes

- *Development Investment, Industrial Funding and Entrepreneurship* focuses on unblocking productive investments and overseeing the development finance institutions that fall under the department.
- *Competition, Trade and other Economic Regulation* focuses on strengthening the economic regulators and overseeing the regulatory bodies that fall under the department.
- *Infrastructure Development Coordination* provides support to the Presidential Infrastructure Coordinating Commission in line with the Infrastructure Development Act (2014).

Expenditure trends and estimates

Table 25.11 Investment, Competition and Trade expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Development Investment, Industrial Funding and Entrepreneurship	273.6	415.5	220.6	258.9	-1.8%	43.3%	263.1	281.0	296.6	4.6%	30.9%
Competition, Trade and other Economic Regulation	302.1	343.1	318.1	391.6	9.0%	50.2%	423.3	455.1	480.2	7.0%	49.1%
Infrastructure Development Coordination	9.8	15.3	8.1	144.5	145.5%	6.6%	265.3	151.0	152.6	1.8%	20.0%
Total	585.5	773.9	546.9	795.0	10.7%	100.0%	951.7	887.1	929.3	5.3%	100.0%
Change to 2017 Budget estimate				114.0			225.9	109.9	109.1		
Economic classification											
Current payments	19.9	23.4	18.1	21.5	2.6%	3.1%	18.6	19.9	21.3	-0.4%	2.3%
Compensation of employees	17.7	15.4	15.0	15.6	-4.2%	2.4%	15.8	17.0	18.3	5.3%	1.9%
Goods and services ¹	2.2	8.0	3.1	5.9	39.4%	0.7%	2.8	2.9	3.0	-19.9%	0.4%
<i>of which:</i>											
Advertising	–	2.2	0.0	0.7	–	0.1%	0.5	0.5	0.6	-5.5%	0.1%
Consultants: Business and advisory services	0.0	–	1.3	1.0	262.7%	0.1%	0.7	0.7	0.7	-9.9%	0.1%
Contractors	0.1	0.0	–	0.8	147.2%	–	0.4	0.4	0.4	-20.2%	0.1%
Inventory: Clothing material and accessories	0.4	–	–	0.1	-29.1%	–	0.1	0.1	0.1	-7.9%	–
Consumables: Stationery, printing and office supplies	0.0	0.1	0.0	0.2	63.0%	–	0.1	0.1	0.1	-18.9%	–
Travel and subsistence	1.3	1.2	0.8	1.4	0.6%	0.2%	0.6	0.7	0.7	-20.5%	0.1%
Transfers and subsidies¹	565.4	750.2	528.8	773.2	11.0%	96.9%	932.9	867.0	907.8	5.5%	97.7%
Departmental agencies and accounts	296.4	338.8	315.7	387.5	9.3%	49.5%	419.1	450.5	475.3	7.0%	48.6%
Public corporations and private enterprises	268.8	411.4	213.1	385.8	12.8%	47.4%	513.8	416.5	432.5	3.9%	49.1%
Non-profit institutions	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Households	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	0.1	0.2	0.0	0.2	7.2%	–	0.2	0.2	0.2	6.4%	–
Machinery and equipment	0.1	0.2	0.0	0.2	7.2%	–	0.2	0.2	0.2	6.4%	–
Total	585.5	773.9	546.9	795.0	10.7%	100.0%	951.7	887.1	929.3	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	84.2%	87.6%	82.2%	87.0%	–	–	88.7%	87.3%	87.1%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	296.4	338.8	315.7	387.5	9.3%	49.5%	419.1	450.5	475.3	7.0%	48.6%
Competition Commission	188.1	231.0	208.5	258.4	11.2%	32.8%	281.8	305.6	322.4	7.7%	32.8%
Competition Tribunal	19.9	19.1	20.1	30.0	14.7%	3.3%	35.1	37.1	39.1	9.2%	4.0%
International Trade Administration Commission	88.4	88.7	87.0	99.1	3.9%	13.4%	102.2	107.9	113.8	4.7%	11.9%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	268.8	411.4	213.1	385.8	12.8%	47.4%	513.8	416.5	432.5	3.9%	49.1%
Small Enterprise Finance Agency	268.8	406.4	213.1	223.8	-5.9%	41.2%	228.8	241.5	254.7	4.4%	26.6%
Industrial Development Corporation	–	5.0	–	162.0	–	6.2%	285.0	175.0	177.8	3.1%	22.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity¹

Industrial Development Corporation

Mandate

The Industrial Development Corporation is a national development finance institution established in terms of the Industrial Development Act (1940) with the objective of leading industrial capacity development. The corporation aligns its priorities with those identified in terms of government policies and programmes related

¹ This section has been compiled with the latest available information from the entity concerned.

to industrial development, including relevant elements of the NDP, the new growth path and the industrial policy action plan.

Selected performance indicators

Table 25.12 Industrial Development Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Value of funding disbursed per year	Administration	Outcome 4: Decent employment through inclusive growth	R10.9bn	R11.4bn	R11bn	R14.5bn	R17.2bn	R19.7bn	R21.9bn
Number of jobs expected to be created or saved per year	Administration		20 388	18 010	20 155	23 951	28 262	32 501	32 501
Value of funding to black industrialists signed per year	Administration		R2.1bn	R4.5bn	R4.9bn	R4.9bn	R5.5bn	R5.5bn	R5.5bn
Funding for localisation initiatives signed per year	Administration		R2.8bn	R4.7bn	R4.8bn	R4.4bn	R4.7bn	R4.9bn	R4.9bn
Turnaround time for non-complex transactions per year	Administration	Outcome 12: An efficient, effective and development oriented public service	14 days	16.5 days	17.3 days	17 days	17 days	17 days	17 days

Expenditure analysis

Over the medium term, the Industrial Development Corporation will continue to focus on the development of sustainable industrial capacity, in line with outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework. Through mainly financial support mechanisms, in partnership with the private sector, the corporation promotes industrialisation in the manufacturing sector.

The corporation's strategy over the MTEF period is aimed at strengthening sectors that have significant potential for contributing to economic growth. Disbursements to priority sub-sectors such as metals and mining, chemicals and pharmaceuticals, agro-processing, and agriculture are set to increase from R14.5 billion in 2017/18 to R21.9 billion in 2020/21. As a result, 93 264 jobs are expected to be saved or created over the MTEF period. An estimated 63 per cent (R35 billion) of the corporation's expenditure over the medium term is allocated to developing value chains in the priority sectors.

The black industrialists programme, which facilitates the participation of black industrialists in productive sectors of the economy, remains a focus area for the corporation over the medium term. More than R16.5 billion over the MTEF period is expected to be provided to black industrialists who operate within the metals and mining, chemicals and pharmaceuticals and agro-processing and agriculture sectors. Since the programme's inception in 2014, funding of R11.5 billion has been provided to 185 black industrialists.

The corporation is set to derive 52.6 per cent (R42.2 billion) of its revenue over the medium term from interest income on loans. Other revenue is derived from fees and dividends from equity investments, which account for 46.4 per cent (R32.7 billion) of revenue over the period; and transfers from the department for the Small Enterprise Finance Agency, which accounts for 1 per cent. Total revenue is expected to increase at an average annual rate of 15.1 per cent over the medium term, from R18.5 billion in 2017/18 to R28.3 billion in 2020/21, mainly due to a projected increase in interest income derived from increased lending to industries and an increase in dividend income from equity investments.

Programmes/Objectives/Activities

Table 25.13 Industrial Development Corporation expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	20 478.0	19 185.0	15 172.0	17 434.0	-5.2%	100.0%	20 744.0	22 196.0	23 750.0	10.9%	100.0%
Total	20 478.0	19 185.0	15 172.0	17 434.0	-5.2%	100.0%	20 744.0	22 196.0	23 750.0	10.9%	100.0%

Statements of historical financial performance and position

Table 25.14 Industrial Development Corporation statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	20 697.7	21 443.2	19 967.9	19 001.6	23 110.0	17 158.9	25 546.8	18 308.0	85.0%
Sale of goods and services other than capital assets	13 629.7	14 005.2	14 615.9	12 908.6	15 670.0	9 916.9	16 555.8	9 969.0	77.4%
<i>of which:</i>									
Administrative fees	710.1	707.0	684.8	–	–	–	313.0	–	41.4%
Sales by market establishment	–	–	33.1	–	–	–	–	–	–
Other sales	12 919.6	13 298.2	13 898.0	12 908.6	15 670.0	9 916.9	16 242.8	9 969.0	78.5%
Other non-tax revenue	7 068.0	7 438.0	5 352.0	6 093.0	7 440.0	7 242.0	8 991.0	8 339.0	100.9%
Transfers received	242.6	242.6	407.1	406.4	213.1	213.1	223.8	223.8	99.9%
Total revenue	21 011.1	22 131.0	20 375.0	19 408.0	23 276.1	17 372.0	25 770.6	18 531.8	85.6%
Expenses									
Current expenses	19 269.9	20 309.0	20 297.6	18 988.0	21 447.8	15 547.0	22 287.9	17 035.0	86.3%
Compensation of employees	887.8	885.2	926.0	840.0	887.4	811.3	817.2	1 260.7	107.9%
Goods and services	17 112.5	17 423.9	16 431.5	16 108.0	17 752.3	14 005.7	18 522.1	13 137.3	86.9%
Depreciation	495.5	598.0	576.2	723.0	618.2	730.0	649.1	730.0	118.9%
Interest, dividends and rent on land	774.2	1 402.0	2 363.9	1 317.0	2 190.0	–	2 299.5	1 907.0	60.6%
Total expenses	19 755.2	20 478.0	20 577.9	19 185.0	21 780.1	15 172.0	22 636.8	17 434.0	85.3%
Surplus/(Deficit)	1 256.0	1 653.0	(203.0)	223.0	1 496.0	2 200.0	3 134.0	1 098.0	
Statement of financial position									
Carrying value of assets	5 646.0	10 557.0	10 540.6	11 456.0	11 168.9	10 074.0	11 834.7	7 837.8	101.9%
<i>of which:</i>									
Acquisition of assets	(1 728.1)	(1 268.0)	(1 675.3)	(2 548.0)	(1 757.8)	(934.0)	(1 844.4)	(1 844.4)	94.1%
Investments	92 652.0	73 179.0	97 751.3	71 704.0	103 052.3	79 672.0	106 088.5	110 645.5	83.9%
Inventory	2 310.0	3 853.0	4 249.0	3 599.0	4 461.5	2 771.0	4 684.6	2 201.2	79.1%
Loans	33 608.0	22 412.0	17 985.0	23 928.0	16 408.7	26 673.0	17 592.9	30 936.0	121.4%
Receivables and prepayments	1 595.0	3 702.0	4 203.8	3 305.0	4 414.0	2 224.0	4 634.7	1 664.8	73.4%
Cash and cash equivalents	5 655.4	8 257.0	10 152.0	6 865.0	9 810.0	7 699.0	9 688.0	8 749.0	89.4%
Taxation	132.0	325.0	433.5	422.0	461.2	647.0	490.7	–	91.9%
Derivatives financial instruments	–	4.0	–	69.0	–	76.0	–	–	–
Total assets	141 598.4	122 289.0	145 315.3	121 348.0	149 776.5	129 836.0	155 014.0	162 034.3	90.5%
Accumulated surplus/(deficit)	39 763.4	39 187.0	40 269.9	39 717.0	42 537.3	42 143.0	45 438.7	45 438.7	99.1%
Capital and reserves	55 485.4	50 735.0	69 856.5	45 100.0	66 249.8	46 147.0	65 265.9	65 265.9	80.7%
Borrowings	33 938.0	24 049.0	23 991.7	28 022.0	29 233.9	30 470.0	31 967.4	39 466.0	102.4%
Trade and other payables	2 514.6	3 748.0	3 924.9	3 727.0	4 121.1	4 051.0	4 327.2	2 552.4	94.6%
Taxation	9 310.0	3 372.0	6 094.6	3 340.0	6 399.4	4 879.0	6 719.3	8 345.0	69.9%
Provisions	530.0	1 124.0	1 119.0	1 357.0	1 175.0	1 725.0	1 233.7	898.6	125.8%
Managed funds (e.g. poverty alleviation fund)	57.0	18.0	30.0	26.0	30.0	–	30.0	30.0	50.3%
Derivatives financial instruments	–	56.0	28.7	59.0	30.1	421.0	31.6	37.6	634.8%
Total equity and liabilities	141 598.4	122 289.0	145 315.3	121 348.0	149 776.5	129 836.0	155 014.0	162 034.3	90.5%

Statements of estimates of financial performance and position**Table 25.15 Industrial Development Corporation statements of estimates of financial performance and position**

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate				2018/19	2019/20	2020/21	2017/18 - 2020/21	
R million	2017/18	2014/15 - 2017/18						
Revenue								
Non-tax revenue	18 308.0	-5.1%	98.1%	21 438.0	25 460.0	28 006.0	15.2%	99.0%
Sale of goods and services other than capital assets	9 969.0	-10.7%	60.2%	11 134.0	11 648.0	9 887.0	-0.3%	46.4%
<i>of which:</i>								
Other sales	9 969.0	-9.2%	59.4%	11 134.0	11 648.0	9 887.0	-0.3%	46.4%
Other non-tax revenue	8 339.0	3.9%	37.9%	10 304.0	13 812.0	18 119.0	29.5%	52.6%
Transfers received	223.8	-2.7%	1.4%	228.8	241.5	254.7	4.4%	1.0%
Total revenue	18 531.8	-5.7%	100.0%	21 666.8	25 701.5	28 260.7	15.1%	100.0%
Expenses								
Current expenses	17 035.0	-5.7%	99.6%	20 339.0	21 786.0	23 335.0	11.1%	98.0%
Compensation of employees	1 260.7	12.5%	5.3%	1 287.8	1 376.1	1 470.6	5.3%	6.5%
Goods and services	13 137.3	-9.0%	84.2%	15 906.8	17 144.7	21 134.4	17.2%	79.6%
Depreciation	730.0	6.9%	3.9%	730.0	730.0	730.0	0.0%	3.5%
Interest, dividends and rent on land	1 907.0	10.8%	6.2%	2 414.5	2 535.2	-	-100.0%	8.5%
Total expenses	17 434.0	-5.2%	100.0%	20 744.0	22 196.0	23 750.0	10.9%	100.0%
Surplus/(Deficit)	1 098.0			923.0	3 505.0	4 511.0		
Statement of financial position								
Carrying value of assets	7 837.8	-9.5%	7.7%	8 124.0	8 135.3	8 136.5	1.3%	4.5%
<i>of which:</i>								
Acquisition of assets	(1 844.4)	13.3%	-1.2%	(1 951.4)	(2 064.6)	(2 064.6)	3.8%	-1.1%
Investments	110 645.5	14.8%	62.1%	121 375.0	127 106.4	125 741.9	4.4%	67.8%
Inventory	2 201.2	-17.0%	2.4%	2 700.0	2 889.0	2 800.0	8.4%	1.5%
Loans	30 936.0	11.3%	19.4%	34 840.0	41 325.0	46 738.0	14.7%	21.4%
Receivables and prepayments	1 664.8	-23.4%	2.1%	1 700.0	1 700.0	1 725.0	1.2%	1.0%
Cash and cash equivalents	8 749.0	1.9%	5.9%	5 871.0	6 282.0	6 000.0	-11.8%	3.8%
Taxation	-	-100.0%	0.3%	153.0	163.7	165.0	-	0.1%
Total assets	162 034.3	9.8%	100.0%	174 763.0	187 601.4	191 306.4	5.7%	100.0%
Accumulated surplus/(deficit)	45 438.7	5.1%	31.3%	22 364.6	23 617.0	23 617.0	-19.6%	16.4%
Capital and reserves	65 265.9	8.8%	38.6%	98 607.2	104 129.2	104 129.2	16.8%	51.7%
Capital reserve fund	-	-	-	326.2	344.4	344.4	-	0.1%
Borrowings	39 466.0	18.0%	22.6%	45 347.1	50 826.7	54 531.7	11.4%	26.5%
Trade and other payables	2 552.4	-12.0%	2.7%	1 401.6	1 499.7	1 499.7	-16.2%	1.0%
Taxation	8 345.0	35.3%	3.6%	5 573.0	5 961.0	5 961.0	-10.6%	3.7%
Provisions	898.6	-7.2%	1.0%	1 136.4	1 215.9	1 215.9	10.6%	0.6%
Managed funds (e.g. poverty alleviation fund)	30.0	18.6%	0.0%	-	-	-	-100.0%	0.0%
Derivatives financial instruments	37.6	-12.4%	0.1%	7.0	7.5	7.5	-41.6%	0.0%
Total equity and liabilities	162 034.3	9.8%	100.0%	174 763.0	187 601.4	191 306.4	5.7%	100.0%

Personnel information**Table 25.16 Industrial Development Corporation personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17	Unit cost	2017/18	Unit cost	2018/19		2019/20		2020/21				2017/18 - 2020/21					
Industrial Development Corporation		Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Unit cost					
Salary level	855	855	862	802.6	0.9	855	1 227.2	1.4	855	1 252.2	1.5	855	1 338.5	1.6	855	1 430.6	1.7	5.2%	100.0%
1-6	217	217	224	67.3	0.3	217	103.0	0.5	217	118.6	0.5	217	126.8	0.6	217	135.5	0.6	9.6%	25.4%
7-10	1	1	1	0.3	0.3	1	0.4	0.4	1	0.5	0.5	1	0.6	0.6	1	0.6	0.6	9.6%	0.1%
11-12	337	337	337	265.2	0.8	337	406.0	1.2	337	387.2	1.1	337	413.8	1.2	337	442.3	1.3	2.9%	39.4%
13-16	288	288	288	422.5	1.5	288	646.7	2.2	288	664.5	2.3	288	710.2	2.5	288	759.1	2.6	5.5%	33.7%
17-22	12	12	12	47.4	4.0	12	71.1	5.9	12	81.4	6.8	12	87.1	7.3	12	93.2	7.8	9.4%	1.4%

1. Rand million.

Other entities

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Competition Commission** is a statutory body constituted in terms of the Competition Act (1998). It is empowered to investigate, control and evaluate restrictive business practices, including the abuse of dominant positions and mergers; and promote the advocacy of competition issues to achieve equity and efficiency in the South African economy. The commission's total budget for 2018/19 is R366.7 million.
- The **Competition Tribunal** was established in 1999 in terms of the Competition Act (1998). All large corporate mergers and allegations of restrictive practices are brought before the tribunal by the Competition Commission and interested parties for adjudication. The tribunal's total budget for 2018/19 is R55.1 million.
- The **International Trade Administration Commission of South Africa** is mandated to manage an efficient and effective trade administration system. It was established in terms of the International Trade Administration Act (2002). The commission's total budget for 2018/19 is R104.1 million.
- The **Small Enterprise Finance Agency** was established in 2012 and combines the operations of Khula Enterprise Finance, the South African Micro-Finance Apex Fund and the Industrial Development Corporation's small business operations. The agency's total budget for 2018/19 is R695.6 million.

Vote 26

Energy

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	282.6	276.5	1.6	4.5	299.1	314.8
Energy Policy and Planning	53.1	53.1	–	–	56.2	60.3
Petroleum and Petroleum Products Regulation	87.1	84.3	2.9	–	92.7	99.3
Electrification and Energy Programme and Project Management	5 435.4	67.2	5 368.2	–	5 845.4	6 168.4
Nuclear Energy	816.6	49.5	767.0	–	870.3	912.1
Clean Energy	370.2	82.2	288.0	–	409.9	442.7
Total expenditure estimates	7 045.0	612.8	6 427.7	4.5	7 573.6	7 997.6

Executive authority Minister of Energy
 Accounting officer Director General of Energy
 Website address www.energy.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Formulate energy policies, regulatory frameworks and legislation, and oversee their implementation, to ensure energy security, the promotion of environmentally friendly energy carriers, and access to affordable and reliable energy for all South Africans.

Mandate

The Department of Energy is mandated to ensure the secure and sustainable provision of energy in support of socioeconomic development. It aims to achieve this by developing an integrated energy plan for the entire energy sector and regulating energy industries, and promoting investment in accordance with the integrated resource plan for electricity. A number of acts regulate the energy sector and reflect the legislative measures the department has instituted to govern the sector. Key among these are:

- the National Energy Act (2008)
- the Petroleum Products Act (1977)
- the Electricity Regulation Act (2006).

The National Energy Act (2008) sets out the core aspects of the department's mandate and is the enabling legislation that empowers the Minister of Energy to:

- ensure that diverse energy resources are available in sustainable quantities and at affordable prices in the South African economy to support economic growth and poverty alleviation, while taking into account environmental considerations
- plan for the increased generation and consumption of renewable energy, a contingency energy supply, the holding of strategic energy feedstock and carriers, adequate investment in appropriate upkeep, and access to energy infrastructure
- collect data and information regarding energy demand, supply and generation
- promote electricity regulation, energy research and the efficient generation and consumption of energy.

The department is also mandated to regulate the petroleum industry at the manufacturing, wholesale and retail levels through the implementation of the Petroleum Products Act (1977). The Petroleum and Liquid Fuels Charter is annexed to the Petroleum Products Amendment Act (2003), and outlines the department's strategy to effect transformation in the industry.

In terms of its policy mandate, the department is working with a range of documents and legislation that support the long-term vision for South Africa to use as much renewable energy as possible; create the necessary conditions to stimulate an efficient electricity market; and position South Africa to become globally competitive in the use of innovative technology for the design, manufacture and deployment of state of the art nuclear energy systems, power reactors and nuclear fuel cycle systems.

Selected performance indicators

Table 26.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of new petroleum retail site inspections per year	Petroleum and Petroleum Products Regulation	Outcome 6: An efficient, competitive and responsive economic infrastructure network	2 070	1 956	1 515	1 200	1 500	1 500	1 500
Number of additional households electrified with grid electrification per year	Electrification and Energy Programme and Project Management	Outcome 9: Responsive, accountable, effective and efficient developmental local government	233 455	260 000	301 976	235 000	200 000	210 000	215 000
Number of additional substations upgraded per year	Electrification and Energy Programme and Project Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	4	4	3	4	3	3	3
Number of bulk substations built per year	Electrification and Energy Programme and Project Management		2	6	3	4	2	2	2
Kilometers of new medium voltage power lines constructed per year	Electrification and Energy Programme and Project Management		30	224	295	95	50	50	50
Kilometers of existing medium voltage power lines upgraded per year	Electrification and Energy Programme and Project Management		0	0	9	95	50	50	50
Number of additional households electrified with non-grid electrification per year	Electrification and Energy Programme and Project Management	Outcome 9: Responsive, accountable, effective and efficient developmental local government	3 786	25 076	16 922	15 000	20 000	20 000	20 000

Expenditure analysis

The National Development Plan envisages that, by 2030, South Africa will have an adequate supply of electricity and liquid fuels to maintain economic activity and prevent economic disruptions. This is given expression by outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (responsive, accountable, effective and efficient developmental local government) of government's 2014-2019 medium-term strategic framework, which are closely aligned with the work of the Department of Energy. Over the medium term, the department intends to focus on securing energy resources and energy supply, increasing household access to electricity, enhancing energy efficiency, diversifying the energy generation mix, and improving the quality and security of petroleum fuels.

The department's total spending is expected to decrease at an average annual rate of 0.6 per cent over the MTEF period, from R8.1 billion in 2017/18 to R8 billion in 2020/21. This decrease is largely due to Cabinet approved reductions of R1.4 billion in 2018/19, R2.4 billion in 2019/20 and R2.5 billion in 2020/21. These reductions are mostly on the *Electrification and Energy Programme and Project Management* programme, the department's largest programme, which accounts for 76.9 per cent (R17.4 billion) of total projected expenditure over the medium term.

Spending on compensation of employees is expected to increase at an average annual rate of 7.1 per cent over the MTEF period, from R333.2 million in 2017/18 to R409.2 million in 2020/21, in line with adjustments related to inflation. The department's staff complement is expected to decrease by 28 over the medium term, from 595 in 2017/18 to 567 in 2020/21. However, the department expects to fill some critical posts at senior management level in the *Energy Policy and Planning, Petroleum and Petroleum Products Regulation and Electrification and Energy Programme and Project Management* programmes. The department's total spending on goods and services is expected to increase at an average annual rate of 7.4 per cent over the MTEF period, from R239.4 million in 2017/18 to R296.9 million in 2020/21. Expenditure in this regard mainly comprises servicing operating leases as the department's regional offices are relocated, as well as costs related to the inspection of 4 500 petroleum retail sites and the solar water heater programme over the medium term.

Extending access to electricity and enhancing energy efficiency

Despite reductions to the department's budget, an additional 625 000 households are expected to be connected to the electricity grid and 9 additional substations upgraded over the MTEF period. A further 20 000 households per year will be provided with non-grid (mainly solar) electrification. Transfers to municipalities for the integrated national electrification programme are expected to increase at an average annual rate of 2.5 per cent, from R2.1 billion in 2017/18 to R2.2 billion in 2020/21. Transfers to Eskom for the indirect component of the integrated national electrification programme are expected to decrease at an average annual rate of 2 per cent, from R3.8 billion in 2017/18 to R3.6 billion in 2020/21, as a result of Cabinet approved reductions of R2.2 billion over the medium term.

As a result of reductions effected on allocations for the solar water heater programme, expenditure in the *Clean Energy* programme is expected to decrease at an average annual rate of 15.8 per cent, from R742.5 million in 2017/18 to R442.7 million in 2020/21. Despite this decrease, 57 000 solar water heaters are expected to be manufactured over the medium term. To realise 1.5 terawatt hours of energy savings over the MTEF period, allocations to the *energy efficiency and demand side management grant* increase at an average annual rate of 5.6 per cent, from R203.2 million in 2017/18 to R239.6 million in 2020/21. This will enable municipalities to undertake initiatives such as replacing street and traffic signal lights with energy efficient technology, and to retrofit and replace municipal infrastructure that is energy inefficient.

Creating an enabling policy environment for a sustainable and diversified energy mix

Although spending in the *Energy Policy and Planning* programme accounts for 0.7 per cent of the department's total estimated spending over the MTEF period, it is the fastest growing programme, increasing at an average annual rate of 8.9 per cent, from R46.7 million in 2017/18 to R60.3 million in 2020/21. This increase in expenditure is expected to enable the department to focus on finalising and implementing legislation and policy frameworks over the medium term, including the drafting of the National Energy Regulator Amendment Bill, and the Electricity Regulation Second Amendment Bill. In addition, the Gas Amendment Bill is expected to be processed and published for public comment in 2018/19. This legislation will assist in defining the policy and regulatory framework to support the rollout of gas infrastructure and the development of a gas industry.

Nuclear energy

To subsidise the operational costs of the South African Nuclear Energy Corporation and for the decommissioning and decontamination of past nuclear assets, transfers to entities form the bulk of expenditure in the *Nuclear Energy* programme over the MTEF period. Spending in this programme is expected to increase at an average annual rate of 4.9 per cent, from R790.9 million in 2017/18 to R912.1 million in 2020/21. The increase in transfers to departmental agencies and accounts, from R68.6 million in 2017/18 to R84.9 million in 2020/21, is mainly driven by increased allocations to the National Radioactive Waste Disposal Institute to operationalise the public entity. The National Radioactive Waste Disposal Institute Bill, which is expected to be approved in 2018/19, provides for a sustainable funding mechanism for the institute.

Expenditure trends

Table 26.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Energy Policy and Planning														
3. Petroleum and Petroleum Products Regulation														
4. Electrification and Energy Programme and Project Management														
5. Nuclear Energy														
6. Clean Energy														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	244.1	257.3	257.2	242.6	246.6	277.8	240.1	244.8	282.8	239.5	263.6	263.6	111.9%	106.8%
Programme 2	52.6	57.6	41.7	45.1	44.1	38.1	46.7	43.5	39.9	46.7	46.7	46.7	87.1%	86.7%
Programme 3	82.7	84.5	64.5	74.4	73.4	69.0	77.9	77.5	79.0	81.8	81.8	81.8	92.9%	92.8%
Programme 4	4 199.2	4 208.6	4 181.0	5 778.3	5 813.8	5 820.5	5 699.9	5 705.2	5 678.7	6 184.0	6 220.0	6 220.0	100.2%	99.8%
Programme 5	850.5	843.8	845.4	654.4	653.9	655.0	863.6	880.1	872.5	786.9	790.9	790.9	100.3%	99.8%
Programme 6	1 986.5	1 986.0	830.3	687.3	435.8	281.8	616.9	599.4	560.1	774.5	742.5	742.5	59.4%	64.2%
Total	7 415.6	7 437.8	6 220.1	7 482.1	7 267.6	7 142.1	7 545.2	7 550.6	7 512.8	8 113.5	8 145.4	8 145.4	95.0%	95.5%
Change to 2017 Budget estimate											32.0			
Economic classification														
Current payments	518.3	530.7	473.6	492.6	508.8	509.3	739.0	714.5	682.0	557.9	572.6	572.6	97.0%	96.2%
Compensation of employees	291.9	286.0	264.3	289.5	289.5	296.0	310.8	318.3	321.5	318.2	333.2	333.2	100.4%	99.0%
Goods and services	226.4	244.7	209.3	203.1	219.3	213.3	428.2	396.2	360.5	239.7	239.4	239.4	93.2%	93.0%
Transfers and subsidies	6 892.1	6 901.9	5 742.7	6 985.5	6 754.8	6 628.4	6 802.1	6 832.0	6 816.1	7 551.2	7 568.5	7 568.5	94.8%	95.4%
Provinces and municipalities	1 241.6	1 241.6	1 241.6	2 158.2	2 158.2	2 158.2	2 131.9	2 131.9	2 131.9	2 290.3	2 290.3	2 290.3	100.0%	100.0%
Departmental agencies and accounts	196.4	197.3	197.2	87.3	87.1	87.1	38.2	62.5	72.5	129.4	129.4	129.4	–	–
Foreign governments and international organisations	12.1	12.1	21.3	16.6	19.6	29.6	17.4	17.4	25.0	17.9	17.9	17.9	146.6%	140.0%
Public corporations and private enterprises	5 441.7	5 450.6	4 278.7	4 723.0	4 489.5	4 349.8	4 612.4	4 617.8	4 583.7	5 111.2	5 126.2	5 126.2	92.2%	93.2%
Households	0.4	0.4	4.0	0.4	0.4	3.7	2.2	2.4	3.0	2.4	4.7	4.7	284.5%	195.7%
Payments for capital assets	5.2	5.2	3.8	4.0	4.0	4.4	4.1	4.1	14.7	4.3	4.3	4.3	154.5%	154.5%
Machinery and equipment	5.2	5.2	3.8	4.0	4.0	4.4	4.1	4.1	14.7	4.3	4.3	4.3	154.5%	154.5%
Total	7 415.6	7 437.8	6 220.1	7 482.1	7 267.6	7 142.1	7 545.2	7 550.6	7 512.8	8 113.5	8 145.4	8 145.4	95.0%	95.5%

Expenditure estimates

Table 26.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Energy Policy and Planning								
3. Petroleum and Petroleum Products Regulation								
4. Electrification and Energy Programme and Project Management								
5. Nuclear Energy								
6. Clean Energy								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	263.6	0.8%	3.7%	282.6	299.1	314.8	6.1%	3.8%
Programme 2	46.7	-6.7%	0.6%	53.1	56.2	60.3	8.9%	0.7%
Programme 3	81.8	-1.1%	1.0%	87.1	92.7	99.3	6.7%	1.2%
Programme 4	6 220.0	13.9%	75.5%	5 435.4	5 845.4	6 168.4	-0.3%	76.9%
Programme 5	790.9	-2.1%	10.9%	816.6	870.3	912.1	4.9%	11.0%
Programme 6	742.5	-28.0%	8.3%	370.2	409.9	442.7	-15.8%	6.4%
Total	8 145.4	3.1%	100.0%	7 045.0	7 573.6	7 997.6	-0.6%	100.0%
Change to 2017 Budget estimate				(1 424.9)	(2 377.1)	(2 507.6)		
Economic classification								
Current payments	572.6	2.6%	7.7%	612.8	656.4	706.1	7.2%	8.3%
Compensation of employees	333.2	5.2%	4.2%	360.5	384.3	409.2	7.1%	4.8%
Goods and services	239.4	-0.7%	3.5%	252.3	272.1	296.9	7.4%	3.4%
Transfers and subsidies	7 568.5	3.1%	92.2%	6 427.7	6 912.5	7 286.4	-1.3%	91.7%
Provinces and municipalities	2 290.3	22.6%	27.0%	2 119.5	2 355.0	2 484.5	2.8%	30.1%
Departmental agencies and accounts	129.4	-13.1%	1.7%	133.4	161.9	164.3	8.3%	1.9%
Foreign governments and international organisations	17.9	14.1%	0.3%	27.9	29.5	31.1	20.2%	0.3%
Public corporations and private enterprises	5 126.2	-2.0%	63.2%	4 146.4	4 365.6	4 606.0	-3.5%	59.3%
Households	4.7	132.3%	0.1%	0.5	0.5	0.5	-52.4%	0.0%
Payments for capital assets	4.3	-6.2%	0.1%	4.5	4.8	5.0	5.6%	0.1%
Machinery and equipment	4.3	-6.2%	0.1%	4.5	4.8	5.0	5.6%	0.1%
Total	8 145.4	3.1%	100.0%	7 045.0	7 573.6	7 997.6	-0.6%	100.0%

Expenditure trends and estimates for significant spending items

Table 26.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Electrification programmes	4 180 973	5 820 485	5 678 659	6 219 980	14.2%	75.5%	5 435 400	5 845 439	6 168 407	-0.3%	76.9%
Clean Energy	830 257	281 783	560 101	742 510	-3.7%	8.3%	370 183	409 901	442 701	-15.8%	6.4%
Total	5 011 230	6 102 268	6 238 760	6 962 490	10.5%	83.8%	5 805 583	6 255 340	6 611 108	-16.1%	83.3%

Goods and services expenditure trends and estimates

Table 26.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Administrative fees	4 453	5 663	4 650	3 771	-5.4%	1.8%	3 764	3 975	4 192	3.6%	1.5%
Advertising	8 652	13 785	8 362	8 525	-0.5%	3.8%	6 774	7 298	7 645	-3.6%	2.9%
Minor assets	367	1 036	833	2 177	81.0%	0.4%	451	486	524	-37.8%	0.3%
Audit costs: External	3 578	4 233	3 805	4 472	7.7%	1.6%	3 909	4 129	4 356	-0.9%	1.6%
Bursaries: Employees	761	610	555	785	1.0%	0.3%	821	867	915	5.2%	0.3%
Catering: Departmental activities	1 032	1 961	2 546	1 992	24.5%	0.7%	1 630	1 721	1 819	-3.0%	0.7%
Communication	7 846	7 613	8 517	6 307	-7.0%	3.0%	6 155	6 499	6 859	2.8%	2.4%
Computer services	10 264	9 839	10 658	6 523	-14.0%	3.6%	7 795	8 221	8 658	9.9%	2.9%
Consultants: Business and advisory services	43 780	25 828	189 849	83 681	24.1%	33.6%	93 799	106 366	122 022	13.4%	38.3%

Table 26.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average: Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
Legal services	846	924	2 451	458	-18.5%	0.5%	2 190	517	545	6.0%	0.3%
Contractors	1 743	2 560	2 206	1 871	2.4%	0.8%	1 547	1 634	1 723	-2.7%	0.6%
Agency and support/outsourced services	270	3 305	1 096	8 763	219.0%	1.3%	10 308	10 886	11 484	9.4%	3.9%
Entertainment	22	1	8	173	98.9%	-	184	195	206	6.0%	0.1%
Fleet services (including government motor transport)	1 130	1 586	1 275	706	-14.5%	0.5%	571	605	639	-3.3%	0.2%
Consumable supplies	1 582	1 042	1 032	2 357	14.2%	0.6%	2 125	2 246	2 371	0.2%	0.9%
Consumables: Stationery, printing and office supplies	4 119	4 653	4 722	4 260	1.1%	1.7%	3 939	4 160	4 385	1.0%	1.6%
Operating leases	27 145	34 063	38 955	35 348	9.2%	13.3%	45 097	47 538	50 152	12.4%	16.8%
Rental and hiring	15	93	-	349	185.5%	-	-	-	-	-100.0%	-
Property payments	3 849	4 082	8 851	2 718	-11.0%	1.9%	4 934	5 210	5 497	26.5%	1.7%
Transport provided: Departmental activity	1	238	294	-	-100.0%	0.1%	-	-	-	-	-
Travel and subsistence	56 344	65 249	52 019	42 158	-9.2%	21.1%	39 226	41 485	43 779	1.3%	15.7%
Training and development	5 665	4 664	4 041	3 973	-11.2%	1.8%	4 086	4 315	4 552	4.6%	1.6%
Operating payments	6 171	4 898	3 988	6 721	2.9%	2.1%	3 844	4 059	4 282	-14.0%	1.8%
Venues and facilities	19 706	15 373	9 818	11 312	-16.9%	5.5%	9 157	9 686	10 274	-3.2%	3.8%
Total	209 341	213 299	360 531	239 400	4.6%	100.0%	252 306	272 098	296 879	7.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 26.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average: Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
Households											
Social benefits											
Current	3 253	2 945	2 001	2 468	-8.8%	-	389	411	434	-44.0%	-
Employee Social Benefits	3 253	2 945	2 001	2 468	-8.8%	-	389	411	434	-44.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	85 828	86 762	72 148	128 976	14.5%	1.4%	132 949	161 449	163 820	8.3%	2.1%
Energy and Water Sector	812	792	985	1 047	8.8%	-	1 108	1 170	1 234	5.6%	-
Education and Training Authority											
National Nuclear Regulator	33 331	21 109	40 538	38 155	4.6%	0.5%	16 068	42 629	44 974	5.6%	0.5%
National Radioactive Waste Disposal Institute	-	-	10 000	30 000	-	0.1%	45 532	43 499	39 397	9.5%	0.6%
South African National Energy Development Institute	51 685	64 861	20 625	59 774	5.0%	0.7%	70 241	74 151	78 215	9.4%	1.0%
Capital	111 366	378	398	418	-84.5%	0.4%	442	467	493	5.7%	-
National Nuclear Regulator	366	378	398	418	4.5%	-	442	467	493	5.7%	-
South African National Energy Development Institute	111 000	-	-	-	-100.0%	0.4%	-	-	-	-	-
Households											
Other transfers to households											
Current	710	711	977	2 220	46.2%	-	65	69	73	-68.0%	-
Employee social benefits	-	-	164	-	-	-	-	-	-	-	-
Employee ex-gratia payments	710	711	58	61	-55.9%	-	65	69	73	6.2%	-
Bursaries for non-employees	-	-	755	2 059	-	-	-	-	-	-100.0%	-
Households: Bursaries (non-employees)	-	-	-	100	-	-	-	-	-	-100.0%	-
Provinces and municipalities											
Municipal bank accounts											
Current	136 905	177 899	185 625	203 236	14.1%	2.6%	215 024	227 065	239 554	5.6%	3.1%
Energy efficiency and demand side management grant	136 905	177 899	185 625	203 236	14.1%	2.6%	215 024	227 065	239 554	5.6%	3.1%
Capital	1 104 658	1 980 340	1 946 246	2 087 048	23.6%	26.6%	1 904 477	2 127 928	2 244 964	2.5%	29.7%
Integrated national electrification programme grant	1 104 658	1 980 340	1 946 246	2 087 048	23.6%	26.6%	1 904 477	2 127 928	2 244 964	2.5%	29.7%

Table 26.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
Foreign governments and international organisations												
Current	21 275	29 565	25 003	17 907	-5.6%	0.4%	27 915	29 478	31 099	20.2%	0.4%	
International Energy Forum	282	366	3 034	–	-100.0%	–	–	–	–	–	–	
African Petroleum Producers Association	2 312	–	–	–	-100.0%	–	2 878	3 038	3 205	–	–	
International Atomic Energy Agency	17 003	27 886	19 753	17 207	0.4%	0.3%	21 549	22 756	24 007	11.7%	0.3%	
Generation IV International Forum	–	–	–	700	–	–	741	782	825	5.6%	–	
International Renewable Energy Agency	1 678	1 313	2 216	–	-100.0%	–	1 137	1 201	1 267	–	–	
International Energy Forum	–	–	–	–	–	–	337	356	376	–	–	
International Partnership for Energy Efficiency Cooperation	–	–	–	–	–	–	1 273	1 345	1 419	–	–	
Public corporations and private enterprises												
Subsidies on products and production												
Capital	570 000	156 179	458 047	615 891	2.6%	6.7%	201 649	212 941	224 653	-28.5%	4.5%	
Various institutions: Integrated national electrification programme	70 000	156 179	137 733	221 800	46.9%	2.2%	201 649	212 941	224 653	0.4%	3.1%	
Various institutions: Solar water heater project	500 000	–	320 314	394 091	-7.6%	4.5%	–	–	–	-100.0%	1.4%	
Public corporations and private enterprises												
Subsidies on products and production												
Current	491 881	498 777	513 461	574 000	5.3%	7.8%	587 313	619 481	653 567	4.4%	8.6%	
South African Nuclear Energy Corporation	491 881	498 777	513 461	574 000	5.3%	7.8%	587 313	619 481	653 567	4.4%	8.6%	
Capital	3 216 834	3 694 824	3 612 211	3 936 325	7.0%	54.0%	3 357 432	3 533 196	3 727 772	-1.8%	51.6%	
Eskom	2 948 037	3 613 243	3 526 334	3 846 154	9.3%	52.1%	3 262 031	3 432 453	3 621 488	-2.0%	50.2%	
South African Nuclear Energy Corporation	268 797	81 581	85 877	90 171	-30.5%	2.0%	95 401	100 743	106 284	5.6%	1.4%	
Total	5 742 710	6 628 380	6 816 117	7 568 489	9.6%	100.0%	6 427 655	6 912 485	7 286 429	-1.3%	100.0%	

Personnel information

Table 26.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
Energy	551	21	589	321.5	0.5	595	333.2	0.6	582	360.5	0.6	574	384.3	0.7	567	409.2	0.7	-1.6%	100.0%
1 – 6	137	2	138	32.1	0.2	140	30.9	0.2	125	30.4	0.2	122	32.0	0.3	119	33.9	0.3	-5.3%	21.8%
7 – 10	250	8	267	118.1	0.4	265	116.8	0.4	260	123.7	0.5	256	131.4	0.5	253	140.5	0.6	-1.5%	44.6%
11 – 12	90	8	96	72.7	0.8	99	80.7	0.8	102	89.1	0.9	101	95.4	0.9	101	103.0	1.0	0.7%	17.4%
13 – 16	72	3	86	94.3	1.1	89	100.4	1.1	93	112.3	1.2	93	120.1	1.3	92	126.1	1.4	1.1%	15.8%
Other	2	–	2	4.3	2.2	2	4.5	2.3	2	5.0	2.5	2	5.4	2.7	2	5.8	2.9	–	0.3%
Programme	551	21	589	321.5	0.5	595	333.2	0.6	582	360.5	0.6	574	384.3	0.7	567	409.2	0.7	-1.6%	100.0%
Programme 1	256	14	284	149.8	0.5	291	152.9	0.5	279	164.2	0.6	273	174.2	0.6	266	183.0	0.7	-2.9%	47.8%
Programme 2	51	1	52	32.8	0.6	52	35.3	0.7	54	41.6	0.8	53	44.2	0.8	53	47.6	0.9	0.6%	9.1%
Programme 3	111	3	118	58.9	0.5	119	60.9	0.5	115	63.4	0.6	114	67.6	0.6	114	72.8	0.6	-1.4%	19.9%
Programme 4	78	2	79	43.8	0.6	78	45.2	0.6	79	49.6	0.6	79	53.5	0.7	79	57.6	0.7	0.4%	13.6%
Programme 5	32	–	31	19.8	0.6	31	21.2	0.7	31	21.8	0.7	31	23.4	0.8	31	25.2	0.8	–	5.3%
Programme 6	23	1	25	16.3	0.7	24	17.7	0.7	24	19.9	0.8	24	21.4	0.9	24	23.1	1.0	–	4.1%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 26.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate 2017/18	Revised estimate	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
R thousand												
Departmental receipts	5 277	805 987	956 905	6 002	6 002	4.4%	100.0%	6 170	6 309	6 560	3.0%	100.0%
Sales of goods and services produced by department	3 132	3 885	4 209	3 822	3 822	6.9%	0.8%	3 914	4 027	4 249	3.6%	63.9%
Sales by market establishments	139	141	144	146	146	1.7%	–	149	156	165	4.2%	2.5%
<i>of which:</i>												
<i>Sales by market establishment: Parking</i>	139	141	144	146	146	1.7%	–	149	156	165	4.2%	2.5%
Administrative fees	2 896	3 631	3 944	3 550	3 550	7.0%	0.8%	3 650	3 750	3 956	3.7%	59.5%
<i>of which:</i>												
<i>Administrative fees: Petroleum licence fees</i>	2 896	3 631	3 944	3 550	3 550	7.0%	0.8%	3 650	3 750	3 956	3.7%	59.5%
Other sales	97	113	121	126	126	9.1%	–	115	121	128	0.5%	2.0%
<i>of which:</i>												
<i>Other sales: Garnishee, photocopy, faxes</i>	97	113	121	126	126	9.1%	–	115	121	128	0.5%	2.0%
Sales of scrap, waste, arms and other used current goods	1	–	–	–	–	-100.0%	–	2	2	2	–	–
<i>of which:</i>												
<i>Sales: Waste paper</i>	1	–	–	–	–	-100.0%	–	2	2	2	–	–
Transfers received	1 587	1 059	1 745	1 750	1 750	3.3%	0.3%	1 750	1 750	1 750	–	28.0%
Interest, dividends and rent on land	47	489	649	45	45	-1.4%	0.1%	30	32	34	-8.9%	0.6%
Interest	47	489	649	45	45	-1.4%	0.1%	30	32	34	-8.9%	0.6%
Sales of capital assets	–	111	–	–	–	–	–	–	–	–	–	–
Transactions in financial assets and liabilities	510	800 443	950 302	385	385	-8.9%	98.7%	474	498	525	10.9%	7.5%
Total	5 277	805 987	956 905	6 002	6 002	4.4%	100.0%	6 170	6 309	6 560	3.0%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 26.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Ministry	41.8	42.3	39.3	39.3	-2.0%	15.0%	33.3	35.4	37.3	-1.7%	12.5%
Departmental Management	45.8	52.6	72.7	63.6	11.6%	21.7%	73.2	77.8	82.1	8.9%	25.6%
Finance Administration	29.4	33.3	34.7	36.1	7.0%	12.3%	39.3	41.8	44.1	7.0%	13.9%
Audit Services	6.8	6.7	6.9	6.1	-3.5%	2.4%	8.5	9.0	9.5	16.0%	2.8%
Corporate Services	109.1	110.8	98.5	82.8	-8.8%	37.1%	79.2	83.3	87.1	1.7%	28.6%
Office Accommodation	24.4	32.1	30.6	35.8	13.6%	11.4%	49.2	51.8	54.7	15.2%	16.5%
Total	257.2	277.8	282.8	263.6	0.8%	100.0%	282.6	299.1	314.8	6.1%	100.0%
Change to 2017 Budget estimate				24.0			36.7	35.1	33.2		

Table 26.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	248.4	268.6	272.3	253.6	0.7%	96.4%	276.5	292.7	308.0	6.7%	97.5%
Compensation of employees	131.5	138.8	149.8	152.9	5.2%	53.0%	164.2	174.2	183.0	6.2%	58.1%
Goods and services ¹	116.9	129.8	122.5	100.7	-4.8%	43.5%	112.3	118.5	125.0	7.5%	39.4%
<i>of which:</i>											
Computer services	10.2	9.8	10.7	6.4	-14.5%	3.4%	7.8	8.2	8.7	10.7%	2.7%
Consultants: Business and advisory services	5.1	4.0	4.7	4.3	-5.5%	1.7%	5.3	5.6	5.9	11.0%	1.8%
Operating leases	26.7	33.2	38.1	35.3	9.7%	12.3%	45.1	47.5	50.2	12.4%	15.4%
Property payments	3.8	4.1	8.8	2.0	-19.3%	1.7%	4.9	5.2	5.5	39.6%	1.5%
Travel and subsistence	27.8	32.5	26.1	20.6	-9.6%	9.9%	17.3	18.3	19.3	-2.2%	6.5%
Training and development	5.6	4.6	4.0	3.8	-11.9%	1.7%	4.1	4.3	4.6	5.8%	1.4%
Transfers and subsidies¹	5.0	4.8	6.8	5.6	4.0%	2.1%	1.6	1.7	1.7	-32.4%	0.9%
Departmental agencies and accounts	0.8	0.8	1.0	1.0	8.8%	0.3%	1.1	1.2	1.2	5.6%	0.4%
Foreign governments and international organisations	0.3	0.4	3.0	-	-100.0%	0.3%	-	-	-	-	-
Households	3.9	3.6	2.8	4.6	5.4%	1.4%	0.5	0.5	0.5	-52.0%	0.5%
Payments for capital assets	3.8	4.4	3.6	4.3	4.4%	1.5%	4.5	4.8	5.0	5.6%	1.6%
Machinery and equipment	3.8	4.4	3.6	4.3	4.4%	1.5%	4.5	4.8	5.0	5.6%	1.6%
Payments for financial assets	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Total	257.2	277.8	282.8	263.6	0.8%	100.0%	282.6	299.1	314.8	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	4.1%	3.9%	3.8%	3.2%	-	-	4.0%	3.9%	3.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	0.8	0.8	1.0	1.0	8.8%	0.3%	1.1	1.2	1.2	5.6%	0.4%
Energy and Water Sector Education and Training Authority	0.8	0.8	1.0	1.0	8.8%	0.3%	1.1	1.2	1.2	5.6%	0.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Energy Policy and Planning

Programme purpose

Ensure evidence-based planning, policy setting and investment decisions in the energy sector to improve the security of energy supply, regulation and competition.

Objectives

- Improve energy security by:
 - regulating demand and introducing a diversified mix of energy generation technologies on an ongoing basis
 - planning interventions to expand energy infrastructure through the development of a policy framework for the integrated energy plan, the integrated resource plan, the liquid fuels infrastructure roadmap, the transmission development plan and the major distribution infrastructure plan over the medium term
 - publishing an annual energy statistics report to facilitate information-based decision-making
 - addressing current and envisaged energy supply and distribution constraints through the development of an approach to distribution asset management norms and standards in order to rehabilitate critical municipal electricity distribution infrastructure over the medium term.
- Ensure the integration of renewable energy into South Africa's mainstream energy supply by:
 - planning and coordinating initiatives and interventions focused on the development and improvement of the renewable energy market on an ongoing basis
 - improving generation capacity by implementing the integrated resource plan through determinations under section 34 of the Energy Regulation Act (2006), when applicable.

Subprogrammes

- *Policy Analysis and Research* develops key indicators and monitors the impact of energy sector policies, planning and interventions; analyses all energy policies and their impact on access to energy and security of energy supply; conducts research and analyses policies in relation to other countries; and conducts research and analyses national and international trends or developments that impact on the demand and supply of energy.
- *Energy Planning* manages energy data and information; develops and maintains an energy modelling system to simulate energy supply and distribution; identifies constraints in energy supply and distribution, and addresses them through the integrated energy plan; manages the overall collection, collation, validation, integrity and quality of energy data; and manages the development of energy plans and strategic interventions for the generation, refining, distribution and transmission of energy sources for demand and supply optimisation.
- *Hydrocarbon Policy* ensures: secure energy supply, well managed demand, and enhanced access to hydrocarbons; a transformed energy sector; and that energy regulation and competition is improved through the development, promulgation and maintenance of a statutory framework for petroleum, petroleum products, petroleum infrastructure, coal and gas.
- *Electricity, Energy Efficiency and Environmental Policy* ensures secure energy supply, well managed demand, a transformed energy sector, and energy regulation and competition that improves through the development, promulgation and maintenance of a statutory framework for electricity over the medium term. This includes reforming the electricity supply industry to introduce independent power producers in support of electricity security.

Expenditure trends and estimates

Table 26.10 Energy Policy and Planning expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15	2017/18	2018/19	2019/20	2020/21	2017/18	2020/21
R million											
Policy Analysis and Research	0.5	1.6	2.1	2.5	74.7%	4.0%	2.6	2.8	3.0	5.5%	5.0%
Energy Planning	23.1	18.4	18.8	22.7	-0.6%	49.9%	25.6	27.0	29.0	8.5%	48.2%
Hydrocarbon Policy	11.7	11.4	11.5	12.8	3.0%	28.5%	15.2	16.1	17.3	10.7%	28.4%
Electricity, Energy Efficiency and Environmental Policy	6.4	6.7	7.5	8.6	10.3%	17.6%	9.7	10.3	11.0	8.3%	18.3%
Total	41.7	38.1	39.9	46.7	3.8%	100.0%	53.1	56.2	60.3	8.9%	100.0%
Change to 2017				-			3.6	3.8	4.1		
Budget estimate											
Economic classification											
Current payments	41.7	38.1	39.9	46.7	3.8%	100.0%	53.1	56.2	60.3	8.9%	100.0%
Compensation of employees	28.8	31.5	32.8	35.3	7.1%	77.1%	41.6	44.2	47.6	10.5%	78.0%
Goods and services ¹	13.0	6.6	7.1	11.4	-4.2%	22.8%	11.4	12.0	12.7	3.7%	22.0%
<i>of which:</i>											
Administrative fees	0.2	0.2	0.4	0.5	25.3%	0.8%	0.5	0.5	0.5	6.0%	0.9%
Communication	0.4	0.3	0.3	0.5	6.2%	0.9%	0.5	0.6	0.6	6.9%	1.0%
Consultants: Business and advisory services	8.1	0.3	1.1	4.4	-18.3%	8.4%	4.3	4.5	4.7	2.0%	8.3%
Travel and subsistence	2.9	4.1	3.2	3.8	8.5%	8.4%	3.8	4.0	4.3	4.2%	7.3%
Operating payments	0.8	0.7	0.7	0.5	-18.3%	1.6%	0.5	0.5	0.6	7.9%	1.0%
Venues and facilities	0.2	0.7	0.8	0.6	44.5%	1.4%	1.1	1.1	1.2	23.7%	1.9%
Transfers and subsidies¹	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Households	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Total	41.7	38.1	39.9	46.7	3.8%	100.0%	53.1	56.2	60.3	8.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.5%	0.5%	0.6%	-	-	0.8%	0.7%	0.8%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Petroleum and Petroleum Products Regulation

Programme purpose

Regulate the petroleum and petroleum products industry to ensure the optimal and orderly functioning of the industry to achieve government's development goals.

Objectives

- Ensure the development and transformation of the liquid fuels industry and the security of the supply of petroleum products in the South African economy by monitoring and enforcing technical and economic compliance with legislation, specifications, standards and licence conditions annually.
- Facilitate the orderly development of the petroleum sector through the analysis and efficient adjudication of licences for manufacturing, wholesaling and retailing activities on an ongoing basis.
- Strengthen the regulatory framework in the liquid fuels petroleum industry by implementing the regulatory accounting system on an ongoing basis to introduce a transparent fuel pricing mechanism that will provide appropriate returns to investors in the liquid fuels sector across the value chain.

Subprogrammes

- *Petroleum Compliance, Monitoring and Enforcement* monitors and enforces technical, commercial and legal compliance by the petroleum industry to the prescripts of the Petroleum Products Act (1977) and its regulations. This includes compliance with import and export conditions, as well as the enforcement of the submission of data by the industry. This subprogramme also processes arbitration requests and the promotion of access to information on behalf of the Controller of Petroleum Products.
- *Petroleum Licensing and Fuel Supply* manages the petroleum licensing process, regulates the permitting of the export and import of petroleum products, monitors fuel stock levels, and coordinates corrective measures to avoid distribution shortages. This entails conducting licence analyses and ensuring the supply of hydrocarbons and compliance with permits and the charter.
- *Fuel Pricing* regulates the pricing of petroleum products in accordance with legislation. This entails determining, reviewing, updating and maintaining fuel levies and margins, and the process of paying fuel levies. Fuel price administration includes developing, evaluating and monitoring price models; updating elements of the basic fuel price; and ensuring secure audit services for the auditing of fuel prices to ensure internationally competitive pricing of petroleum products to enable investment in the sector.
- *Regional Petroleum Regulation Offices* provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, and ensures economic and technical compliance with relevant legislation. In addition, all annual information submitted by licence holders is captured and analysed.

Expenditure trends and estimates

Table 26.11 Petroleum and Petroleum Products Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Petroleum Compliance, Monitoring and Enforcement	13.5	13.8	14.2	12.7	-2.0%	18.5%	18.6	19.7	20.8	17.8%	19.9%
Petroleum Licensing and Fuel Supply	19.4	20.7	24.2	26.9	11.6%	31.0%	27.4	29.2	31.1	4.9%	31.8%
Fuel Pricing	9.2	6.8	7.4	8.5	-2.6%	10.8%	6.2	6.6	7.0	-6.2%	7.8%
Regional Petroleum Regulation Offices	22.4	27.5	33.3	33.7	14.5%	39.7%	35.0	37.3	40.4	6.2%	40.6%
Total	64.5	69.0	79.0	81.8	8.2%	100.0%	87.1	92.7	99.3	6.7%	100.0%
Change to 2017 Budget estimate				-			1.6	1.8	2.0		

Table 26.11 Petroleum and Petroleum Products Regulation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
R million											
Current payments	62.2	69.0	78.8	81.8	9.6%	99.2%	84.3	89.7	96.1	5.5%	97.5%
Compensation of employees	41.9	52.6	58.9	60.9	13.3%	72.8%	63.4	67.6	72.8	6.1%	73.3%
Goods and services ¹	20.3	16.4	19.9	20.9	1.0%	26.3%	20.9	22.1	23.3	3.6%	24.1%
of which:											
Advertising	0.5	0.4	0.8	0.8	18.7%	0.8%	1.0	1.1	1.2	14.0%	1.1%
Communication	0.3	0.7	0.4	0.5	20.1%	0.6%	0.6	0.7	0.7	12.8%	0.7%
Consultants: Business and advisory services	9.1	10.0	10.4	10.1	3.6%	13.4%	12.6	13.3	14.0	11.8%	13.9%
Travel and subsistence	5.7	4.3	6.2	4.3	-8.8%	7.0%	4.1	4.3	4.5	1.6%	4.8%
Operating payments	3.0	0.3	0.5	2.3	-9.4%	2.0%	0.5	0.6	0.6	-35.7%	1.1%
Venues and facilities	0.4	0.2	0.6	1.3	53.7%	0.9%	1.3	1.4	1.4	2.2%	1.5%
Transfers and subsidies¹	2.3	-	0.1	-	-100.0%	0.8%	2.9	3.0	3.2	-	2.5%
Foreign governments and international organisations	2.3	-	-	-	-100.0%	0.8%	2.9	3.0	3.2	-	2.5%
Households	-	-	0.1	-	-	-	-	-	-	-	-
Total	64.5	69.0	79.0	81.8	8.2%	100.0%	87.1	92.7	99.3	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	1.0%	1.1%	1.0%	-	-	1.2%	1.2%	1.2%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	2.3	-	-	-	-100.0%	0.8%	2.9	3.0	3.2	-	2.5%
African Petroleum Producers Association	2.3	-	-	-	-100.0%	0.8%	2.9	3.0	3.2	-	2.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Electrification and Energy Programme and Project Management

Programme purpose

Manage, coordinate and monitor programmes and projects that are focused on access to energy.

Objectives

- Increase access to electricity by managing funding and monitoring the implementation of the integrated national electrification programme on an ongoing basis.
- Increase public awareness on energy issues while empowering disadvantaged and vulnerable groups by identifying, implementing, managing and coordinating upliftment programmes and projects on an ongoing basis.
- Ensure the efficient management of electricity supply on an ongoing basis by:
 - enhancing the application of project management business principles to assist programme and project managers
 - coordinating, monitoring and reporting on the implementation of programmes and projects focused on the development, improvement and transformation of the energy generation, refinement, transmission and distribution industry and its infrastructure.

Subprogrammes

- Integrated *National Electrification Programme* oversees and manages the finance and implementation processes for the electrification programme; manages the annual planning processes, including electrification infrastructure plans; and manages and coordinates technical audits for the programme.
- *Energy Regional Offices* provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, manages and coordinates regional electrification

planning, and ensures economic and technical compliance with relevant legislation.

- *Programme and Project Management Office* provides specialised assistance to programme and project managers, and management in general, to apply management principles, coordinate project information and report on projects.
- *Electricity Infrastructure/Industry Transformation* oversees programmes and projects focused on the development, improvement and transformation of the electricity generation, transmission and distribution sector, and independent power producers.
- *Community Upliftment Programmes and Projects* implements, manages and coordinates programmes and projects aimed at mainstreaming, uplifting and empowering disadvantaged and vulnerable groups; and increases public awareness on energy issues. This subprogramme also establishes integrated energy centres, which provide energy services and education to communities.

Expenditure trends and estimates

Table 26.12 Electrification and Energy Programme and Project Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Integrated National Electrification Programme	4 142.6	5 775.7	5 630.6	6 177.7	14.2%	99.2%	5 392.5	5 799.3	6 118.8	-0.3%	99.2%
Energy Regional Offices	17.6	20.3	19.7	16.6	-1.9%	0.3%	18.1	19.8	21.6	9.2%	0.3%
Programme and Project Management Office	7.2	9.1	13.5	11.3	16.1%	0.2%	11.4	12.0	12.8	4.1%	0.2%
Electricity Infrastructure/Industry Transformation	6.6	8.6	9.3	7.7	5.5%	0.1%	8.1	8.6	9.2	6.1%	0.1%
Community Upliftment Programmes and Projects	7.0	6.8	5.6	6.7	-1.7%	0.1%	5.3	5.6	6.0	-3.4%	0.1%
Total	4 181.0	5 820.5	5 678.7	6 220.0	14.2%	100.0%	5 435.4	5 845.4	6 168.4	-0.3%	100.0%
Change to 2017 Budget estimate				36.0			(997.0)	(1 946.3)	(2 052.9)		
Economic classification											
Current payments	58.2	70.7	68.3	65.0	3.7%	1.2%	67.2	72.1	77.3	6.0%	1.2%
Compensation of employees	36.2	41.8	43.8	45.2	7.7%	0.8%	49.6	53.5	57.6	8.4%	0.9%
Goods and services ¹	22.0	28.9	24.5	19.8	-3.5%	0.4%	17.6	18.6	19.7	-0.1%	0.3%
of which:											
Administrative fees	1.0	1.3	1.2	0.8	-6.4%	-	0.9	0.9	1.0	5.8%	-
Catering: Departmental activities	0.3	1.4	1.4	0.7	36.4%	-	0.7	0.7	0.7	4.2%	-
Communication	0.5	0.4	0.7	0.7	9.3%	-	0.7	0.8	0.8	5.9%	-
Consultants: Business and advisory services	0.0	0.0	0.2	3.5	420.0%	-	4.1	4.3	4.6	9.2%	0.1%
Travel and subsistence	14.3	15.7	12.2	7.0	-21.1%	0.2%	8.9	9.5	10.0	12.7%	0.1%
Venues and facilities	4.4	7.2	4.6	5.1	4.9%	0.1%	1.7	1.8	1.9	-28.5%	-
Transfers and subsidies¹	4 122.7	5 749.8	5 610.4	6 155.0	14.3%	98.8%	5 368.2	5 773.3	6 091.1	-0.3%	98.8%
Provinces and municipalities	1 104.7	1 980.3	1 946.2	2 087.0	23.6%	32.5%	1 904.5	2 127.9	2 245.0	2.5%	35.3%
Public corporations and private enterprises	3 018.0	3 769.4	3 664.1	4 068.0	10.5%	66.3%	3 463.7	3 645.4	3 846.1	-1.9%	63.5%
Households	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Total	4 181.0	5 820.5	5 678.7	6 220.0	14.2%	100.0%	5 435.4	5 845.4	6 168.4	-0.3%	100.0%
Proportion of total programme expenditure to vote expenditure	67.2%	81.5%	75.6%	76.4%	-	-	77.2%	77.2%	77.1%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	1 104.7	1 980.3	1 946.2	2 087.0	23.6%	32.5%	1 904.5	2 127.9	2 245.0	2.5%	35.3%
Integrated National electrification programme grant	1 104.7	1 980.3	1 946.2	2 087.0	23.6%	32.5%	1 904.5	2 127.9	2 245.0	2.5%	35.3%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Capital	70.0	156.2	137.7	221.8	46.9%	2.7%	201.6	212.9	224.7	0.4%	3.6%
Various institutions: Integrated National Electrification Programme	70.0	156.2	137.7	221.8	46.9%	2.7%	201.6	212.9	224.7	0.4%	3.6%

Table 26.12 Electrification and Energy Programme and Project Management expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)		
					2014/15	2015/16	2016/17			2018/19	2019/20
R million											
	Audited outcome	2017/18	2014/15 - 2017/18								
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Capital	2 948.0	3 613.2	3 526.3	3 846.2	9.3%	63.6%	3 262.0	3 432.5	3 621.5	-2.0%	59.8%
Eskom	2 948.0	3 613.2	3 526.3	3 846.2	9.3%	63.6%	3 262.0	3 432.5	3 621.5	-2.0%	59.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Nuclear Energy

Programme purpose

Manage the South African nuclear energy industry and control nuclear materials in terms of international obligations, nuclear legislation and policies to ensure the peaceful use of nuclear energy.

Objectives

- Regulate the security of nuclear material, related equipment and facilities by developing and publishing appropriate regulations on an ongoing basis.
- Contribute to ensuring the security of energy supply over the medium term by coordinating all activities of the new nuclear build programme to ensure policy alignment, for which Eskom will be the owner and operator of the nuclear power plants, and the South African Nuclear Energy Corporation the owner of the front-end fuel facilities.
- Increase nuclear energy awareness and the level of nuclear knowledge among all South Africans through active demystification campaigns on an ongoing basis.
- Ensure compliance with international nuclear obligations by developing, maintaining, implementing and enforcing a relevant and appropriate statutory framework for nuclear energy policy on an ongoing basis.

Subprogrammes

- *Nuclear Safety and Technology* manages and implements all matters related to nuclear safety and technology, as required by legislation and international agreements; implements nuclear energy policy in line with the requirements of the integrated resource plan; and administers all matters related to nuclear safety, liability and emergency management with the aim of improving the governance of the nuclear sector, specifically in relation to nuclear safety and nuclear technology. This subprogramme is responsible for the overall coordination and oversight for the new nuclear build programme together with the necessary due diligence on the proposed transaction. This subprogramme also makes transfers to the South African Nuclear Energy Corporation, the National Nuclear Regulator and the National Radioactive Waste Disposal Institute.
- *Nuclear Non-proliferation and Radiation Security* manages and implements all matters related to nuclear non-proliferation and radiation security, as required by legislation and international agreements. This entails accounting for and controlling nuclear material through authorisation; ensuring compliance by conducting inspections and audits; and regulating the security of nuclear material by implementing security measures during transportation, use, storage and major public events.
- *Nuclear Policy* develops and reviews policies and legislation, as required by international agreements and the governance principles of the nuclear energy sector in South Africa; undertakes research and development on matters related to nuclear policy and legislation; and reviews and monitors nuclear safety, nuclear technology, nuclear non-proliferation and nuclear radiation security policies and legislation, and provides advice accordingly.

Expenditure trends and estimates

Table 26.13 Nuclear Energy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Nuclear Safety and Technology	832.3	641.5	859.0	770.7	-2.5%	98.1%	796.2	850.2	890.9	4.9%	97.6%
Nuclear Non-proliferation and Radiation Security	6.2	7.2	8.3	9.3	14.5%	1.0%	9.1	9.6	10.2	3.3%	1.1%
Nuclear Policy	7.0	6.4	5.1	10.9	16.0%	0.9%	11.4	10.4	11.0	0.4%	1.3%
Total	845.4	655.0	872.5	790.9	-2.2%	100.0%	816.6	870.3	912.1	4.9%	100.0%
Change to 2017 Budget estimate				4.0			(4.8)	(11.9)	(19.0)		
Economic classification											
Current payments	34.0	25.3	191.4	40.1	5.6%	9.2%	49.5	39.9	42.6	2.0%	5.1%
Compensation of employees	13.4	17.0	19.8	21.2	16.4%	2.3%	21.8	23.4	25.2	6.0%	2.7%
Goods and services ¹	20.6	8.2	171.6	18.9	-2.7%	6.9%	27.7	16.5	17.4	-2.8%	2.4%
of which:											
Advertising	0.5	1.6	0.5	3.2	89.5%	0.2%	1.3	1.6	1.6	-20.9%	0.2%
Consultants: Business and advisory services	11.8	0.8	165.8	10.8	-3.0%	6.0%	21.1	11.0	11.6	2.4%	1.6%
Legal services	-	0.1	0.1	-	-	-	1.7	-	-	-	0.1%
Consumables: Stationery, printing and office supplies	0.5	0.1	0.6	0.5	-0.2%	0.1%	0.5	0.5	0.5	5.0%	0.1%
Travel and subsistence	3.4	3.2	2.2	3.1	-2.6%	0.4%	1.6	1.7	1.8	-17.3%	0.2%
Venues and facilities	3.4	1.8	1.6	0.8	-38.2%	0.2%	1.1	1.2	1.3	17.6%	0.1%
Transfers and subsidies¹	811.4	629.8	670.0	750.8	-2.6%	90.5%	767.0	830.4	869.5	5.0%	94.9%
Departmental agencies and accounts	33.7	21.5	50.9	68.6	26.7%	5.5%	62.0	86.6	84.9	7.4%	8.9%
Foreign governments and international organisations	17.0	27.9	19.8	17.9	1.7%	2.6%	22.3	23.5	24.8	11.5%	2.6%
Public corporations and private enterprises	760.7	580.4	599.3	664.2	-4.4%	82.3%	682.7	720.2	759.9	4.6%	83.4%
Households	-	0.0	-	0.1	-	-	-	-	-	-100.0%	-
Payments for capital assets	-	-	11.0	-	-	0.3%	-	-	-	-	-
Machinery and equipment	-	-	11.0	-	-	0.3%	-	-	-	-	-
Total	845.4	655.0	872.5	790.9	-2.2%	100.0%	816.6	870.3	912.1	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	13.6%	9.2%	11.6%	9.7%	-	-	11.6%	11.5%	11.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	33.3	21.1	50.5	68.2	26.9%	5.5%	61.6	86.1	84.4	7.4%	8.9%
National Nuclear Regulator	33.3	21.1	40.5	38.2	4.6%	4.2%	16.1	42.6	45.0	5.6%	4.2%
National Radioactive Waste Disposal Institute	-	-	10.0	30.0	-	1.3%	45.5	43.5	39.4	9.5%	4.7%
Capital	0.4	0.4	0.4	0.4	4.5%	-	0.4	0.5	0.5	5.7%	0.1%
National Nuclear Regulator	0.4	0.4	0.4	0.4	4.5%	-	0.4	0.5	0.5	5.7%	0.1%
Foreign governments and international organisations											
Current	17.0	27.9	19.8	17.9	1.7%	2.6%	22.3	23.5	24.8	11.5%	2.6%
International Atomic Energy Agency	17.0	27.9	19.8	17.2	0.4%	2.6%	21.5	22.8	24.0	11.7%	2.5%
Generation IV International Forum	-	-	-	0.7	-	-	0.7	0.8	0.8	5.6%	0.1%
Public corporations and private enterprises											
Public corporations (subsidies on products and production)											
Current	491.9	498.8	513.5	574.0	5.3%	65.7%	587.3	619.5	653.6	4.4%	71.8%
South African Nuclear Energy Corporation	491.9	498.8	513.5	574.0	5.3%	65.7%	587.3	619.5	653.6	4.4%	71.8%
Capital	268.8	81.6	85.9	90.2	-30.5%	16.6%	95.4	100.7	106.3	5.6%	11.6%
South African Nuclear Energy Corporation	268.8	81.6	85.9	90.2	-30.5%	16.6%	95.4	100.7	106.3	5.6%	11.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Clean Energy

Programme purpose

Manage and facilitate the development and implementation of clean and renewable energy initiatives, as well as energy efficiency and demand-side management initiatives.

Objectives

- Manage climate change and environmental matters by monitoring the implementation of climate change regulations to mitigate the risk of environmental impact on an ongoing basis, and publishing climate change strategies and plans over the medium term.
- Promote and facilitate energy efficiency and demand management on an ongoing basis by:
 - monitoring and reporting on energy savings
 - coordinating, monitoring and reporting on the progress and impact of energy efficiency and demand management strategies
 - reviewing the energy efficiency tax incentive and energy conservation schemes.
- Improve energy demand side management by facilitating the development of an annual energy management plan.

Subprogrammes

- *Energy Efficiency* advances energy efficiency in South Africa by planning and coordinating initiatives and interventions that are focused on developing and improving the energy efficiency market, and ensures the integration and coordination of energy efficiency initiatives and interventions with relevant associated institutions. This subprogramme also makes transfers in respect of the solar water heater project.
- *Renewable Energy* ensures the integration of renewable energy into South Africa's mainstream energy supply by planning and coordinating initiatives and interventions that are focused on the development and improvement of the renewable energy market, and ensures the integration and coordination of renewable energy initiatives and interventions with relevant associated institutions. This subprogramme also makes transfers to the South African National Energy Development Institute.
- *Climate Change and Designated National Authority* ensures that climate change and environment response measures, in terms of mitigation and adaptation, are implemented within the energy sector. This subprogramme also ensures the fulfilment of international energy commitments and obligations under the United Nations Framework Convention on Climate Change pertaining to the Kyoto Protocol.

Expenditure trends and estimates

Table 26.14 Clean Energy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18					2017/18 - 2020/21	
Energy Efficiency	658.7	206.2	527.1	668.7	0.5%	85.3%	285.7	320.6	348.2	-19.5%	82.6%
Renewable Energy	167.4	69.8	25.2	65.8	-26.8%	13.6%	75.8	80.0	84.5	8.7%	15.6%
Climate Change and Designated National Authority	4.2	5.8	7.7	8.1	24.4%	1.1%	8.7	9.3	10.0	7.4%	1.8%
Total	830.3	281.8	560.1	742.5	-3.7%	100.0%	370.2	409.9	442.7	-15.8%	100.0%
Change to 2017 Budget estimate				(32.0)			(465.0)	(459.6)	(475.0)		

Table 26.14 Clean Energy expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	29.0	37.7	31.3	85.4	43.4%	7.6%	82.2	105.8	121.9	12.6%	20.1%
Compensation of employees	12.4	14.3	16.3	17.7	12.7%	2.5%	19.9	21.4	23.1	9.1%	4.2%
Goods and services ¹	16.6	23.4	15.1	67.7	59.8%	5.1%	62.3	84.4	98.8	13.4%	15.9%
<i>of which:</i>											
Advertising	0.6	4.6	1.9	1.0	22.8%	0.3%	0.8	0.9	0.9	-3.9%	0.2%
Consultants: Business and advisory services	9.6	10.7	7.6	50.6	74.0%	3.3%	46.5	67.7	81.2	17.1%	12.5%
Agency and support/outsourced services	–	1.1	1.1	8.0	–	0.4%	9.5	10.1	10.6	9.9%	1.9%
Consumables: Stationery, printing and office supplies	0.0	0.1	0.1	0.2	322.7%	–	0.2	0.2	0.2	10.7%	–
Travel and subsistence	2.2	5.6	2.1	3.4	15.1%	0.5%	3.5	3.7	3.9	5.4%	0.7%
Venues and facilities	3.7	0.4	0.7	1.3	-29.5%	0.3%	1.3	1.4	1.4	3.5%	0.3%
Transfers and subsidies¹	801.3	244.1	528.8	657.1	-6.4%	92.4%	288.0	304.1	320.8	-21.3%	79.9%
Provinces and municipalities	136.9	177.9	185.6	203.2	14.1%	29.1%	215.0	227.1	239.6	5.6%	45.0%
Departmental agencies and accounts	162.7	64.9	20.6	59.8	-28.4%	12.8%	70.2	74.2	78.2	9.4%	14.4%
Foreign governments and international organisations	1.7	1.3	2.2	–	-100.0%	0.2%	2.7	2.9	3.1	–	0.4%
Public corporations and private enterprises	500.0	–	320.3	394.1	-7.6%	50.3%	–	–	–	-100.0%	20.1%
Total	830.3	281.8	560.1	742.5	-3.7%	100.0%	370.2	409.9	442.7	-15.8%	100.0%
Proportion of total programme expenditure to vote expenditure	13.3%	3.9%	7.5%	9.1%	–	–	5.3%	5.4%	5.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	51.7	64.9	20.6	59.8	5.0%	8.2%	70.2	74.2	78.2	9.4%	14.4%
South African National Energy Development Institute	51.7	64.9	20.6	59.8	5.0%	8.2%	70.2	74.2	78.2	9.4%	14.4%
Capital	111.0	–	–	–	-100.0%	4.6%	–	–	–	–	–
South African National Energy Development Institute	111.0	–	–	–	-100.0%	4.6%	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	136.9	177.9	185.6	203.2	14.1%	29.1%	215.0	227.1	239.6	5.6%	45.0%
Energy efficiency and demand side management grant	136.9	177.9	185.6	203.2	14.1%	29.1%	215.0	227.1	239.6	5.6%	45.0%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Capital	500.0	–	320.3	394.1	-7.6%	50.3%	–	–	–	-100.0%	20.1%
Various institutions: Solar water heater project	500.0	–	320.3	394.1	-7.6%	50.3%	–	–	–	-100.0%	20.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

Central Energy Fund

Mandate

The Central Energy Fund is listed in schedule 2 of the Public Finance Management Act (1999), and is governed by the Central Energy Fund Act (1977) and the Companies Act (2008). Its mandate is to research, finance, develop and exploit appropriate energy solutions across the spectrum of energy sources to meet South Africa's future energy needs.

Through its eight operating subsidiaries, the entity is also mandated to finance and promote the acquisition of coal; exploit coal deposits; manufacture liquid fuel, oil, and other products from coal; and market these

¹ This section has been compiled with the latest available information from the entities concerned.

products. It is also mandated to acquire, generate, manufacture, market, distribute or research any other form of energy. The subsidiaries are: the Petroleum Oil and Gas Corporation of South Africa (PetroSA); the South African Gas Development Company; the Petroleum Agency of South Africa; Oil Pollution Control South Africa; the Strategic Fuel Fund Association; African Exploration Mining Finance Corporation; ETA Energy; and CCE Solutions. The Petroleum Agency of South Africa and the African Exploration Mining and Finance Corporation are in the process of being transferred to the Department of Mineral Resources.

Selected performance indicators

Table 26.15 Central Energy Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Volume of liquid fuel supplied to South African market per year	Oil and gas, national oil company	Entity mandate	4.4 million	4.7 million	2.5 million	2.5 million	2.6 million	2.7 million	2.9 million
Number of reportable environmental incidents at PetroSA per year	Oil and gas, national oil company		7	8	11	11	11	11	11
Number of crude oil barrels maintained as per ministerial directive per year	Strategic stock and pollution control		10.3 million	10.3 million	-1	-1	10.3 million	10.3 million	10.3 million
Number of tons (measured per thousand) of coal produced at Vlakfontein by the African Exploration Mining and Finance Corporation per year	Mining, coal		1 150	1 565	1 389	1 500	2 300	2 500	2 500

1. Stocks were sold in December 2015 and no data is available on the number of barrels replenished.

Expenditure analysis

The Central Energy Fund manufactures liquid fuels and provides access to other forms of energy, supporting the National Development Plan's vision that, by 2030, South Africa should have an adequate supply of electricity and liquid fuels. Over the medium term, the fund intends to continue focusing on implementing the Vision 2025 strategic roadmap, which is aimed at returning it to commercial viability.

Measures to improve the fund's liquidity and solvency over the MTEF period will focus on PetroSA, the fund's largest entity. Steps include the relocation of PetroSA's head office from Cape Town to Mossel Bay (Western Cape), where its gas to liquid refinery is located, to share services and reduce operational duplications. Securing feedstock for the refinery is a priority as PetroSA has had to contend with decreasing revenues due to a decrease in production. To further contain costs at PetroSA, the fund intends to defer the costs of PetroSA's rehabilitation. Other measures to stabilise its financial position include the disposing of non-core assets. The Petroleum Agency of South Africa is expected to be transferred to the Department of Mineral Resources while the components of the fund's biomass to electricity generation power plant are expected to be disposed of. In addition, the fund plans to expand its Vlakfontein coal mine to supply Eskom's Kusile power station.

As a result of these initiatives, expenditure in the mining, coal programme is expected to increase at an average annual rate of 43.7 per cent, from R581.6 million in 2017/18 to R1.7 billion in 2020/21. During the same period, the acquisition of assets is expected to amount to R4.5 billion. Expenditure in the administration programme is projected to increase at an average annual rate of 2.9 per cent, from R268.8 million in 2017/18 to R293 million in 2020/21, due to the implementation of cost containment measures.

Spending on goods and services is also expected to increase, at an average annual rate of 5.9 per cent, from R16.8 billion in 2017/18 to R19.9 billion in 2020/21, as the fund expands its infrastructure for mining activities, refurbishes the storage tanks of the strategic fuel fund and undertakes activities through Operation Phakisa to develop oil and gas drilling in South Africa. As a result, the fund's total expenditure is expected to increase from R18.8 billion in 2017/18 to R23.4 billion in 2020/21. The number of personnel in the fund decreased from 1 976 in 2016/17 to 1 886 in 2017/18 due to voluntary severance packages and resignations, and vacancies not being filled as the fund attempted to stabilise its financial position. This number is expected to remain constant over the medium term. Spending on compensation of employees is expected to increase at an average annual rate of 8.8 per cent, from R1.6 billion in 2017/18 to R2.1 billion in 2020/21, due to increased spending on voluntary severance packages, cost of living adjustments and additional capacity, such as

engineers, required for the expansion of the Vlakfontein coal mine.

Revenue is expected to increase from R18.1 billion in 2017/18 to R24.2 billion in 2020/21, mostly due to increased production capacity in PetroSA's Mossel Bay refinery.

Programmes/Objectives/Activities

Table 26.16 Central Energy Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	207.9	222.2	280.9	268.8	9.0%	1.3%	262.0	277.7	293.0	2.9%	1.3%
Clean and renewable energy	6.0	17.0	114.6	68.8	125.0%	0.3%	71.3	75.6	79.8	5.0%	0.3%
Oil and gas, national oil company	33 856.4	16 963.1	12 088.2	17 329.6	-20.0%	88.1%	18 064.2	20 277.3	20 701.9	6.1%	90.2%
Strategic stock and pollution control	315.6	4 873.7	679.7	324.6	0.9%	7.3%	328.9	348.7	367.9	4.3%	1.6%
Mining, coal	265.5	383.2	424.6	581.6	29.9%	2.2%	880.7	1 634.4	1 724.3	43.7%	5.5%
Gas and gas infrastructure	20.7	20.3	41.8	33.7	17.6%	0.2%	40.6	35.7	37.7	3.8%	0.2%
Promotion, licensing and regulation	89.2	108.2	153.0	161.9	22.0%	0.7%	180.5	198.1	209.0	8.9%	0.9%
Total	34 761.3	22 587.8	13 782.9	18 769.1	-18.6%	100.0%	19 828.4	22 847.5	23 413.5	7.6%	100.0%

Statements of historical financial performance and position

Table 26.17 Central Energy Fund statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2014/15 - 2017/18	
Revenue									
Non-tax revenue	19 289.0	19 719.5	19 936.4	22 393.8	18 213.9	13 183.4	23 676.9	18 104.1	90.5%
Sale of goods and services other than capital assets	18 481.3	18 515.2	19 187.2	21 379.5	17 344.3	11 940.1	22 780.9	17 261.5	88.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	18 481.3	18 515.2	19 187.2	21 379.5	17 344.3	11 940.1	22 780.9	17 261.5	88.8%
Other non-tax revenue	807.7	1 204.4	749.2	1 014.3	869.6	1 243.3	895.9	842.6	129.6%
Transfers received	-	-	-	-	-	-	157.1	-	-
Total revenue	19 289.0	20 562.8	19 960.9	22 393.8	18 213.9	13 183.4	23 834.0	18 104.1	91.3%
Expenses									
Current expenses	117 272.1	34 761.3	19 348.7	22 219.4	17 788.5	13 451.9	21 624.5	18 703.6	50.6%
Compensation of employees	1 629.2	1 408.6	1 013.4	1 377.6	1 080.3	1 221.1	1 157.8	1 620.3	115.3%
Goods and services	115 515.5	29 661.9	18 139.6	18 816.4	15 566.4	11 450.4	19 565.5	16 789.7	45.5%
Depreciation	83.5	2 360.3	73.3	1 913.1	1 007.4	103.7	768.3	91.8	231.2%
Interest, dividends and rent on land	43.9	1 330.5	122.4	112.4	134.4	676.7	132.8	201.9	535.5%
Total expenses	117 506.3	34 761.3	19 470.6	22 587.8	17 816.4	13 782.9	21 677.3	18 769.1	50.9%
Surplus/(Deficit)	(98 217.0)	(14 198.0)	490.0	(194.0)	398.0	(599.0)	2 157.0	(665.0)	
Statement of financial position									
Carrying value of assets	25 561.0	11 237.5	14 678.8	12 494.4	14 031.2	10 695.1	17 390.7	17 390.7	72.3%
<i>of which:</i>									
<i>Acquisition of assets</i>	(6 399.9)	(5 975.9)	(3 883.2)	(2 152.9)	(2 382.2)	(853.3)	(4 079.1)	(4 079.1)	78.0%
Investments	12 066.6	3 656.3	7 768.2	1 989.4	5 636.4	2 217.5	5 775.3	5 775.3	43.6%
Inventory	2 163.9	2 213.2	2 290.7	1 992.4	1 986.1	1 880.9	2 216.9	2 216.9	95.9%
Loans	1 410.0	165.9	-	236.1	-	32.8	-	-	30.8%
Receivables and prepayments	3 417.2	3 664.4	2 080.6	2 507.1	1 575.9	2 201.2	1 964.2	1 964.2	114.4%
Cash and cash equivalents	5 000.3	10 364.0	8 085.8	16 153.6	8 799.1	15 694.8	8 667.4	8 667.4	166.5%
Non-current assets held for sale	-	60.7	-	50.0	36.0	88.6	-	-	554.1%
Taxation	5.3	-	5.5	392.2	4.9	349.7	5.5	5.5	3 513.9%
Total assets	49 624.2	31 362.0	34 909.6	35 815.0	32 069.6	33 160.7	36 020.1	36 020.1	89.3%
Accumulated surplus/(deficit)	28 370.9	13 094.8	18 314.5	12 950.3	13 866.2	12 413.6	16 012.8	16 012.8	71.1%
Capital and reserves	2 123.9	1 700.3	276.0	2 071.0	1 704.1	1 844.8	1 704.1	1 704.1	126.0%
Borrowings	4 219.0	1 153.0	1 330.0	1 618.9	1 022.3	866.8	2 196.3	2 196.3	66.6%
Finance lease	-	0.3	-	-	-	-	-	-	-
Accrued interest	-	-	0.4	-	-	-	-	-	-
Deferred income	2.3	0.7	-	-	-	-	-	-	30.1%
Trade and other payables	3 435.4	4 016.4	2 880.4	5 463.4	1 525.4	5 527.8	1 599.3	1 599.3	175.9%
Taxation	1 419.8	1 021.6	1 654.5	1 774.6	1 838.9	1 888.8	1 838.9	1 838.9	96.6%
Provisions	10 052.9	10 327.9	9 882.6	11 865.0	11 555.1	10 431.2	12 104.1	12 104.1	102.6%
Derivatives financial instruments	-	46.8	571.2	71.9	557.5	187.7	564.5	564.5	51.4%
Total equity and liabilities	49 624.2	31 362.0	34 909.6	35 815.0	32 069.6	33 160.7	36 020.1	36 020.1	89.3%

Statements of estimates of financial performance and position

Table 26.18 Central Energy Fund statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate							
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	18 104.1	-2.8%	99.0%	21 220.8	23 924.1	24 247.7	10.2%	100.0%
Sale of goods and services other than capital assets	17 261.5	-2.3%	92.9%	19 883.3	22 899.1	22 985.9	10.0%	94.9%
<i>of which:</i>								
<i>Sales by market establishment</i>	17 261.5	-2.3%	92.9%	19 883.3	22 899.1	22 985.9	10.0%	94.9%
Other non-tax revenue	842.6	-11.2%	6.1%	1 337.5	1 025.0	1 261.8	14.4%	5.1%
Total revenue	18 104.1	-4.2%	100.0%	21 220.8	23 924.1	24 247.7	10.2%	100.0%
Expenses								
Current expenses	18 703.6	-18.7%	98.9%	19 630.9	22 599.0	23 255.8	7.5%	99.2%
Compensation of employees	1 620.3	4.8%	6.9%	1 855.2	1 977.8	2 086.6	8.8%	8.9%
Goods and services	16 789.7	-17.3%	85.3%	16 483.4	19 440.5	19 923.5	5.9%	85.7%
Depreciation	91.8	-66.1%	4.1%	1 064.0	960.9	1 013.7	122.7%	3.6%
Interest, dividends and rent on land	201.9	-46.7%	2.6%	228.3	219.8	231.9	4.7%	1.0%
Total expenses	18 769.1	-18.6%	100.0%	19 828.4	22 847.5	23 413.5	7.6%	100.0%
Surplus/(Deficit)	(665.0)			1 392.0	1 077.0	834.0		
Statement of financial position								
Carrying value of assets	17 390.7	15.7%	37.8%	20 526.3	20 577.8	19 764.1	4.4%	49.4%
<i>of which:</i>								
<i>Acquisition of assets</i>	(4 079.1)	-12.0%	-9.7%	(3 081.5)	(1 190.8)	(200.0)	-63.4%	-5.6%
Investments	5 775.3	16.5%	10.0%	5 925.6	6 068.9	6 068.9	1.7%	15.1%
Inventory	2 216.9	0.1%	6.1%	2 468.5	2 605.1	2 605.1	5.5%	6.2%
Receivables and prepayments	1 964.2	-18.8%	7.7%	2 196.0	2 385.6	2 385.6	6.7%	5.6%
Cash and cash equivalents	8 667.4	-5.8%	37.4%	8 120.6	10 295.8	10 295.8	5.9%	23.6%
Taxation	5.5	-	0.5%	5.5	5.5	5.5	-	0.0%
Total assets	36 020.1	4.7%	100.0%	39 242.6	41 938.7	41 125.0	4.5%	100.0%
Accumulated surplus/(deficit)	16 012.8	6.9%	40.0%	17 439.3	19 218.0	20 052.3	7.8%	45.9%
Capital and reserves	1 704.1	0.1%	5.4%	1 704.1	1 704.1	1 704.1	-	4.3%
Borrowings	2 196.3	24.0%	4.2%	3 177.4	3 358.7	2 446.1	3.7%	7.0%
Trade and other payables	1 599.3	-26.4%	12.3%	1 806.1	1 894.4	1 894.4	5.8%	4.5%
Taxation	1 838.9	21.6%	4.8%	1 838.9	1 838.8	1 838.8	-0.0%	4.7%
Provisions	12 104.1	5.4%	32.8%	12 685.4	13 306.6	12 571.2	1.3%	32.1%
Derivatives financial instruments	564.5	129.3%	0.6%	591.5	618.0	618.0	3.1%	1.5%
Total equity and liabilities	36 020.1	4.7%	100.0%	39 242.6	41 938.7	41 125.0	4.5%	100.0%

Personnel information

Table 26.19 Central Energy Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)							
		2016/17		2017/18		2018/19		2019/20		2020/21				2017/18 - 2020/21						
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost									
Central Energy Fund		1 886	1 886	1 976	1 221.1	0.6	1 886	1 620.3	0.9	1 886	1 855.2	1.0	1 886	1 977.8	1.0	1 886	2 086.6	1.1	8.8%	100.0%
7 - 10	418	418	618	111.2	0.2	418	118.1	0.3	418	125.4	0.3	418	132.9	0.3	418	140.3	0.3	5.9%	22.2%	
11 - 12	661	661	481	288.4	0.6	661	470.6	0.7	661	507.0	0.8	661	542.6	0.8	661	572.2	0.9	6.7%	35.0%	
13 - 16	799	799	869	801.1	0.9	799	1 007.0	1.3	799	1 196.8	1.5	799	1 274.7	1.6	799	1 344.9	1.7	10.1%	42.4%	
17 - 22	8	8	8	20.4	2.6	8	24.6	3.1	8	26.1	3.3	8	27.6	3.5	8	29.3	3.7	6.0%	0.4%	

1. Rand million.

South African Nuclear Energy Corporation

Mandate

The South African Nuclear Energy Corporation is listed as a schedule 2 public entity, and derives its mandate from the Nuclear Energy Act (1999), the 2008 nuclear energy policy and directives conferred on it by the Minister of Energy. The corporation is responsible for research on nuclear energy and radiation science, the development and innovation of nuclear-related products in South Africa, and the execution of nuclear fuel cycle activities. Its subsidiaries include Pelchem and Nuclear Technology Products (NTP) Radioisotopes.

The corporation is also responsible for operating the SAFARI-1 research nuclear reactor, providing irradiation services for the production of radioisotopes, decommissioning and decontaminating nuclear facilities, and

contributing to South Africa's obligations in terms of international nuclear treaties and agreements.

Selected performance indicators

Table 26.20 South African Nuclear Energy Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of product and process innovations per year	Administration	Entity mandate	17	12	15	15	15	15	15
Number of scientific articles published per year	Administration		31	55	43	31	31	31	31
Number of days per year that the reactor is operationally available out of the days scheduled for operation	Radiation products and services		303	287	289	287	287	287	287
Maximum allowable annual radiation dose (microsievert) in terms of licence conditions	Radiation products and services		6µSv	6µSv	5.6µSv	5µSv	5µSv	5µSv	5µSv

Expenditure analysis

The South African Nuclear Energy Corporation's activities are geared towards innovation. As such, over the medium term, the corporation intends to continue focusing on radioisotope production, radiation applications, and research and development for new products. The corporation also plans to focus on specialised nuclear manufacturing, the nuclear fuel cycle, and the provision of support for nuclear power generation. This will allow the corporation to align its activities with the 2010-2030 integrated resource plan for electricity, as well as the requirements for the building of new nuclear power reactors.

The corporation aims to strengthen the global market position of NTP Radioisotopes through the production and sale of medical radioisotopes used locally and internationally for the diagnosis and treatment of cancer. As a result, expenditure in the radiation products and services programme is expected to increase at an average annual rate of 8.1 per cent, from R1.3 billion in 2017/18 to R1.6 billion in 2020/21, accounting for 49.5 per cent (R4.5 billion) of the corporation's total expenditure of R9.2 billion over the MTEF period. This programme also enables the SAFARI-1 reactor to be operational for 287 days per year, ensuring the corporation complies with international safety requirements and maintains radiation doses within acceptable levels.

To carry out these activities, the corporation's staff complement is expected to remain constant at 2 033 over the MTEF period. Spending on compensation of employees is expected to increase at an average annual rate of 7.4 per cent, from R990 million in 2017/18 to R1.2 billion in 2020/21, due to adjustments related to the cost of living.

The sale of nuclear technology products, chemical products and nuclear engineering services contributes an estimated 66 per cent (R6.3 billion) of the corporation's total revenue over the MTEF period. The majority of the balance, R2.6 billion, is received through transfers from the department and other entities to fund operations and specific activities such as the decommissioning of plants, waste management at all disused nuclear facilities, the production and conversion of low enriched uranium fuel and nuclear safety.

Cabinet has approved reductions to the corporation's transfers amounting to R64.8 million over the medium term. However, total revenue is projected to increase an average annual rate of 6.1 per cent, from R2.8 billion in 2017/18 to R3.3 billion in 2020/21, as sales of nuclear radiation products are expected to increase as market conditions improve.

Programmes/Objectives/Activities**Table 26.21 South African Nuclear Energy Corporation expenditure trends and estimates by programme/ objective/activity**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Administration	384.3	386.9	442.7	373.7	-0.9%	14.1%	573.3	662.0	661.8	21.0%	19.2%
Nuclear energy	407.7	391.2	409.8	364.9	-3.6%	14.0%	400.0	426.3	468.2	8.7%	14.2%
Radiation products and services	706.9	3 800.5	1 514.4	1 291.5	22.3%	53.6%	1 346.6	1 504.3	1 633.4	8.1%	49.5%
South African Nuclear Energy Corporation as a host of nuclear programmes	637.7	391.4	509.7	452.2	-10.8%	18.4%	486.7	508.7	540.0	6.1%	17.1%
Total	2 136.6	4 970.0	2 876.6	2 482.2	5.1%	100.0%	2 806.7	3 101.3	3 303.3	10.0%	100.0%

Statements of historical financial performance and position**Table 26.22 South African Nuclear Energy Corporation statements of historical financial performance and position**

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average: Outcome/ Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	Budget estimate	2017/18	
Revenue									
Non-tax revenue	1 662.2	1 300.6	1 613.3	4 670.0	1 929.1	2 281.7	2 453.5	1 948.9	133.2%
Sale of goods and services other than capital assets	1 567.7	1 265.5	1 511.7	1 510.0	1 883.4	1 610.9	2 340.7	1 736.1	83.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>1 567.7</i>	<i>1 265.5</i>	<i>1 511.7</i>	<i>1 510.0</i>	<i>1 883.4</i>	<i>1 610.9</i>	<i>2 340.7</i>	<i>1 736.1</i>	<i>83.8%</i>
Other non-tax revenue	94.5	35.1	101.6	3 160.0	45.6	670.9	112.8	212.8	1 150.5%
Transfers received	992.3	793.5	650.5	614.3	649.4	637.1	712.9	837.5	95.9%
Total revenue	2 654.5	2 094.1	2 263.7	5 284.3	2 578.4	2 918.9	3 166.4	2 786.4	122.7%
Expenses									
Current expenses	1 947.2	2 100.4	2 382.4	4 888.2	2 598.1	2 805.8	2 869.4	2 395.8	124.4%
Compensation of employees	795.1	797.4	916.9	864.0	916.1	989.4	971.4	990.0	101.1%
Goods and services	1 044.9	1 175.0	1 387.9	3 923.7	1 611.9	1 740.8	1 737.9	1 313.2	141.0%
Depreciation	101.8	63.3	77.7	94.8	65.5	70.8	155.1	87.4	79.1%
Interest, dividends and rent on land	5.3	64.7	-	5.8	4.5	4.9	5.0	5.1	543.8%
Total expenses	2 014.1	2 136.6	2 430.4	4 970.0	2 663.6	2 876.6	2 933.5	2 482.2	124.1%
Surplus/(Deficit)	640.0	(43.0)	(167.0)	314.0	(85.0)	42.0	233.0	304.0	
Statement of financial position									
Carrying value of assets	1 245.8	1 068.6	1 391.4	1 338.2	1 463.4	1 376.6	1 541.2	1 603.0	95.5%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(247.6)</i>	<i>(134.9)</i>	<i>(174.4)</i>	<i>(398.7)</i>	<i>(110.0)</i>	<i>(166.2)</i>	<i>(52.6)</i>	<i>(244.4)</i>	<i>161.5%</i>
Investments	265.9	478.0	294.8	3 327.8	3 340.5	3 172.0	3 420.4	3 333.6	140.8%
Inventory	298.7	264.0	221.7	231.9	256.4	238.1	323.8	343.4	97.9%
Loans	-	-	-	-	-	-	-	36.6	-
Receivables and prepayments	316.2	311.1	212.4	407.6	279.9	205.1	382.7	397.5	110.9%
Cash and cash equivalents	621.5	671.8	594.0	781.5	598.3	1 065.3	617.3	531.9	125.5%
Taxation	42.8	31.4	1.3	59.2	15.7	41.0	15.7	32.1	216.7%
Total assets	2 790.8	2 824.8	2 715.5	6 146.1	5 954.3	6 098.1	6 301.2	6 278.2	120.2%
Accumulated surplus/(deficit)	734.7	349.0	482.1	509.3	267.1	502.2	459.0	763.2	109.3%
Capital and reserves	316.9	372.7	367.9	545.7	422.4	602.2	485.4	145.4	104.6%
Capital reserve fund	515.0	-	703.3	-	601.6	-	664.2	198.9	8.0%
Borrowings	72.8	66.2	31.5	82.7	85.2	123.7	99.9	128.0	138.4%
Finance lease	6.8	8.2	10.9	8.2	4.6	5.3	3.8	4.4	99.8%
Deferred income	-	188.1	-	446.3	-	594.4	-	594.4	-
Trade and other payables	331.4	236.7	321.7	252.1	226.9	196.1	255.5	361.4	92.1%
Benefits payable	-	-	-	-	-	23.8	-	-	-
Taxation	1.4	0.2	-	20.0	-	1.1	-	22.3	3 079.2%
Provisions	779.7	611.6	748.5	691.2	992.7	739.3	1 046.5	972.4	84.5%
Managed funds (e.g. poverty alleviation fund)	21.3	52.4	-	33.0	-	-	-	-	401.6%
Derivatives financial instruments	10.8	939.7	49.6	3 557.6	3 353.7	3 310.1	3 286.9	3 087.8	162.6%
Total equity and liabilities	2 790.8	2 824.8	2 715.5	6 146.1	5 954.3	6 098.1	6 301.2	6 278.2	120.2%

Statements of estimates of financial performance and position

Table 26.23 South African Nuclear Energy Corporation statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
R million								
Revenue								
Non-tax revenue	1 948.9	14.4%	74.6%	2 041.5	2 305.8	2 425.4	7.6%	71.9%
Sale of goods and services other than capital assets	1 736.1	11.1%	51.6%	1 875.5	2 138.2	2 256.6	9.1%	66.0%
<i>of which:</i>								
<i>Sales by market establishment</i>	1 736.1	11.1%	51.6%	1 875.5	2 138.2	2 256.6	9.1%	66.0%
Other non-tax revenue	212.8	82.3%	23.0%	166.0	167.6	168.8	-7.4%	6.0%
Transfers received	837.5	1.8%	25.4%	793.1	856.3	904.6	2.6%	28.1%
Total revenue	2 786.4	10.0%	100.0%	2 834.6	3 162.1	3 330.0	6.1%	100.0%
Expenses								
Current expenses	2 395.8	4.5%	97.7%	2 741.0	3 009.7	3 219.8	10.4%	97.2%
Compensation of employees	990.0	7.5%	32.2%	1 066.0	1 142.1	1 225.8	7.4%	38.0%
Goods and services	1 313.2	3.8%	61.8%	1 583.3	1 769.3	1 895.6	13.0%	55.9%
Depreciation	87.4	11.3%	2.7%	87.8	91.9	90.6	1.2%	3.1%
Interest, dividends and rent on land	5.1	-57.0%	0.9%	4.0	6.4	7.7	14.4%	0.2%
Total expenses	2 482.2	5.1%	100.0%	2 806.7	3 101.3	3 303.3	10.0%	100.0%
Surplus/(Deficit)	304.0			28.0	61.0	27.0		
Statement of financial position								
Carrying value of assets	1 603.0	14.5%	26.9%	1 758.6	1 811.4	1 892.6	5.7%	27.4%
<i>of which:</i>								
<i>Acquisition of assets</i>	(244.4)	21.9%	-4.5%	(160.2)	(58.4)	(86.8)	-29.2%	-2.2%
Investments	3 333.6	91.1%	44.0%	3 455.8	3 550.0	3 657.5	3.1%	54.3%
Inventory	343.4	9.2%	5.6%	336.6	449.1	474.6	11.4%	6.2%
Loans	36.6	-	0.1%	36.6	36.6	36.6	-	0.6%
Receivables and prepayments	397.5	8.5%	6.8%	586.7	614.4	641.5	17.3%	8.7%
Cash and cash equivalents	531.9	-7.5%	15.6%	32.9	19.4	9.1	-74.2%	2.4%
Taxation	32.1	0.7%	0.8%	32.0	32.0	32.0	-0.0%	0.5%
Total assets	6 278.2	30.5%	100.0%	6 239.2	6 512.8	6 743.9	2.4%	100.0%
Accumulated surplus/(deficit)	763.2	29.8%	10.3%	791.1	851.9	878.6	4.8%	12.7%
Capital and reserves	145.4	-26.9%	8.6%	152.6	216.4	264.1	22.0%	3.0%
Capital reserve fund	198.9	-	0.8%	207.0	301.4	367.8	22.7%	4.1%
Borrowings	128.0	24.6%	1.9%	153.5	238.5	425.0	49.2%	3.6%
Finance lease	4.4	-18.7%	0.1%	4.1	3.9	4.1	-2.4%	0.1%
Deferred income	594.4	46.7%	8.3%	575.5	546.9	516.8	-4.6%	8.7%
Trade and other payables	361.4	15.1%	5.4%	519.8	572.3	557.2	15.5%	7.8%
Taxation	22.3	379.2%	0.2%	22.3	22.3	22.3	-	0.3%
Provisions	972.4	16.7%	15.1%	1 028.2	1 088.6	1 152.6	5.8%	16.4%
Derivatives financial instruments	3 087.8	48.7%	48.7%	2 785.1	2 670.7	2 555.4	-6.1%	43.2%
Total equity and liabilities	6 278.2	30.5%	100.0%	6 239.2	6 512.8	6 743.9	2.4%	100.0%

Personnel information

Table 26.24 South African Nuclear Energy Corporation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21						
South African Nuclear Energy Corporation		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost cost	Unit cost		
Salary level	2 033	2 033	916.9	0.5	2 033	990.0	0.5	2 033	1 066.0	0.5	2 033	1 142.1	0.6	2 033	1 225.8	0.6	7.4%	100.0%
1 – 6	551	551	119.4	0.2	551	127.8	0.2	551	137.7	0.2	551	147.5	0.3	551	158.3	0.3	7.4%	27.1%
7 – 10	1 069	1 069	413.9	0.4	1 069	441.9	0.4	1 069	475.8	0.4	1 069	509.7	0.5	1 069	547.1	0.5	7.4%	52.6%
11 – 12	234	234	186.3	0.8	234	194.2	0.8	234	209.1	0.9	234	224.0	1.0	234	240.4	1.0	7.4%	11.5%
13 – 16	168	168	169.9	1.0	168	197.7	1.2	168	212.9	1.3	168	228.1	1.4	168	244.8	1.5	7.4%	8.3%
17 – 22	11	11	27.3	2.5	11	28.4	2.6	11	30.6	2.8	11	32.8	3.0	11	35.2	3.2	7.4%	0.0%

1. Rand million.

Other entities

Comprehensive coverage of the following public entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **National Energy Regulator of South Africa** is the regulatory authority for electricity, piped gas and petroleum pipelines. The regulator's total budget for 2018/19 is R343.5 million.
- The **National Nuclear Regulator** is responsible for safety standards and regulatory practices for the protection of people, property and the environment against nuclear damage. The regulator's total budget for 2018/19 is R228.5 million.
- The **National Radioactive Waste Disposal Institute** is mandated to fulfil an institutional obligation of the Minister of Energy relating to the management of radioactive waste disposal on a national level, and is empowered to develop and implement a management approach for the long-term care and disposal of radioactive waste that is safe, technically sound, socially acceptable, environmentally responsible and economically feasible. The institute's total budget for 2018/19 is R46.9 million.
- The **South African National Energy Development Institute** is mandated to stimulate innovation in energy research and development, transform the gender and race profile of researchers in the sector, and improve South Africa's competitiveness in energy research internationally. The institute's total budget for 2018/19 is R174 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project cycle)										
Integrated national electrification programme: Eskom	Provision of capital subsidies to Eskom to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	Ongoing	–	2 948.0	3 613.2	3 526.3	3 846.2	3 262.0	3 432.5	3 621.5
Integrated national electrification programme: Municipalities	Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	Ongoing	–	1 104.7	1 980.3	1 946.2	2 087.0	1 904.5	2 127.9	2 245.0
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Integrated national electrification programme: Non-grid	Provision of capital subsidies to non-grid electrification service providers to address electrification backlogs	Ongoing	–	70.0	156.2	137.7	189.8	201.6	212.9	224.7
Total			–	4 122.7	5 749.8	5 610.3	6 123.0	5 368.2	5 773.3	6 091.1

Vote 27

Environmental Affairs

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	941.8	770.5	16.9	154.4	1 021.9	1 090.1
Legal, Authorisations, Compliance and Enforcement	189.3	187.6	–	1.7	203.5	217.2
Oceans and Coasts	492.0	476.3	–	15.6	508.1	538.7
Climate Change and Air Quality	294.5	91.6	201.6	1.3	305.7	323.8
Biodiversity and Conservation	773.4	119.7	652.9	0.8	800.1	845.8
Environmental Programmes	3 871.3	441.3	3 426.2	3.8	4 107.0	4 334.5
Chemicals and Waste Management	550.3	189.7	359.9	0.7	585.6	619.1
Total expenditure estimates	7 112.5	2 276.7	4 657.5	178.3	7 531.8	7 969.3

Executive authority Minister of Environmental Affairs
Accounting officer Director General of Environmental Affairs
Website address www.environment.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Lead South Africa's environmental sector to achieve sustainable development towards a better quality of life for all.

Mandate

The Department of Environmental Affairs is mandated to give effect to the right of citizens to an environment that is not harmful to their health or wellbeing, and to have the environment protected for the benefit of present and future generations. To this end, the department provides leadership in environmental management, conservation and protection towards sustainability for the benefit of South Africans and the global community.

This mandate is derived from the following legislation:

- the National Environmental Management Act (1998), which provides for specific legislation on biodiversity and heritage resources; oceans and coasts; climate change and air quality management; and waste and chemicals management
- the National Environmental Management Amendment Act (2004), which streamlines the process of regulating and administering the environmental impact assessment process
- the National Environmental Management: Protected Areas Amendment Act (2009), which provides for the assignment of national parks, special parks and heritage sites to South Africa in terms of the World Heritage Convention Act (1999)
- the National Environmental Management: Biodiversity Act (2004), which significantly reforms South Africa's laws regulating biodiversity
- the National Environmental Management: Air Quality and Atmospheric Act (2004), which reforms the law regulating air quality in order to protect the environment by providing reasonable measures for preventing pollution and ecological degradation, and securing ecologically sustainable development; and provides for national norms and standards regulating the monitoring of air quality
- the National Environmental Management: Waste Act (2008), which reforms the law regulating waste management in order to protect health and the environment by providing reasonable measures for the prevention of pollution

- the National Environmental Management: Integrated Coastal Management Act (2008), which promotes the conservation of the coastal environment and ensures sustainable development practices and the use of natural resources.

Selected performance indicators

Table 27.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past		Current	Projections			
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of interventions developed for streamlining environmental authorisations for strategic infrastructure programmes and the industrial policy action plan per year	Administration		5	4	1	2	1	1	1
Percentage of national environmental impact management applications processed per year	Legal, Authorisations, Compliance and Enforcement		75.5% (302/ 400)	90% (360/ 400)	95% (380/ 400)	98% (392/ 400)	98% (392/ 400)	98% (392/ 400)	98% (392/ 400)
Number of environmental authorisations inspected per year	Legal, Authorisations, Compliance and Enforcement		247	158	190	150	155	155	165
Improvement in the national air quality indicator (index less than 1)	Climate Change and Air Quality	Outcome 10: Protect and enhance our environmental assets and natural resources	0.83	0.79	0.92	1	1.20	1.10	1.15
Number of climate change response policy interventions implemented per year	Climate Change and Air Quality		14	18	18	18	20	20	20
Percentage of state-managed protected areas assessed per year with the management effectiveness tracking tool scoring more than 67%	Biodiversity and Conservation		84% (5 481 757/ 6 525 889)	92.6% (6 042 973/ 6 525 889)	72% (4 698 640/ 6 525 889)	75% (4 894 416/ 6 525 889)	77% (5 024 034/ 6 525 889)	79% (5 155 452/ 6 525 889)	81% (5 285 970/ 6 525 889)
Total percentage of land under conservation	Biodiversity and Conservation		7.9% (9 637 304 ha/ 121 991 200 ha)	11.7% (14 300 113 ha/ 121 991 200 ha)	12.5% (15 247 487 ha/ 121 991 200 ha)	12.7% (15 492 882 ha/ 121 991 200 ha)	13.2% (16 121 794 ha/ 121 991 200 ha)	13.7% (16 732 468 ha/ 121 991 200 ha)	14.2% (17 343 142 ha/ 121 991 200 ha)
Number of natural resource-based enterprises established in support of Vision 2024 per year	Biodiversity and Conservation		10	8	19	10	10	10	10

Table 27.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of work opportunities created through projects related to the expanded public works programme per year	Environmental Programmes	Outcome 4: Decent employment through inclusive growth	65 494	73 381	98 566	75 845	77 839	79 007	81 200
Number of full-time equivalent jobs created through projects related to the expanded public works programme per year	Environmental Programmes		33 138	28 141	28 633	40 368	41 390	41 949	42 123
Percentage of waste diverted from landfill sites for recycling per year	Chemicals and Waste Management	Outcome 10: Protect and enhance our environmental assets and natural resources	10% (1 742 tonnes/ 17 419.72 tonnes)	42% (30 262 tonnes/ 72 052 tonnes)	20% (20 693 tonnes/ 103 465 tonnes)	60% (62 079 tonnes/ 103 465 tonnes)	100% (172 441 tonnes)	100% (172 441 tonnes)	100% (172 441 tonnes)

Expenditure analysis

Chapter 5 of the National Development Plan (NDP) emphasises the importance of environmental sustainability for robust socioeconomic development. This is given expression by outcome 4 (decent employment through inclusive growth) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. The mandate of the Department of Environmental Affairs is closely aligned with these outcomes. As such, the department prioritises the management, protection and conservation of South Africa's environment and natural resources. Over the medium term, the department plans to focus on enforcing and monitoring compliance with environmental legislation; creating job opportunities through the expanded public works programme; moving towards a green economy; managing waste; managing climate change and air quality; managing oceans and coastal conservation; and transferring the operation of the national zoological gardens to the South African National Biodiversity Institute.

The department's total budget is expected to increase at an average annual rate of 5.2 per cent, from R6.8 billion in 2017/18 to R8 billion in 2020/21. As part of Cabinet approved reductions to the department's total budget, allocations for spending on goods and services, and transfers to entities are reduced by R172.4 million over the medium term (R47 million in 2018/19, R61 million in 2019/20 and R64.4 million in 2020/21). The entities are expected to generate increased revenue to accommodate these reductions.

Enforcing and monitoring compliance with environmental legislation

The department has a duty to enforce compliance with environmental legislation, especially at ports of entry, prompting the deployment of 320 environmental and conservation officials, many of whom will be deployed at OR Tambo International Airport in Johannesburg. Over the medium term, the department plans to deploy environmental management inspectors and compliance and enforcement officials at 14 other designated ports of entry, and inspect 475 environmental authorisations to ensure protected species and alien plants are not smuggled into the country. Office accommodation and equipment to handle live animals, microchip scanners and safes will be procured to enable officials to carry out these duties. An estimated R610 million is provided over the medium term in the *Legal, Authorisations, Compliance and Enforcement* programme to support these and other related activities.

Creating job opportunities

The expanded public works programme supports the NDP's target of creating 6 million jobs by 2030, and positions the environmental sector as a hub of job creation. It is projected that, over the medium term, 125 462 full-time equivalent jobs and 238 046 work opportunities will be created in the environmental sector

through the expanded public works programme. These jobs are expected to cover a range of environmental protection services such as restoring and rehabilitating degraded ecosystems; expanding areas under conservation; protecting, restoring and rehabilitating wetlands; protecting water resources; and managing land use sustainably. Transfers from the department to the expanded public works programme are expected to amount to R9.1 billion over the medium term, accounting for 40.4 per cent of the department's total budget over the period.

Moving towards a green economy

The Green Fund was established in 2010 to provide catalytic finance for investment in initiatives that support South Africa's transition towards a green economy. The fund focuses on innovative projects that require financing to cover funding gaps. The fund has a portfolio of 20 active and 2 completed investment projects, representing investment of R679.8 million since the fund's inception.

Over the medium term, the Green Fund is expected to receive additional allocations from the economic competitiveness and support package of R95 million in 2018/19, R111 million in 2019/20 and R117.1 million in 2020/21. Direct investment into projects, including co-investments and additional support realised thus far, amount to R285 million, with contributions from the private sector amounting to R91 million. Drawing investment from the private sector is one of the key mandates of the fund. As investments begin to show favourable returns, it is expected that private sector investors will invest without any state involvement. As a result, direct investment is expected to exceed R500 million over the medium term.

Managing waste

The Waste Management Bureau was established in 2016 in terms of the National Environmental Management: Waste Management Act (2014). The bureau is tasked with promoting and facilitating the minimisation, reuse, recycling and recovery of waste by providing specialist advice and support for the development of integrated waste management plans for industry and municipalities. The bureau is also tasked with monitoring the implementation of industry waste management plans, and managing the disbursement of revenue generated from charges for waste management. To carry out these and other related activities, the bureau receives an allocation of R1.2 billion over the medium term.

Managing climate change and air quality

To manage climate change and air quality effectively, the department aims to increase the number of government-owned air quality monitoring stations reporting to the South African air quality information system from 116 in 2017/18 to 125 in 2020/21. Other activities include rolling out the Let's Respond toolkit in 40 municipalities to provide a process map for integrating responses to climate change into municipalities' integrated development plans. To achieve this, R924 million is provided over the MTEF period in the *Climate Change and Air Quality* programme.

Managing oceans and coastal conservation

The department continues to support annual research voyages to Antarctica, Marion Island and Gough Island. Servicing the contract with African Marine Solutions for the manning and operation of 2 research vessels, SA Agulhas II and SA Algoa, is one of the major cost drivers in the *Oceans and Coasts* programme, amounting to a projected R557 million over the medium term.

Implementing the oceans economy strategy forms part of Operation Phakisa, a fast results delivery programme launched by government in 2014. An estimated R311.1 million is provided over the MTEF period in the *Oceans and Coasts* programme for implementing the oceans economy strategy, which includes activities in marine transport and manufacturing, offshore oil and gas exploration, aquaculture, marine protection services, ocean governance, small harbours, and coastal and marine tourism.

Transferring the operation of the zoological gardens to the South African National Biodiversity Institute

A business transfer agreement between the Department of Science and Technology, the Department of Environmental Affairs, the National Research Foundation and the South African National Biodiversity Institute

was signed in 2017 to enable the transfer of the national zoological gardens in Pretoria from the National Research Foundation to the South African National Biodiversity Institute with effect from 1 April 2018. For this purpose, amounts of R69.7 million in 2018/19, R73.6 million in 2019/20 and R77.6 million in 2020/21 are shifted from the foundation to the institute.

Expenditure trends

Table 27.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Legal, Authorisations, Compliance and Enforcement														
3. Oceans and Coasts														
4. Climate Change and Air Quality														
5. Biodiversity and Conservation														
6. Environmental Programmes														
7. Chemicals and Waste Management														
Programme														
R million	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
	653.4	666.2	731.3	714.0	870.2	832.5	808.2	803.2	827.9	863.0	863.0	863.1	107.1%	101.6%
Programme 1	122.6	117.6	100.6	127.5	133.9	131.4	164.6	164.6	154.3	179.8	179.8	170.4	93.6%	93.4%
Programme 2	357.4	380.1	349.3	484.5	399.5	368.7	475.0	475.0	502.7	468.5	468.5	472.2	94.8%	98.2%
Programme 3	227.7	227.7	229.3	240.1	240.1	246.1	289.6	289.6	295.5	294.9	294.9	305.6	102.3%	102.3%
Programme 4	636.8	629.0	643.1	655.6	730.6	699.9	718.2	718.2	738.7	696.5	696.5	700.2	102.8%	100.3%
Programme 5	3 598.3	3 587.5	3 549.6	3 646.9	3 489.6	3 579.6	3 865.1	3 865.1	3 766.9	3 895.2	3 928.2	3 918.9	98.7%	99.6%
Programme 6	72.2	72.2	71.9	79.3	79.3	79.7	109.3	109.3	95.0	450.3	417.3	417.5	93.4%	97.9%
Programme 7	5 668.4	5 680.4	5 675.1	5 948.0	5 943.3	5 937.9	6 430.1	6 425.1	6 381.0	6 848.2	6 848.2	6 847.8	99.8%	99.8%
Total														
Change to 2017														
Budget estimate														
Economic classification														
Current payments	1 951.2	1 869.4	1 642.3	2 127.1	2 000.5	1 912.6	2 268.5	2 127.4	2 082.4	2 193.8	2 193.8	2 193.3	91.7%	95.6%
Compensation of employees	752.2	798.8	787.8	915.4	930.7	909.2	1 001.6	996.6	992.7	1 035.1	1 050.1	1 049.6	100.9%	99.0%
Goods and services	1 199.1	1 070.6	854.5	1 211.7	1 069.8	1 003.5	1 266.9	1 130.8	1 089.7	1 158.7	1 143.7	1 143.7	84.6%	92.7%
Transfers and subsidies	3 675.7	3 677.6	3 895.3	3 662.8	3 759.8	3 863.5	3 999.5	4 135.6	4 110.2	4 488.9	4 488.9	4 488.9	103.4%	101.8%
Provinces and municipalities	–	–	0.0	–	–	0.0	–	–	33.8	–	–	–	–	–
Departmental agencies and accounts	1 208.2	1 206.4	1 210.3	1 206.1	1 111.4	1 112.5	1 301.2	1 301.2	2 198.8	1 201.2	1 201.2	1 201.2	–	–
Higher education institutions	–	–	–	–	–	–	–	–	15.7	–	–	–	–	–
Foreign governments and international organisations	12.9	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	105.1%	100.0%
Public corporations and private enterprises	250.0	250.0	250.0	300.0	300.0	300.0	180.0	180.0	1 719.0	110.5	110.5	110.5	283.1%	283.1%
Non-profit institutions	3.2	3.7	3.7	3.2	3.7	3.7	3.8	4.5	122.7	3.8	3.8	3.8	958.5%	853.1%
Households	2 201.5	2 201.5	2 415.3	2 137.5	2 328.7	2 431.3	2 498.6	2 634.0	4.3	3 157.4	3 157.4	3 157.4	80.1%	77.6%
Payments for capital assets	41.4	133.4	137.1	158.1	183.0	160.9	162.1	162.1	188.1	165.5	165.5	165.5	123.6%	101.2%
Buildings and other fixed structures	–	90.0	103.2	110.7	135.5	129.4	136.0	136.0	136.9	136.9	136.9	136.9	132.0%	101.6%
Machinery and equipment	41.4	43.4	23.6	47.4	47.5	29.7	26.1	26.1	41.2	28.6	28.6	28.6	85.7%	84.5%
Software and other intangible assets	–	–	10.3	–	–	1.8	–	–	10.0	–	–	–	–	–
Payments for financial assets	–	–	0.4	–	–	0.9	–	–	0.2	–	–	–	–	–
Total	5 668.4	5 680.4	5 675.1	5 948.0	5 943.3	5 937.9	6 430.1	6 425.1	6 381.0	6 848.2	6 848.2	6 847.8	99.8%	99.8%

Expenditure estimates

Table 27.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Legal, Authorisations, Compliance and Enforcement									
3. Oceans and Coasts									
4. Climate Change and Air Quality									
5. Biodiversity and Conservation									
6. Environmental Programmes									
7. Chemicals and Waste Management									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Programme 1	863.1	9.0%	13.1%	941.8	1 021.9	1 090.1	8.1%	13.3%	
Programme 2	170.4	13.2%	2.2%	189.3	203.5	217.2	8.4%	2.6%	
Programme 3	472.2	7.5%	6.8%	492.0	508.1	538.7	4.5%	6.8%	
Programme 4	305.6	10.3%	4.3%	294.5	305.7	323.8	2.0%	4.2%	
Programme 5	700.2	3.6%	11.2%	773.4	800.1	845.8	6.5%	10.6%	
Programme 6	3 918.9	3.0%	59.6%	3 871.3	4 107.0	4 334.5	3.4%	55.1%	
Programme 7	417.5	79.5%	2.7%	550.3	585.6	619.1	14.0%	7.4%	
Total	6 847.8	6.4%	100.0%	7 112.5	7 531.8	7 969.3	5.2%	100.0%	
Change to 2017 Budget estimate				51.3	153.8	162.3			
Economic classification									
Current payments	2 193.3	5.5%	31.5%	2 276.7	2 407.2	2 562.8	5.3%	32.0%	
Compensation of employees	1 049.6	9.5%	15.1%	1 149.0	1 237.5	1 333.1	8.3%	16.2%	
Goods and services	1 143.7	2.2%	16.5%	1 127.6	1 169.7	1 229.7	2.4%	15.9%	
Transfers and subsidies	4 488.9	6.9%	65.8%	4 657.5	4 933.7	5 205.2	5.1%	65.5%	
Departmental agencies and accounts	1 201.2	-0.1%	23.0%	1 543.0	1 568.3	1 654.6	11.3%	20.3%	
Foreign governments and international organisations	16.0	–	0.3%	16.9	17.9	18.9	5.6%	0.2%	
Public corporations and private enterprises	110.5	-23.8%	9.6%	95.0	111.0	117.1	2.0%	1.5%	
Non-profit institutions	3.8	1.3%	0.5%	3.9	4.0	4.2	3.4%	0.1%	
Households	3 157.4	12.8%	32.2%	2 998.6	3 232.6	3 410.3	2.6%	43.4%	
Payments for capital assets	165.5	7.5%	2.6%	178.3	190.9	201.4	6.8%	2.5%	
Buildings and other fixed structures	136.9	15.0%	2.0%	147.4	158.6	167.3	6.9%	2.1%	
Machinery and equipment	28.6	-13.0%	0.5%	31.0	32.3	34.1	6.0%	0.4%	
Total	6 847.8	6.4%	100.0%	7 112.5	7 531.8	7 969.3	5.2%	100.0%	

Expenditure trends and estimates for significant spending items

Table 27.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Environmental programmes	3 549 608	3 579 640	3 766 912	3 928 209	3.4%	59.7%	3 871 281	4 106 962	4 334 529	3.3%	55.1%
South African National Biodiversity Institute	223 447	232 149	237 973	249 928	3.8%	3.8%	325 781	343 788	362 697	13.2%	4.4%
South African National Parks	275 070	278 675	278 939	285 336	1.2%	4.5%	292 007	288 214	304 065	2.1%	4.0%
Waste Bureau	–	–	–	–	–	–	348 000	379 000	399 917	–	3.8%
Total	4 048 125	4 090 464	4 283 824	4 463 473	8.4%	68.0%	4 837 069	5 117 964	5 401 208	18.6%	67.3%

Goods and services expenditure trends and estimates

Table 27.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Administrative fees	1 429	1 436	3 433	4 572	47.4%	0.3%	2 592	2 785	2 947	-13.6%	0.3%
Advertising	14 414	14 300	18 639	25 747	21.3%	1.8%	16 641	18 004	19 003	-9.6%	1.7%
Minor assets	1 616	3 086	2 403	7 388	66.0%	0.4%	10 969	11 979	12 635	19.6%	0.9%
Audit costs: External	5 861	8 873	8 469	9 200	16.2%	0.8%	10 461	11 878	12 508	10.8%	0.9%
Bursaries: Employees	1 312	1 377	1 700	1 996	15.0%	0.2%	2 382	2 517	2 655	10.0%	0.2%

Table 27.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Catering: Departmental activities	5 080	7 424	11 986	6 438	8.2%	0.8%	6 877	7 231	7 624	5.8%	0.6%
Communication	17 328	20 571	22 286	20 025	4.9%	2.0%	23 298	25 691	26 831	10.2%	2.1%
Computer services	35 933	75 549	77 986	46 942	9.3%	5.8%	45 857	53 900	56 988	6.7%	4.4%
Consultants: Business and advisory services	82 295	126 354	157 363	205 600	35.7%	14.0%	240 077	273 221	286 474	11.7%	21.5%
Infrastructure and planning services	–	–	–	427	–	–	23 812	42 035	44 347	370.1%	2.4%
Laboratory services	45	113	990	4 033	347.5%	0.1%	2 647	2 831	2 987	-9.5%	0.3%
Legal services	3 528	4 093	9 842	4 130	5.4%	0.5%	2 686	2 789	2 941	-10.7%	0.3%
Contractors	97 507	143 688	100 386	123 836	8.3%	11.4%	140 234	129 474	132 663	2.3%	11.3%
Agency and support/outsourced services	177 013	144 206	187 488	244 951	11.4%	18.4%	173 834	169 859	178 723	-10.0%	16.4%
Entertainment	85	128	67	751	106.7%	–	692	728	766	0.7%	0.1%
Fleet services (including government motor transport)	9 199	8 467	10 401	5 916	-13.7%	0.8%	2 831	2 881	3 040	-19.9%	0.3%
Inventory: Clothing material and accessories	–	–	1 214	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	27	953	1 141	2 196	333.3%	0.1%	1 935	2 044	2 156	-0.6%	0.2%
Inventory: Fuel, oil and gas	15 594	33 420	24 014	16 957	2.8%	2.2%	22 063	7 368	7 773	-22.9%	1.2%
Inventory: Learner and teacher support material	–	–	–	769	–	–	675	713	752	-0.7%	0.1%
Inventory: Materials and supplies	8	476	1	1 150	423.8%	–	972	1 035	1 091	-1.7%	0.1%
Inventory: Medical supplies	1	24	–	906	867.6%	–	664	701	740	-6.5%	0.1%
Inventory: Medicine	–	–	–	339	–	–	298	315	332	-0.7%	–
Inventory: Other supplies	2	–	–	–	-100.0%	–	2 933	3 167	3 340	–	0.2%
Consumable supplies	12 985	16 090	17 318	5 089	-26.8%	1.3%	6 012	6 201	6 542	8.7%	0.5%
Consumables: Stationery, printing and office supplies	8 313	8 510	8 305	12 849	15.6%	0.9%	13 539	14 392	15 183	5.7%	1.2%
Operating leases	76 663	70 669	81 008	83 212	2.8%	7.6%	86 219	90 706	95 696	4.8%	7.6%
Rental and hiring	2 275	3 018	7 023	1 169	-19.9%	0.3%	3 128	3 442	3 631	45.9%	0.2%
Property payments	15 932	12 698	16 515	6 930	-24.2%	1.3%	5 401	6 289	6 635	-1.4%	0.5%
Transport provided: Departmental activity	352	555	2 819	190	-18.6%	0.1%	583	585	618	48.2%	–
Travel and subsistence	169 884	179 724	174 434	190 105	3.8%	17.5%	157 011	148 009	158 162	-5.9%	14.0%
Training and development	15 301	17 735	15 397	13 165	-4.9%	1.5%	11 917	13 069	13 787	1.6%	1.1%
Operating payments	50 066	65 270	65 937	53 496	2.2%	5.7%	66 293	69 752	73 587	11.2%	5.6%
Venues and facilities	34 468	34 659	61 127	43 262	7.9%	4.2%	42 097	44 080	46 505	2.4%	3.8%
Total	854 516	1 003 466	1 089 692	1 143 736	10.2%	100.0%	1 127 630	1 169 671	1 229 662	2.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 27.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Households											
Social benefits											
Current	2 331	267	695	–	-100.0%	–	–	–	–	–	–
Employee social benefits	2 331	267	695	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	662 640	678 326	1 617 561	747 704	4.1%	22.7%	1 173 869	1 225 948	1 293 447	20.0%	23.0%
Communication	–	–	9	–	–	–	–	–	–	–	–
South African Weather Service	152 489	160 423	204 985	205 482	10.5%	4.4%	199 975	204 074	215 298	1.6%	4.3%
iSimangaliso Wetland Park Authority	30 610	31 628	33 031	34 523	4.1%	0.8%	32 821	36 457	38 462	3.7%	0.7%
South African National Parks	245 069	247 294	245 895	250 639	0.8%	6.0%	255 413	250 156	263 914	1.7%	5.3%
South African National Biodiversity Institute	223 447	232 149	237 973	249 928	3.8%	5.8%	325 781	343 788	362 697	13.2%	6.6%
Expanded public works programme: Environmental protection and infrastructure programme	–	–	748 477	–	–	4.6%	–	–	–	–	–
Expanded public works programme: Working for Water	–	–	140 348	–	–	0.9%	–	–	–	–	–
National Regulator for Compulsory Specifications	11 025	6 832	6 843	7 132	-13.5%	0.2%	11 879	12 473	13 159	22.7%	0.2%
Waste Bureau	–	–	–	–	–	–	348 000	379 000	399 917	–	5.8%

Table 27.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Capital	543 756	433 089	572 430	453 465	-5.9%	12.2%	369 173	342 343	361 171	-7.3%	7.9%
South African Weather Service	30 000	–	–	35 000	5.3%	0.4%	37 030	38 515	40 633	5.1%	0.8%
iSimangaliso Wetland Park Authority	101 397	61 141	99 243	100 000	-0.5%	2.2%	111 650	74 516	78 614	-7.7%	1.9%
South African National Parks	345 855	299 685	391 829	243 465	-11.0%	7.8%	141 143	146 788	154 861	-14.0%	3.6%
South African National Biodiversity Institute	66 504	72 263	81 358	75 000	4.1%	1.8%	79 350	82 524	87 063	5.1%	1.7%
Households											
Other transfers to households											
Current	2 412 970	2 431 053	3 569	3 157 437	9.4%	48.9%	2 998 640	3 232 557	3 410 348	2.6%	66.4%
Employee social benefits	1 405	2 381	2 483	–	-100.0%	–	–	–	–	–	–
other transfers	–	905	729	–	–	–	–	–	–	–	–
Expanded public works programme: Environmental protection and infrastructure programme	711 740	793 293	–	773 128	2.8%	13.9%	777 259	813 026	857 742	3.5%	16.7%
Expanded public works programme: Incentive (environmental protection and infrastructure programme)	183 721	160 953	–	228 451	7.5%	3.5%	186 805	197 266	208 116	-3.1%	4.3%
Expanded public works programme: Working for Water	897 291	830 452	357	1 008 604	4.0%	16.7%	990 682	1 102 547	1 163 187	4.9%	22.1%
Expanded public works programme: Incentive (Working for Water)	178 358	137 129	–	160 996	-3.4%	2.9%	245 130	258 857	273 094	19.3%	4.9%
Expanded public works programme: Working on Fire	382 341	461 921	–	527 184	11.3%	8.4%	556 225	587 374	619 680	5.5%	11.9%
Expanded public works programme: Incentive (Working on Fire)	58 114	44 019	–	81 703	12.0%	1.1%	96 157	101 541	107 126	9.5%	2.0%
South African National Biodiversity Institute: Biosecurity	–	–	–	28 000	–	0.2%	29 000	30 000	31 650	4.2%	0.6%
South African National Parks: Eco-furniture Factories	–	–	–	104 371	–	0.6%	117 382	141 946	149 753	12.8%	2.7%
Tyre recycling initiatives	–	–	–	152 000	–	0.9%	–	–	–	-100.0%	0.8%
Plastic programme	–	–	–	35 000	–	0.2%	–	–	–	-100.0%	0.2%
Recycling enterprise support programme	–	–	–	58 000	–	0.4%	–	–	–	-100.0%	0.3%
Non-profit institutions											
Current	3 687	3 687	122 689	3 835	1.3%	0.8%	3 925	4 017	4 238	3.4%	0.1%
National Association for Clean Air	1 400	1 400	1 400	1 548	3.4%	–	1 638	1 730	1 825	5.6%	–
KwaZulu-Natal Conservation Board	1 287	1 287	1 287	1 287	–	–	1 287	1 287	1 358	1.8%	–
African World Heritage Fund	1 000	1 000	1 800	1 000	–	–	1 000	1 000	1 055	1.8%	–
Expanded public works programme: Working for Water	–	–	118 202	–	–	0.7%	–	–	–	–	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	250 000	300 000	859 871	110 455	-23.8%	9.3%	95 000	111 000	117 105	2.0%	2.2%
Expanded public works programme: Working for Water	–	–	15 580	–	–	0.1%	–	–	–	–	–
Expanded public works programme: Working on Fire	–	–	618 111	–	–	3.8%	–	–	–	–	–
Expanded public works programme: Incentive (Working on Fire)	–	–	46 180	–	–	0.3%	–	–	–	–	–
Development Bank of Southern Africa	250 000	300 000	180 000	110 455	-23.8%	5.1%	95 000	111 000	117 105	2.0%	2.2%
Foreign governments and International organisations											
Current	16 000	16 000	16 000	16 000	–	0.4%	16 928	17 876	18 859	5.6%	0.4%
Global Environmental Fund	16 000	16 000	16 000	16 000	–	0.4%	16 928	17 876	18 859	5.6%	0.4%
Provinces and municipalities											
Provincial agencies and funds											
Current	23	35	82	–	-100.0%	–	–	–	–	–	–
Vehicle licences	23	35	82	–	-100.0%	–	–	–	–	–	–
Provinces and municipalities											
Provincial revenue funds											
Current	–	2	4	–	–	–	–	–	–	–	–
Provincial and local municipalities	–	2	4	–	–	–	–	–	–	–	–
Provinces and municipalities											
Municipal agencies and funds											
Current	–	5	33 713	–	–	0.2%	–	–	–	–	–
Vehicle licences	–	5	8	–	–	–	–	–	–	–	–
Expanded public works programme: Environmental protection and infrastructure programme	–	–	33 705	–	–	0.2%	–	–	–	–	–

Table 27.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Departmental agencies and accounts											
Social security funds											
Current	3 861	1 046	8 794	–	-100.0%	0.1%	–	–	–	–	–
Social Security Fund: Compensation Fund	3 861	1 046	8 794	–	-100.0%	0.1%	–	–	–	–	–
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	–	–	859 155	–	–	5.3%	–	–	–	–	–
Expanded public works programme: Incentive (environmental protection and infrastructure programme)	–	–	169 484	–	–	1.0%	–	–	–	–	–
Expanded public works programme: Working for Water	–	–	545 274	–	–	3.3%	–	–	–	–	–
Expanded public works programme: Incentive (Working for Water)	–	–	144 397	–	–	0.9%	–	–	–	–	–
Higher education institutions											
Current	–	–	15 666	–	–	0.1%	–	–	–	–	–
Expanded public works programme: Working for Water	–	–	15 666	–	–	0.1%	–	–	–	–	–
Total	3 895 268	3 863 510	4 110 229	4 488 896	4.8%	100.0%	4 657 535	4 933 741	5 205 168	5.1%	100.0%

Personnel information

Table 27.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2016/17		2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21				
		Number	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost							
Environmental Affairs																			
Salary level	1 728	373	2 101	992.7	0.5	2 040	1 049.6	0.5	2 079	1 149.0	0.6	2 076	1 237.5	0.6	2 075	1 333.1	0.6	0.6%	100.0%
1 – 6	337	282	619	93.9	0.2	617	102.0	0.2	617	109.6	0.2	614	117.5	0.2	614	126.8	0.2	-0.2%	29.8%
7 – 10	896	57	953	432.2	0.5	904	451.9	0.5	936	500.4	0.5	936	540.4	0.6	935	582.7	0.6	1.1%	44.9%
11 – 12	321	14	335	263.3	0.8	325	278.1	0.9	332	306.4	0.9	332	330.9	1.0	332	357.4	1.1	0.7%	16.0%
13 – 16	171	20	191	197.7	1.0	191	211.5	1.1	191	226.1	1.2	191	241.8	1.3	191	258.7	1.4	–	9.2%
Other	3	–	3	5.7	1.9	3	6.1	2.0	3	6.5	2.2	3	6.9	2.3	3	7.4	2.5	–	0.1%
Programme	1 728	373	2 101	992.7	0.5	2 040	1 049.6	0.5	2 079	1 149.0	0.6	2 076	1 237.5	0.6	2 075	1 333.1	0.6	0.6%	100.0%
Programme 1	689	251	940	366.9	0.4	933	394.1	0.4	938	427.9	0.5	935	460.3	0.5	934	495.3	0.5	0.0%	45.2%
Programme 2	175	1	176	106.4	0.6	176	115.4	0.7	176	124.2	0.7	176	133.9	0.8	176	144.3	0.8	–	8.5%
Programme 3	147	50	197	111.6	0.6	197	121.1	0.6	197	130.4	0.7	197	140.6	0.7	197	151.6	0.8	–	9.5%
Programme 4	71	13	84	61.2	0.7	84	66.2	0.8	84	71.1	0.8	84	76.5	0.9	84	82.4	1.0	–	4.1%
Programme 5	103	8	111	69.7	0.6	111	75.4	0.7	111	81.1	0.7	111	87.4	0.8	111	94.1	0.8	–	5.4%
Programme 6	453	49	502	223.4	0.4	448	219.6	0.5	482	252.0	0.5	482	271.9	0.6	482	293.3	0.6	2.5%	22.9%
Programme 7	90	1	91	53.4	0.6	91	57.8	0.6	91	62.2	0.7	91	67.0	0.7	91	72.1	0.8	–	4.4%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 27.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)	
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20			2020/21
R thousand													
Departmental receipts	32 022	11 486	21 180	32 733	32 733	0.7%	100.0%	20 991	21 124	21 284	-13.4%	100.0%	
Sales of goods and services produced by department	3 792	3 791	3 520	3 691	3 691	-0.9%	15.2%	4 019	4 035	4 040	3.1%	16.4%	
Sales by market establishments	–	–	–	220	–	–	–	–	–	–	–	–	
of which:													
Rental parking	–	–	–	220	–	–	–	–	–	–	–	–	
Administrative fees	2 292	3 269	2 976	3 145	3 145	11.1%	12.0%	3 489	3 495	3 500	3.6%	14.2%	
of which:													
Licence fees	2 292	3 269	2 976	3 145	3 145	11.1%	12.0%	3 489	3 495	3 500	3.6%	14.2%	
Other sales	1 500	522	544	326	546	-28.6%	3.2%	530	540	540	-0.4%	2.2%	
of which:													
Replacement of security cards	350	224	233	–	220	-14.3%	1.1%	200	200	200	-3.1%	0.9%	
Sales of departmental publications	1 150	298	311	326	326	-34.3%	2.1%	330	340	340	1.4%	1.4%	
Sales of scrap, waste, arms and other used current goods	1	–	–	2	2	26.0%	–	2	2	2	–	–	
of which:													
Waste paper	1	–	–	2	2	26.0%	–	2	2	2	–	–	
Fines, penalties and forfeits	1 742	2 080	2 240	75	75	-65.0%	6.3%	1 490	1 500	1 600	177.3%	4.9%	
Interest, dividends and rent on land	98	124	122	59	59	-15.6%	0.4%	125	130	135	31.8%	0.5%	
Interest	98	124	122	59	59	-15.6%	0.4%	125	130	135	31.8%	0.5%	
Sales of capital assets	1 443	114	86	300	300	-40.8%	2.0%	155	157	157	-19.4%	0.8%	
Transactions in financial assets and liabilities	24 946	5 377	15 212	28 606	28 606	4.7%	76.1%	15 200	15 300	15 350	-18.7%	77.5%	
Total	32 022	11 486	21 180	32 733	32 733	0.7%	100.0%	20 991	21 124	21 284	-13.4%	100.0%	

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department. Facilitate environmental education, awareness and effective cooperative governance and international relations.

Objectives

- Improve the profile of and support for environmental issues on an ongoing basis by:
 - building environmental awareness, education and capacity, and creating effective partnerships to promote cooperative governance and encourage local government support
 - enhancing environmental sector monitoring and evaluation through the development and improvement of systems and tools for monitoring and evaluation.
- Lead South Africa's participation in regional and international platforms on environmental management and sustainable development, and influence the global agenda over the medium term by:
 - developing South Africa's environmental position papers that are informed by the country's developmental priorities and sustainable development considerations
 - leading negotiations at key international forums.

Subprogrammes

- *Management* provides for the overall administration and functioning of the programme by carrying out its planning and performance management functions.
- *Corporate Affairs* provides quality and timely corporate support to the department, and ensures that coordinated environmental objectives are included in the strategic planning instruments of government at national, provincial and local level.
- *Environmental Advisory Services* provides strategic environmental advisory and implementation support services to national and international environmental commitments in terms of international agreements under the auspices of the United Nations.

- *Financial Management Services* provides strategic financial management and support to the department.
- *Office Accommodation* provides office accommodation requirements to the department.

Expenditure trends and estimates

Table 27.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15	2017/18	2018/19	2019/20	2020/21	2017/18	2020/21
R million											
Management	120.6	177.7	163.4	184.2	15.2%	19.8%	186.5	193.3	207.0	4.0%	19.7%
Corporate Affairs	242.4	273.5	269.5	285.0	5.5%	32.9%	332.8	372.2	399.0	11.9%	35.5%
Environmental Advisory Services	121.4	113.4	105.5	112.7	-2.4%	13.9%	119.8	130.1	138.4	7.1%	12.8%
Financial Management Services	60.0	66.6	68.4	71.2	5.9%	8.2%	77.4	84.0	89.8	8.0%	8.2%
Office Accommodation	186.9	201.2	221.1	209.9	3.9%	25.2%	225.4	242.5	255.8	6.8%	23.8%
Total	731.3	832.5	827.9	863.0	5.7%	100.0%	941.8	1 021.9	1 090.1	8.1%	100.0%
Change to 2017				-			17.8	17.0	21.3		
Budget estimate											
Economic classification											
Current payments	588.9	667.4	658.5	703.4	6.1%	80.4%	770.5	838.1	896.1	8.4%	81.9%
Compensation of employees	316.2	349.6	366.9	394.1	7.6%	43.8%	427.9	460.3	495.3	7.9%	45.4%
Goods and services ¹	272.7	317.8	291.5	309.3	4.3%	36.6%	342.6	377.9	400.9	9.0%	36.5%
<i>of which:</i>											
Computer services	29.7	63.3	38.1	33.2	3.8%	5.1%	42.1	49.7	52.5	16.5%	4.5%
Consultants: Business and advisory services	23.4	32.3	25.7	29.3	7.8%	3.4%	29.1	32.0	33.5	4.6%	3.2%
Infrastructure and planning services	-	-	-	0.4	-	-	23.8	42.0	44.3	370.1%	2.8%
Operating leases	74.9	65.0	76.4	76.9	0.9%	9.0%	76.8	82.4	87.0	4.2%	8.2%
Travel and subsistence	39.8	58.3	54.9	70.4	20.9%	6.9%	59.4	50.7	55.9	-7.4%	6.0%
Venues and facilities	13.6	16.7	12.8	20.2	14.0%	1.9%	17.7	18.3	19.3	-1.4%	1.9%
Transfers and subsidies¹	17.8	17.6	17.9	16.0	-3.5%	2.1%	16.9	17.9	18.9	5.6%	1.8%
Provinces and municipalities	0.0	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations	16.0	16.0	16.0	16.0	-	2.0%	16.9	17.9	18.9	5.6%	1.8%
Households	1.8	1.6	1.8	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	124.5	147.2	151.4	143.7	4.9%	17.4%	154.4	166.0	175.1	6.8%	16.3%
Buildings and other fixed structures	103.2	129.4	136.9	136.9	9.9%	15.6%	147.4	158.6	167.3	6.9%	15.6%
Machinery and equipment	11.3	16.2	14.0	6.7	-15.8%	1.5%	7.1	7.4	7.8	4.9%	0.7%
Software and other intangible assets	10.0	1.6	0.6	-	-100.0%	0.4%	-	-	-	-	-
Payments for financial assets	0.2	0.3	0.1	-	-100.0%	-	-	-	-	-	-
Total	731.3	832.5	827.9	863.0	5.7%	100.0%	941.8	1 021.9	1 090.1	8.1%	100.0%
Proportion of total programme expenditure to vote expenditure	12.9%	14.0%	13.0%	12.6%	-	-	13.2%	13.6%	13.7%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	16.0	16.0	16.0	16.0	-	2.0%	16.9	17.9	18.9	5.6%	1.8%
Global Environmental Fund	16.0	16.0	16.0	16.0	-	2.0%	16.9	17.9	18.9	5.6%	1.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Legal, Authorisations, Compliance and Enforcement

Programme purpose

Promote the environment legal regime and licensing system to ensure enforcement and compliance with environmental law.

Objectives

- Prevent or mitigate the potential negative impact of significant development activities on the natural environment through the implementation of an environmental impact management authorisation system by processing and finalising or issuing 98 per cent of decisions for environmental authorisation applications within the prescribed timeframe annually.
- Improve the level of compliance with environmental legislation by:

- increasing the number of environmental management inspectors trained from 542 in 2016/17 to 750 in 2020/21
- increasing the number of compliance inspections on environmental authorisations from 150 in 2017/18 to 165 by March 2021.

Subprogrammes

- *Legal, Authorisations, Compliance and Enforcement Management* provides for the overall administration and functioning of the programme by carrying out its planning and performance management functions.
- *Compliance Monitoring* ensures effective compliance with environmental legislation by undertaking compliance inspections on all authorisations issued by the department.
- *Integrated Environmental Authorisations* ensures that the potentially negative impact of significant new developments is avoided, reduced or managed; and establishes mechanisms to ensure the effective coordination of environmental impact assessments and other regulatory authorisations.
- *Enforcement* undertakes criminal and administrative enforcement action in response to non-compliance with environmental impact and pollution legislation, and provides capacity development and support services to the environmental management inspectorate.
- *Corporate Legal Support and Litigation* provides quality and timely corporate legal support, litigation management support, and education on legal compliance to ensure that the department complies with legislation relating to its core business.
- *Law Reform and Appeals* processes appeals received in terms of the legislation administered by the department; investigates appeals; sources responses from all parties; conducts research and advises the minister on appeals; coordinates the law reform programme in the department; drives the Commission for Environmental Cooperation's sub-committee on law reform; drafts legislation; comments on draft legislation; and advises on law reform issues.

Expenditure trends and estimates

Table 27.10 Legal, Authorisations, Compliance and Enforcement expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R million											
Legal, Authorisations, Compliance and Enforcement	7.0	15.1	5.7	6.7	-1.7%	6.1%	7.1	7.6	8.1	6.8%	3.7%
Compliance Monitoring	20.0	24.8	26.0	26.2	9.5%	17.1%	33.1	35.4	38.2	13.4%	16.8%
Integrated Environmental Authorisations	25.9	30.2	32.1	52.6	26.7%	24.9%	50.2	54.3	57.8	3.2%	27.2%
Enforcement	27.0	35.9	58.9	67.0	35.4%	33.3%	70.7	76.1	80.9	6.5%	37.3%
Corporate Legal Support and Litigation	8.8	10.8	14.4	10.5	5.8%	7.9%	10.7	11.5	12.3	5.5%	5.7%
Law Reform and Appeals	12.0	14.7	17.2	16.9	12.2%	10.7%	17.5	18.6	19.9	5.6%	9.2%
Total	100.6	131.4	154.3	179.8	21.3%	100.0%	189.3	203.5	217.2	6.5%	100.0%
Change to 2017 Budget estimate				–			–	–	–		
Economic classification											
Current payments	98.0	128.6	152.4	178.2	22.1%	98.4%	187.6	201.7	215.3	6.5%	99.1%
Compensation of employees	75.0	91.2	106.4	124.8	18.5%	70.2%	124.2	133.9	144.3	5.0%	66.8%
Goods and services ¹	23.0	37.4	45.9	53.4	32.3%	28.2%	63.4	67.8	71.0	10.0%	32.4%
of which:											
Communication	0.6	0.8	1.0	1.4	33.9%	0.7%	1.6	1.7	1.8	8.2%	0.8%
Consultants: Business and advisory services	1.2	1.0	1.0	1.7	14.0%	0.9%	3.3	3.4	3.6	28.5%	1.5%
Agency and support/outsourced services	–	–	0.2	3.1	–	0.6%	15.2	18.9	19.5	83.6%	7.2%
Travel and subsistence	11.1	13.6	14.4	20.7	23.3%	10.6%	17.0	16.0	16.9	-6.5%	9.0%
Operating payments	1.3	1.0	1.0	10.2	99.4%	2.4%	11.6	12.2	12.9	8.0%	5.9%
Venues and facilities	1.9	4.0	2.8	3.7	24.5%	2.2%	5.0	5.3	5.6	14.4%	2.5%

Table 27.10 Legal, Authorisations, Compliance and Enforcement expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R million											
Transfers and subsidies¹	0.2	0.2	0.2	–	-100.0%	0.1%	–	–	–	–	–
Households	0.2	0.2	0.2	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	2.3	2.6	1.7	1.6	-12.1%	1.5%	1.7	1.8	1.9	5.7%	0.9%
Machinery and equipment	2.0	2.6	1.7	1.6	-7.4%	1.4%	1.7	1.8	1.9	5.7%	0.9%
Software and other intangible assets	0.3	–	–	–	-100.0%	0.1%	–	–	–	–	–
Payments for financial assets	0.1	0.0	0.0	–	-100.0%	–	–	–	–	–	–
Total	100.6	131.4	154.3	179.8	21.3%	100.0%	189.3	203.5	217.2	6.5%	100.0%
Proportion of total programme expenditure to vote expenditure	1.8%	2.2%	2.4%	2.6%	–	–	2.7%	2.7%	2.7%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Oceans and Coasts

Programme purpose

Promote, manage and provide strategic leadership on oceans and coastal conservation.

Objectives

- Strengthen the knowledge, science and policy interface for the management of oceans and coastlines by implementing a research programme on the key areas of oceans management annually.
- Conserve the ocean and coastal ecosystems, and ensure their sustainable use by March 2021, by:
 - developing 35 management plans for estuaries
 - increasing South Africa's exclusive economic zones that are declared marine protected areas to 53 594.15 square kilometres (5 per cent of exclusive economic zones), in line with the priorities of Operation Phakisa.
- Enhance sector monitoring and evaluation over the medium term by:
 - publishing the annual report card on key ocean and coastal indicators
 - developing and implementing the national oceans and coasts water quality monitoring programme.

Subprogrammes

- *Oceans and Coasts Management* provides for the administration and coordination of the overall activities in the programme.
- *Integrated Coastal Management and Coastal Conservation* provides for the coordinated and integrated management of coastal environments.
- *Oceans and Coastal Research* monitors and undertakes scientific investigations on marine and coastal ecosystems, ocean dynamics, ecosystem functioning and marine biodiversity to improve the understanding and management of ocean and coastal ecosystems.
- *Oceans Economy and Project Management* provides management, coordination and facilitation for initiatives implemented within the oceans economy.
- *Specialist Monitoring Services* provides leadership in specialist monitoring strategies for oceans and coasts through: coordination with sector departments, and regional and international programmes and forums; the management and conservation of oceans, and sub-Antarctic and Antarctic Ocean environments; the development and implementation of ocean policy; the coordination of information on the ocean atmosphere; the management of ocean ecosystems; and the management of obligations in relation to regional and international oceans.

Expenditure trends and estimates

Table 27.11 Oceans and Coasts expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Oceans and Coasts Management	5.3	11.2	15.4	8.8	18.3%	2.4%	8.1	8.5	9.1	1.4%	1.7%
Integrated Coastal Management and Coastal Conservation	88.6	66.0	32.7	50.2	-17.3%	14.1%	51.4	55.3	58.6	5.3%	10.7%
Oceans and Coastal Research	93.0	115.7	127.8	115.4	7.5%	26.7%	116.7	108.5	115.5	–	22.7%
Oceans Economy and Project Management	–	–	90.1	85.8	–	10.4%	96.8	104.1	110.2	8.7%	19.8%
Specialist Monitoring Services	162.4	175.7	236.7	208.3	8.7%	46.4%	219.1	231.6	245.4	5.6%	45.1%
Total	349.3	368.7	502.7	468.5	10.3%	100.0%	492.0	508.1	538.7	4.8%	100.0%
Change to 2017 Budget estimate				–			–	–	–		
Economic classification											
Current payments	345.6	362.1	469.7	453.7	9.5%	96.6%	476.3	491.5	521.3	4.7%	96.8%
Compensation of employees	84.5	99.9	111.6	117.3	11.6%	24.5%	130.4	140.6	151.6	8.9%	26.9%
Goods and services ¹	261.2	262.2	358.1	336.3	8.8%	72.1%	345.9	350.9	369.7	3.2%	69.9%
<i>of which:</i>											
Consultants: Business and advisory services	14.3	39.6	58.8	127.9	107.5%	14.2%	153.6	165.0	173.5	10.7%	30.9%
Laboratory services	–	0.0	–	2.8	–	0.2%	2.6	2.8	3.0	1.8%	0.6%
Agency and support/outsourced services	175.5	139.5	182.9	141.1	-7.0%	37.8%	135.9	126.5	133.5	-1.8%	26.7%
Inventory: Fuel, oil and gas	0.5	4.3	3.4	7.6	150.1%	0.9%	6.4	6.8	7.2	-1.7%	1.4%
Travel and subsistence	21.3	15.2	17.9	15.5	-10.1%	4.1%	10.7	11.2	11.8	-8.6%	2.5%
Operating payments	22.2	29.9	46.7	21.0	-1.8%	7.1%	20.7	21.7	22.9	3.0%	4.3%
Transfers and subsidies¹	–	1.5	1.4	–	–	0.2%	–	–	–	–	–
Households	–	1.5	1.4	–	–	0.2%	–	–	–	–	–
Payments for capital assets	3.6	5.1	31.6	14.8	60.0%	3.3%	15.6	16.5	17.4	5.7%	3.2%
Machinery and equipment	3.6	4.8	22.2	14.8	60.0%	2.7%	15.6	16.5	17.4	5.7%	3.2%
Software and other intangible assets	–	0.2	9.4	–	–	0.6%	–	–	–	–	–
Total	349.3	368.7	502.7	468.5	10.3%	100.0%	492.0	508.1	538.7	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	6.2%	6.2%	7.9%	6.8%	–	–	6.9%	6.7%	6.8%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Climate Change and Air Quality

Programme purpose

Formulate policies, administer legislation and implement systems to improve regulation, monitoring and compliance regarding climate change air quality.

Objectives

- Manage threats to environmental quality and integrity by March 2019, by:
 - developing and coordinating the implementation of 20 climate change response interventions to ensure effective responses to the impacts of climate change
 - building climate change adaptive capacity, socioeconomic resilience and emergency response capacity through the development of 5 sector adaptation plans
 - contributing to the global effort to stabilise greenhouse gas concentrations in the atmosphere to enable South Africa to meet its national and international obligations by implementing 16 climate change response policy interventions.
- Develop a national monitoring and evaluation system for climate change by rolling out the Let's Respond toolkit in 40 municipalities by March 2021.
- Ensure the continual improvement of ambient air quality across the country by implementing air quality management plans, and providing legislative support and leadership to provincial and local authorities performing air quality management functions over the medium term.

Subprogrammes

- *Climate Change Management* provides for the overall management and administration of activities in the programme.
- *Climate Change Mitigation* ensures the support and monitoring of effective national, provincial and local climate change mitigation.
- *Climate Change Adaptation* coordinates and informs the development of policies, sector plans and programmes to enable national adaptation to the impact of climate change.
- *Air Quality Management* ensures that the possible negative impact of air pollution on air and atmospheric quality are avoided, mitigated or managed to ensure ambient air quality that is not harmful to health and wellbeing.
- *South African Weather Service* transfers funds to the South African Weather Service for the management of meteorological services.
- *International Climate Change Relations and Negotiations* is the focal point for South Africa's international climate change interactions, including multilateral and bilateral engagements. This entails preparing for, negotiating and informing the implementation of multilateral, minilateral and bilateral climate change agreements.
- *Climate Monitoring and Evaluation* ensures the monitoring and evaluation of national climate change responses to ensure informed decision-making on responding to climate change.

Expenditure trends and estimates

Table 27.12 Climate Change and Air Quality expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Climate Change Management	7.6	6.7	7.9	8.0	1.6%	2.8%	9.9	10.6	11.3	12.2%	3.3%
Climate Change Mitigation	8.4	8.8	9.9	9.2	3.1%	3.4%	11.7	12.5	13.6	14.1%	3.9%
Climate Change Adaptation	6.6	7.0	7.4	5.1	-8.5%	2.4%	9.3	9.9	10.4	27.4%	2.8%
Air Quality Management	36.6	41.1	43.7	44.9	7.0%	15.6%	38.0	40.8	43.3	-1.2%	13.7%
South African Weather Service	152.5	160.4	205.0	205.5	10.5%	67.9%	200.0	204.1	215.3	1.6%	67.7%
International Climate Change Relations and Negotiations	10.2	13.0	10.6	11.7	4.5%	4.3%	12.3	13.3	14.1	6.7%	4.2%
Climate Change Monitoring and Evaluation	7.4	9.2	11.0	10.6	12.9%	3.6%	13.2	14.6	15.7	13.8%	4.4%
Total	229.3	246.1	295.5	294.9	8.7%	100.0%	294.5	305.7	323.8	3.2%	100.0%
Change to 2017				-			(6.1)	(6.2)	(6.5)		
Budget estimate											
Economic classification											
Current payments	74.5	83.7	88.6	86.6	5.2%	31.3%	91.6	98.5	105.2	6.7%	31.3%
Compensation of employees	46.1	53.5	61.2	55.5	6.4%	20.3%	71.1	76.5	82.4	14.1%	23.4%
Goods and services ¹	28.4	30.1	27.4	31.1	3.1%	11.0%	20.5	22.0	22.9	-9.8%	7.9%
of which:											
Advertising	0.6	0.7	0.3	0.9	14.7%	0.2%	0.9	1.0	1.0	5.6%	0.3%
Communication	0.5	0.5	0.6	2.4	70.3%	0.4%	1.5	1.7	1.5	-13.9%	0.6%
Consultants: Business and advisory services	9.7	12.5	9.8	1.2	-50.6%	3.1%	1.2	1.4	1.5	8.6%	0.4%
Travel and subsistence	10.8	12.1	9.8	8.3	-8.6%	3.8%	7.6	8.1	8.5	0.8%	2.7%
Operating payments	0.6	0.1	1.7	1.6	39.3%	0.4%	1.7	1.8	1.8	5.6%	0.6%
Venues and facilities	4.7	2.1	3.6	2.5	-18.9%	1.2%	2.7	2.8	3.0	5.7%	0.9%
Transfers and subsidies¹	153.9	161.9	206.4	207.0	10.4%	68.4%	201.6	205.8	217.1	1.6%	68.2%
Departmental agencies and accounts	152.5	160.4	205.0	205.5	10.5%	67.9%	200.0	204.1	215.3	1.6%	67.7%
Non-profit institutions	1.4	1.4	1.4	1.5	3.4%	0.5%	1.6	1.7	1.8	5.6%	0.6%
Households	0.0	0.1	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.9	0.6	0.4	1.2	10.4%	0.3%	1.3	1.4	1.4	5.7%	0.4%
Machinery and equipment	0.9	0.6	0.4	1.2	10.4%	0.3%	1.3	1.4	1.4	5.7%	0.4%
Total	229.3	246.1	295.5	294.9	8.7%	100.0%	294.5	305.7	323.8	3.2%	100.0%
Proportion of total programme expenditure to vote expenditure	4.0%	4.1%	4.6%	4.3%	-	-	4.1%	4.1%	4.1%	-	-

Table 27.12 Climate Change and Air Quality expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21		
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	152.5	160.4	205.0	205.5	10.5%	67.9%	200.0	204.1	215.3	1.6%	67.7%	
South African Weather Service	152.5	160.4	205.0	205.5	10.5%	67.9%	200.0	204.1	215.3	1.6%	67.7%	
Non-profit institutions												
Current	1.4	1.4	1.4	1.5	3.4%	0.5%	1.6	1.7	1.8	5.6%	0.6%	
National Association for Clean Air	1.4	1.4	1.4	1.5	3.4%	0.5%	1.6	1.7	1.8	5.6%	0.6%	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Biodiversity and Conservation

Programme purpose

Ensure the regulation and management of biodiversity, heritage and conservation matters in a manner that facilitates sustainable economic growth and development.

Objectives

- Increase South Africa's land area under formal protection to ensure the conservation of ecosystems and minimise threats to ecological sustainability by:
 - increasing the percentage of land under conservation from 12.7 per cent (15 492 882 ha out of 121 991 200 ha) in 2017/18 to 14.2 per cent (17 343 142 ha out of 121 991 200 ha) by 2020/21
 - improving the percentage of protected areas that are effectively managed by the state from 75 per cent (4 894 416 ha out of 6 525 889 ha) in 2017/18 to 81 per cent (5 285 970 ha out of 6 525 889 ha) by March 2021.
- Improve access to, and the fair and equitable sharing of, natural resources by:
 - implementing the biodiversity sector transformation framework by 2030
 - implementing Vision 2024 and establishing 30 natural resource-based enterprises over the medium term
 - finalising a minimum of 20 benefit sharing agreements arising from the use of biological resources by 2019/20.

Subprogrammes

- *Biodiversity and Conservation Management* provides for the overall management and administration of activities in the programme.
- *Biodiversity Planning and Management* manages, protects and conserves South Africa's biological resources and ecosystems for human wellbeing and sustainable development, and develops and implements programmes and processes aimed at the protection and mitigation of threats to biodiversity at the species and ecosystem levels.
- *Protected Areas Systems Management* oversees the establishment and maintenance of comprehensive, effectively managed and ecologically representative national and cross border systems of protected areas. This entails ensuring the effective management of transfrontier conservation areas; developing and overseeing the implementation of protected areas policies and legislation; ensuring compliance with and the enforcement of legislation for protected areas; and promoting the participation and beneficiation of local communities in the establishment, development and management of protected areas.
- *iSimangaliso Wetland Park Authority* transfers funds to the iSimangaliso Wetland Park Authority to cover its personnel and operational expenditure.

- *South African National Parks* transfers funds to South African National Parks to cover its personnel and operational expenditure.
- *South African National Biodiversity Institute* transfers funds to the South African National Biodiversity Institute to cover its personnel and operational expenditure.
- *Biodiversity Monitoring Specialist Services* is responsible for sector-wide biodiversity monitoring and evaluation, and the coordination of biodiversity-related multilateral environmental agreements through the management of the science policy interface.
- *Biodiversity Economy and Sustainable Use* promotes and regulates the sustainable, fair and equitable sharing of benefits arising from the use of biological resources, and facilitates the growth of a nature-based biodiversity economy through appropriate policies, legislation and programmes.

Expenditure trends and estimates

Table 27.13 Biodiversity and Conservation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Biodiversity and Conservation Management	15.8	18.2	22.9	19.0	6.3%	2.7%	20.1	21.6	23.0	6.7%	2.7%
Biodiversity Planning and Management	20.0	26.2	25.7	28.7	12.9%	3.6%	30.4	32.8	35.0	6.8%	4.1%
Protected Areas Systems Management	44.5	42.2	43.6	52.3	5.5%	6.6%	40.4	43.2	46.0	-4.2%	5.8%
iSimangaliso Wetland Park Authority	30.6	31.6	33.0	34.5	4.1%	4.7%	32.8	36.5	38.5	3.7%	4.6%
South African National Parks	275.1	278.7	278.9	285.3	1.2%	40.2%	292.0	288.2	304.1	2.1%	37.5%
South African National Biodiversity Institute	223.4	232.1	238.0	249.9	3.8%	34.0%	325.8	343.8	362.7	13.2%	41.2%
Biodiversity Monitoring Specialist Services	8.6	9.0	17.2	6.9	-7.3%	1.5%	10.8	11.5	12.5	21.8%	1.3%
Biodiversity Economy and Sustainable Use	25.0	61.9	79.4	19.9	-7.4%	6.7%	21.0	22.6	24.1	6.7%	2.8%
Total	643.1	699.9	738.7	696.5	2.7%	100.0%	773.4	800.1	845.8	6.7%	100.0%
Change to 2017				-			47.2	38.9	41.1		
Budget estimate											
Economic classification											
Current payments	110.6	153.9	184.6	123.7	3.8%	20.6%	119.7	128.6	137.3	3.5%	16.3%
Compensation of employees	55.8	63.1	69.7	71.8	8.8%	9.4%	81.1	87.4	94.1	9.4%	10.7%
Goods and services ¹	54.8	90.8	115.0	51.9	-1.8%	11.2%	38.5	41.2	43.2	-5.9%	5.6%
of which:											
Advertising	2.0	2.2	1.3	1.2	-14.8%	0.2%	1.3	1.4	1.4	5.6%	0.2%
Consultants: Business and advisory services	19.3	8.5	29.0	17.8	-2.7%	2.7%	13.8	14.6	15.2	-5.1%	2.0%
Agency and support/outsourced services	-	-	0.1	1.9	-	0.1%	2.0	2.3	2.4	9.0%	0.3%
Travel and subsistence	22.4	20.5	25.9	17.3	-8.2%	3.1%	12.0	12.8	13.6	-7.9%	1.8%
Operating payments	1.0	16.5	1.5	2.5	38.1%	0.8%	2.7	2.8	3.0	5.6%	0.4%
Venues and facilities	4.8	3.8	36.6	3.1	-13.6%	1.7%	2.2	2.4	2.6	-5.8%	0.3%
Transfers and subsidies¹	531.5	544.8	553.4	572.1	2.5%	79.3%	652.9	670.7	707.6	7.3%	83.6%
Departmental agencies and accounts	529.1	542.5	549.9	569.8	2.5%	78.9%	650.6	668.5	705.2	7.4%	83.3%
Non-profit institutions	2.3	2.3	3.1	2.3	-	0.4%	2.3	2.3	2.4	1.8%	0.3%
Households	0.0	0.1	0.4	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	1.0	1.1	0.7	0.8	-7.8%	0.1%	0.8	0.8	0.9	5.6%	0.1%
Machinery and equipment	1.0	1.1	0.7	0.8	-7.8%	0.1%	0.8	0.8	0.9	5.6%	0.1%
Payments for financial assets	0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Total	643.1	699.9	738.7	696.5	2.7%	100.0%	773.4	800.1	845.8	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	11.3%	11.8%	11.6%	10.2%	-	-	10.9%	10.6%	10.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	499.1	511.1	516.9	535.1	2.3%	74.2%	614.0	630.4	665.1	7.5%	78.5%
iSimangaliso Wetland Park Authority	30.6	31.6	33.0	34.5	4.1%	4.7%	32.8	36.5	38.5	3.7%	4.6%
South African National Parks	245.1	247.3	245.9	250.6	0.8%	35.6%	255.4	250.2	263.9	1.7%	32.7%
South African National Biodiversity Institute	223.4	232.1	238.0	249.9	3.8%	34.0%	325.8	343.8	362.7	13.2%	41.2%
Capital	30.0	31.4	33.0	34.7	5.0%	4.6%	36.6	38.1	40.2	5.0%	4.8%
South African National Parks	30.0	31.4	33.0	34.7	5.0%	4.6%	36.6	38.1	40.2	5.0%	4.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Environmental Programmes

Programme purpose

Implement the expanded public works programme and green economy projects in the environmental sector.

Objectives

- Promote the empowerment of designated communities by creating 238 046 work opportunities and 125 462 full-time equivalent jobs in environmental projects by 2020/21 through the implementation of projects related to the expanded public works programme.
- Restore and maintain the structure and function of vegetation to contribute to ecosystem services over the medium term by:
 - clearing or treating 202 993 ha of invasive alien plants
 - restoring and rehabilitating 35 763 ha of land.
- Facilitate the transition to a growth path that is low in carbon emissions and efficient in natural resources by facilitating the implementation of green initiative projects over the medium term.

Subprogrammes

- *Environmental Protection and Infrastructure Programme* identifies, plans and implements projects under the expanded public works programme through the use of labour intensive methods targeting the unemployed, youth, women and people with disabilities; and empowers small, medium and micro enterprises (SMMEs) during project implementation processes.
- *Natural Resource Management* ensures that South Africa addresses its responsibilities relating to water resource management, biological diversity and the functioning of natural systems; and ensures that meaningful livelihood opportunities are supported for people employed through these programmes.
- *Green Fund* invests in projects to protect the environment by working with the donor community and the private sector.
- *Environmental Programmes Management* contributes to sustainable development and livelihoods, and green and inclusive economic growth. This includes facilitating skills development, creating employment, managing natural resources and developing infrastructure.
- *Information Management and Sector Coordination* aims to provide effective and efficient support to environmental programmes to stimulate the potential for economic growth in the environmental sector, and to maximise the sustainable use of environmental resources.

Expenditure trends and estimates

Table 27.14 Environmental Programmes expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Environmental Protection and Infrastructure Programme	1 481.1	1 429.5	1 568.8	1 505.4	0.5%	40.4%	1 407.5	1 420.5	1 501.4	-0.1%	35.9%
Natural Resource Management	1 771.5	1 793.7	1 956.8	2 070.9	5.3%	51.2%	2 125.7	2 303.5	2 428.0	5.4%	55.0%
Green Fund	250.0	300.0	180.0	110.5	-23.8%	5.7%	95.0	111.0	117.1	2.0%	2.7%
Environmental Programmes Management	7.3	6.6	6.2	174.1	188.2%	1.3%	182.9	210.3	222.1	8.4%	4.9%
Information Management and Sector Coordination	39.7	49.8	55.1	67.3	19.2%	1.4%	60.2	61.7	66.0	-0.7%	1.6%
Total	3 549.6	3 579.6	3 766.9	3 928.2	3.4%	100.0%	3 871.3	4 107.0	4 334.5	3.3%	100.0%
Change to 2017 Budget estimate				33.0			(7.7)	104.1	106.5		

Table 27.14 Environmental Programmes expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	364.8	444.7	441.0	483.7	9.9%	11.7%	441.3	455.4	482.1	-0.1%	11.5%
Compensation of employees	170.0	202.9	223.4	229.0	10.4%	5.6%	252.0	271.9	293.3	8.6%	6.4%
Goods and services ¹	194.8	241.8	217.5	254.7	9.3%	6.1%	189.2	183.6	188.8	-9.5%	5.0%
<i>of which:</i>											
<i>Consultants: Business and advisory services</i>	5.3	24.3	24.6	12.1	31.8%	0.4%	14.6	29.0	30.4	36.0%	0.5%
<i>Contractors</i>	84.4	94.4	85.4	110.0	9.2%	2.5%	40.9	35.2	32.7	-33.2%	1.3%
<i>Agency and support/outsourced services</i>	0.9	4.4	4.3	20.1	179.4%	0.2%	19.7	21.0	22.1	3.2%	0.5%
<i>Travel and subsistence</i>	57.6	52.2	43.3	55.2	-1.4%	1.4%	43.9	42.3	44.5	-7.0%	1.1%
<i>Operating payments</i>	3.7	6.8	6.9	10.4	41.7%	0.2%	11.0	10.6	11.2	2.5%	0.3%
<i>Venues and facilities</i>	5.5	4.6	3.0	9.7	20.5%	0.2%	10.2	10.8	11.4	5.6%	0.3%
Transfers and subsidies¹	3 180.9	3 130.6	3 324.0	3 441.7	2.7%	88.2%	3 426.2	3 647.8	3 848.5	3.8%	88.4%
Provinces and municipalities	0.0	0.0	33.7	-	-100.0%	0.2%	-	-	-	-	-
Departmental agencies and accounts	517.6	402.8	1 437.0	418.8	-6.8%	18.7%	332.6	304.3	321.0	-8.5%	8.5%
Higher education institutions	-	-	15.7	-	-	0.1%	-	-	-	-	-
Public corporations and private enterprises	250.0	300.0	1 719.0	110.5	-23.8%	16.1%	95.0	111.0	117.1	2.0%	2.7%
Non-profit institutions	-	-	118.2	-	-	0.8%	-	-	-	-	-
Households	2 413.2	2 427.8	0.4	2 912.4	6.5%	52.3%	2 998.6	3 232.6	3 410.3	5.4%	77.3%
Payments for capital assets	3.8	3.8	1.9	2.9	-8.7%	0.1%	3.8	3.7	3.9	10.9%	0.1%
Machinery and equipment	3.8	3.8	1.9	2.9	-8.7%	0.1%	3.8	3.7	3.9	10.9%	0.1%
Payments for financial assets	0.1	0.5	0.0	-	-100.0%	-	-	-	-	-	-
Total	3 549.6	3 579.6	3 766.9	3 928.2	3.4%	100.0%	3 871.3	4 107.0	4 334.5	3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	62.5%	60.3%	59.0%	57.4%	-	-	54.4%	54.5%	54.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	888.8	-	-	6.0%	-	-	-	-	-
Expanded public works programme: Environmental protection and infrastructure programme	-	-	748.5	-	-	5.0%	-	-	-	-	-
Expanded public works programme: Working for Water	-	-	140.3	-	-	0.9%	-	-	-	-	-
Capital	513.8	401.7	539.4	418.8	-6.6%	12.6%	332.6	304.3	321.0	-8.5%	8.5%
South African Weather Service	30.0	-	-	35.0	5.3%	0.4%	37.0	38.5	40.6	5.1%	0.9%
iSimangaliso Wetland Park Authority	101.4	61.1	99.2	100.0	-0.5%	2.4%	111.7	74.5	78.6	-7.7%	2.2%
South African National Parks	315.9	268.3	358.8	208.8	-12.9%	7.8%	104.5	108.7	114.7	-18.1%	3.3%
South African National Biodiversity Institute	66.5	72.3	81.4	75.0	4.1%	2.0%	79.4	82.5	87.1	5.1%	2.0%
Households	-	-	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-	-	-
Current	2 411.6	2 427.8	0.4	2 912.4	6.5%	52.3%	2 998.6	3 232.6	3 410.3	5.4%	77.3%
Expanded public works programme: Environmental protection and infrastructure programme	711.7	793.3	-	773.1	2.8%	15.4%	777.3	813.0	857.7	3.5%	19.8%
Expanded public works programme: Incentive (Environmental protection and infrastructure programme)	183.7	161.0	-	228.5	7.5%	3.9%	186.8	197.3	208.1	-3.1%	5.1%
Expanded public works programme: Working for Water	897.3	830.5	0.4	1 008.6	4.0%	18.5%	990.7	1 102.5	1 163.2	4.9%	26.3%
Expanded public works programme: Incentive (Working for Water)	178.4	137.1	-	161.0	-3.4%	3.2%	245.1	258.9	273.1	19.3%	5.8%
Expanded public works programme: Working on Fire	382.3	461.9	-	527.2	11.3%	9.3%	556.2	587.4	619.7	5.5%	14.1%
Expanded public works programme: Incentive (Working on Fire)	58.1	44.0	-	81.7	12.0%	1.2%	96.2	101.5	107.1	9.5%	2.4%
South African National Biodiversity Institute: Biosecurity	-	-	-	28.0	-	0.2%	29.0	30.0	31.7	4.2%	0.7%
South African National Parks: Eco-furniture Factories	-	-	-	104.4	-	0.7%	117.4	141.9	149.8	12.8%	3.2%
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Current	-	-	118.2	-	-	0.8%	-	-	-	-	-
Expanded public works programme: Working for Water	-	-	118.2	-	-	0.8%	-	-	-	-	-

Table 27.14 Environmental Programmes expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	250.0	300.0	859.9	110.5	-23.8%	10.3%	95.0	111.0	117.1	2.0%	2.7%
Expanded public works programme: Working for Water	-	-	15.6	-	-	0.1%	-	-	-	-	-
Expanded public works programme: Working on Fire	-	-	618.1	-	-	4.2%	-	-	-	-	-
Expanded public works programme: Incentive (Working on Fire)	-	-	46.2	-	-	0.3%	-	-	-	-	-
Development Bank of Southern Africa	250.0	300.0	180.0	110.5	-23.8%	5.7%	95.0	111.0	117.1	2.0%	2.7%
Provinces and municipalities											
Municipalities											
Municipal agencies and funds											
Current	-	-	33.7	-	-	0.2%	-	-	-	-	-
Expanded public works programme: Environmental protection and infrastructure programme	-	-	33.7	-	-	0.2%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	859.2	-	-	5.8%	-	-	-	-	-
Expanded public works programme: Incentive (Environmental protection and infrastructure programme)	-	-	169.5	-	-	1.1%	-	-	-	-	-
Expanded public works programme: Working for Water	-	-	545.3	-	-	3.7%	-	-	-	-	-
Expanded public works programme: Incentive (Working for Water)	-	-	144.4	-	-	1.0%	-	-	-	-	-
Higher education institutions											
Current	-	-	15.7	-	-	0.1%	-	-	-	-	-
Expanded public works programme: Working for Water	-	-	15.7	-	-	0.1%	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 7: Chemicals and Waste Management

Programme purpose

Formulate policies and administer legislation regarding the use of chemicals and waste management to improve regulation, monitoring, compliance and enforcement.

Objectives

- Oversee, monitor and evaluate waste sector performance, ensuring that there is less waste generated and existing waste is better managed by:
 - developing and implementing national waste management policies, strategies, and norms and standards over the medium term
 - increasing the percentage of waste tyres diverted from landfill sites from 60 per cent in 2017/18 to 100 per cent by March 2021.
- Contribute to the management of the impact of chemicals on the environment by developing and implementing legislative instruments, and providing specialist advisory services on chemicals and pollution management as and when requested.

Subprogrammes

- *Chemicals and Waste Management* provides for the administration and functioning of the overall activities in the programme.

- *Hazardous Waste Management and Licensing* provides for processes and systems for the efficient and effective administration of the department's authorisation of waste management activities, and ensures the reduced release of hazardous waste into the environment and that contaminated land is remediated.
- *Integrated Waste Management and Strategic Support* ensures the development of national policies, strategies, legislation, norms and standards, and the building of capacity in government, industry and civil society to respond to the challenges of pollution resulting from poor general waste management; and contributes towards the provision of basic waste services to all citizens of South Africa.
- *Chemicals and Waste Policy, Evaluation and Monitoring* ensures the development of national policies, strategies, legislation and norms and standards; and monitors and evaluates the impact of policies on chemicals and waste management.
- *Chemicals Management* ensures the management, facilitation, planning and coordination of the department and South Africa's engagement in multilateral chemicals and waste agreements and related international cooperation and national programmes.
- *Waste Bureau* promotes and facilitates the minimisation, reuse, recycling and recovery of waste by providing specialist advice and support for the development of integrated waste management plans for industry and municipalities.

Expenditure trends and estimates

Table 27.15 Chemicals and Waste Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Chemicals and Waste Management	6.0	10.0	8.1	6.5	2.7%	4.6%	6.9	7.4	7.9	6.7%	1.3%
Hazardous Waste Management and Licensing	22.5	27.9	25.6	30.7	10.9%	16.1%	118.0	115.1	122.0	58.4%	17.8%
Integrated Waste Management and Strategic Support	14.2	12.4	13.7	39.9	41.1%	12.1%	21.1	22.7	24.2	-15.3%	5.0%
Chemicals and Waste Policy, Evaluation and Monitoring	6.7	9.4	24.9	11.7	20.6%	7.9%	12.2	13.0	13.7	5.4%	2.3%
Chemicals Management	11.5	13.3	15.8	11.2	-0.6%	7.8%	15.4	16.5	17.5	16.0%	2.8%
Waste Bureau	11.0	6.8	6.8	317.3	206.5%	51.5%	376.7	411.0	433.8	11.0%	70.8%
Total	71.9	79.7	95.0	417.3	79.7%	100.0%	550.3	585.6	619.1	14.1%	100.0%
Change to 2017 Budget estimate				(33.0)			0.0	0.0	0.0		
Economic classification											
Current payments	59.8	72.2	87.6	164.6	40.1%	57.9%	189.7	193.4	205.3	7.7%	34.7%
Compensation of employees	40.3	48.9	53.4	57.6	12.6%	30.2%	62.2	67.0	72.1	7.8%	11.9%
Goods and services ¹	19.5	23.3	34.2	107.0	76.4%	27.7%	127.5	126.4	133.2	7.6%	22.7%
of which:											
Consultants: Business and advisory services	9.2	8.2	8.4	15.7	19.6%	6.2%	24.5	27.8	28.7	22.4%	4.4%
Contractors	–	0.0	0.0	–	–	–	85.5	80.1	84.9	–	11.5%
Consumables: Stationery, printing and office supplies	0.1	0.1	0.2	1.6	136.0%	0.3%	1.7	1.8	1.9	5.6%	0.3%
Travel and subsistence	6.9	7.9	8.2	2.7	-26.9%	3.9%	6.3	6.8	7.0	37.9%	1.0%
Operating payments	0.3	2.1	2.2	2.6	111.9%	1.1%	2.7	2.9	3.1	5.6%	0.5%
Venues and facilities	0.7	2.4	0.8	2.6	53.9%	1.0%	2.8	2.9	3.1	5.6%	0.5%
Transfers and subsidies¹	11.0	6.9	6.9	252.1	183.8%	41.7%	359.9	391.5	413.1	17.9%	65.2%
Departmental agencies and accounts	11.0	6.8	6.8	7.1	-13.5%	4.8%	359.9	391.5	413.1	286.9%	53.9%
Households	–	0.1	0.1	245.0	–	36.9%	–	–	–	-100.0%	11.3%
Payments for capital assets	1.0	0.6	0.4	0.6	-14.8%	0.4%	0.7	0.7	0.7	5.3%	0.1%
Machinery and equipment	1.0	0.6	0.4	0.6	-14.8%	0.4%	0.7	0.7	0.7	5.3%	0.1%
Total	71.9	79.7	95.0	417.3	79.7%	100.0%	550.3	585.6	619.1	14.1%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	1.3%	1.5%	6.1%	–	–	7.7%	7.8%	7.8%	–	–

Table 27.15 Chemicals and Waste Management expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
		2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21
R million												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current												
National Regulator for Compulsory Specifications	11.0	6.8	6.8	7.1	-13.5%	4.8%	359.9	391.5	413.1	286.9%	53.9%	
Waste Bureau	11.0	6.8	6.8	7.1	-13.5%	4.8%	11.9	12.5	13.2	22.7%	2.1%	
Households												
Other transfers to households												
Current												
Tyre recycling initiatives	-	-	-	245.0	-	36.9%	-	-	-	-100.0%	11.3%	
Plastic programme	-	-	-	152.0	-	22.9%	-	-	-	-100.0%	7.0%	
Recycling Enterprise Support Programme	-	-	-	35.0	-	5.3%	-	-	-	-100.0%	1.6%	
	-	-	-	58.0	-	8.7%	-	-	-	-100.0%	2.7%	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

South African National Parks

Mandate

South African National Parks exists in terms of the National Environmental Management: Protected Areas Act (2003). Its mandate is to conserve, protect, control and manage national parks and other defined protected areas and their biodiversity. This mandate is underpinned in section 24(b) of the Constitution, which states that everyone has the right to an environment that is not harmful to their health or wellbeing, and to have the environment protected for the benefit of present and future generations through reasonable legislative and other measures.

Selected performance indicators

Table 27.16 South African National Parks performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTFS outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of visitors to national parks per year	Administration	Outcome 10: Protect and enhance our environmental assets and natural resources	5 578 532	5 600 000	6 750 083	6 200 000	6 500 000	6 500 000	6 700 000
Number of domestic black visitors to national parks per year	Administration		506 273	462 500	515 981	470 000	509 958	509 958	526 000
Percentage of accommodation occupancy in national parks per year	Administration		72% (552 240/ 766 936)	72.5% (571 362/ 788 086)	74% (583 184/ 788 086)	71%	75%	75%	76%
Gross operating tourism revenue (value of revenue raised from commercial activities) per year	Administration		R1.1bn	R1.2bn	R1.3bn	R1.4bn	R1.5bn	R1.6bn	R1.7bn
Number of free access entrants to parks per year	Administration		42 230	18 200	62 312	18 400	18 500	18 600	18 700
Number of participants in environmental education programmes per year	Administration		213 744	185 600	205 815	208 000	218 000	218 000	220 000
Number of hectares of land brought into the national parks system per year	Administration		6 125	3 715	3 873	2 300	2 300	2 300	2 300
Number of new permanent jobs created per year	Administration	Outcome 4: Decent employment through inclusive growth	305	20	30	50	90	50	60

¹ This section has been compiled with the latest available information from the entities concerned.

Expenditure analysis

South African National Parks is part of the cluster of public entities assigned to deliver on outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. Through its programmes and activities, particularly in relation to conservation and tourism, the parks also contribute to the framework's outcome 4 (decent employment through inclusive growth). The focus of the parks over the medium term will be on improving the condition of the conservation estate, particularly through its development, refurbishment and the upgrading of infrastructure; and contributing to national conservation while driving government's agenda for radical socioeconomic transformation and fighting poaching crimes.

Fighting poaching crimes, particularly rhino poaching in the Kruger National Park and abalone in Western Cape, remains a top priority for the parks. Additional amounts of R104 million for combatting wildlife crime and R66.8 million for marine protection have been provided by the department over the medium term.

Operating expenses, compensation of employees and special projects such as infrastructure development are expected to be the entity's major drivers of expenditure over the MTEF period, amounting to an estimated R6.5 billion, increasing from R1.9 billion in 2017/18 to R2.3 billion in 2020/21 at an average annual rate of 7.1 per cent.

The parks derive revenue through a transfer from the department and income from tourism. Total revenue is expected to increase from R2.1 billion in 2017/18 to R2.5 billion in 2020/21 at an average annual rate of 7.2 per cent due to a projected increase in the organisation's tourism income. These funds will be used primarily for infrastructure development.

Programmes/Objectives/Activities

Table 27.17 South African National Parks expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	2 510.5	2 624.7	1 991.3	2 060.7	-6.4%	100.0%	2 224.1	2 367.7	2 540.2	7.2%	100.0%
Total	2 510.5	2 624.7	1 991.3	2 060.7	-6.4%	100.0%	2 224.1	2 367.7	2 540.2	7.2%	100.0%

Statements of historical financial performance and position

Table 27.18 South African National Parks statements of historical financial performance and position

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Budget		Revised estimate		Average: Outcome/Budget (%) 2014/15 - 2017/18
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2017/18	2017/18	2017/18			
R million	2014/15		2015/16		2016/17		2017/18		2017/18		2017/18		
Revenue													
Non-tax revenue	920.4	1 444.6	1 265.2	1 621.0	1 621.6	1 649.1	1 712.9	1 628.2					114.9%
Sale of goods and services other than capital assets	894.8	1 387.2	1 208.7	1 546.7	1 491.0	1 556.0	1 577.6	1 513.8					116.1%
<i>of which:</i>													
<i>Sales by market establishment</i>	894.8	1 387.2	1 208.7	1 546.7	1 491.0	1 556.0	1 577.6	1 513.8					116.1%
Other non-tax revenue	25.6	57.4	56.5	74.3	130.6	93.1	135.3	114.4					97.5%
Transfers received	654.9	1 353.8	519.3	1 282.7	559.4	600.7	433.4	432.5					169.3%
Total revenue	1 575.3	2 798.4	1 784.5	2 903.7	2 181.0	2 249.8	2 146.3	2 060.7					130.3%
Expenses													
Current expenses	1 554.2	2 510.5	1 558.0	2 624.7	1 843.4	1 991.3	1 934.3	1 899.2					131.0%
Compensation of employees	688.5	871.2	903.4	907.6	977.2	1 005.3	1 026.0	1 109.8					108.3%
Goods and services	809.5	1 566.3	556.8	1 632.8	789.5	875.0	829.3	677.2					159.2%
Depreciation	39.9	71.4	96.2	82.6	75.5	110.4	77.8	111.3					129.8%
Interest, dividends and rent on land	16.2	1.6	1.6	1.7	1.2	0.6	1.1	0.9					23.8%
Transfers and subsidies	-	-	226.5	-	337.6	-	212.1	161.5					20.8%
Total expenses	1 554.2	2 510.5	1 784.5	2 624.7	2 181.0	1 991.3	2 146.3	2 060.7					119.8%
Surplus/(Deficit)	21.0	288.0	-	279.0	-	259.0	-	-					

Table 27.18 South African National Parks statements of historical financial performance and position

Statement of financial position									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
R million	2014/15		2015/16		2016/17		2017/18		
Carrying value of assets	1 915.3	1 986.8	1 986.8	2 180.2	1 986.8	1 986.8	1 986.8	1 986.8	103.4%
<i>of which:</i>									
<i>Acquisition of assets</i>	(22.3)	(599.7)	(63.7)	(565.2)	(70.8)	(70.8)	(77.6)	(77.6)	560.3%
Investments	232.9	160.4	160.4	163.6	160.4	160.4	160.4	160.4	90.3%
Inventory	21.1	34.0	34.0	30.8	34.0	34.0	34.0	34.0	107.8%
Receivables and prepayments	25.0	40.4	40.4	56.2	40.4	40.4	40.4	40.4	121.4%
Cash and cash equivalents	200.0	882.8	882.8	981.6	882.8	882.8	882.8	882.8	127.4%
Total assets	2 394.3	3 104.3	3 104.3	3 412.4	3 104.3	3 104.3	3 104.3	3 104.3	108.7%
Accumulated surplus/(deficit)	(39.6)	1 492.8	1 492.8	1 771.8	1 492.8	1 492.8	1 492.8	1 492.8	140.8%
Capital reserve fund	105.0	–	–	–	–	–	–	–	–
Borrowings	22.3	11.5	11.5	8.9	11.5	11.5	11.5	11.5	76.5%
Deferred income	1 694.0	476.0	476.0	405.7	476.0	476.0	476.0	476.0	58.7%
Trade and other payables	354.8	469.0	469.0	529.8	469.0	469.0	469.0	469.0	109.9%
Provisions	257.9	655.0	655.0	696.2	655.0	655.0	655.0	655.0	119.7%
Total equity and liabilities	2 394.3	3 104.3	3 104.3	3 412.4	3 104.3	3 104.3	3 104.3	3 104.3	108.7%

Statements of estimates of financial performance and position**Table 27.19 South African National Parks statements of estimates of financial performance and position**

Statement of financial performance									Average: Expenditure/ Total (%)
	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Revenue									
Non-tax revenue	1 628.2	4.1%	64.9%	1 877.2	2 019.5	2 172.9	10.1%	83.6%	
Sale of goods and services other than capital assets	1 513.8	3.0%	61.4%	1 767.5	1 904.0	2 051.3	10.7%	78.5%	
<i>of which:</i>									
<i>Sales by market establishment</i>	1 513.8	3.0%	61.4%	1 767.5	1 904.0	2 051.3	10.7%	78.5%	
Other non-tax revenue	114.4	25.9%	3.6%	109.7	115.5	121.6	2.1%	5.0%	
Transfers received	432.5	-31.6%	35.1%	346.9	348.2	367.3	-5.3%	16.4%	
Total revenue	2 060.7	-9.7%	100.0%	2 224.1	2 367.7	2 540.2	7.2%	100.0%	
Expenses									
Current expenses	1 899.2	-8.9%	98.0%	2 037.8	2 169.7	2 332.1	7.1%	91.8%	
Compensation of employees	1 109.8	8.4%	43.4%	1 176.4	1 247.0	1 321.8	6.0%	52.9%	
Goods and services	677.2	-24.4%	50.4%	688.6	739.4	816.0	6.4%	31.8%	
Depreciation	111.3	16.0%	4.2%	153.6	162.9	172.6	15.7%	6.5%	
Interest, dividends and rent on land	0.9	-18.9%	0.1%	19.3	20.4	21.7	191.5%	0.7%	
Transfers and subsidies	161.5	–	2.0%	186.2	198.0	208.1	8.8%	8.2%	
Total expenses	2 060.7	-6.4%	100.0%	2 224.1	2 367.7	2 540.2	7.2%	100.0%	
Surplus/(Deficit)	–	–	–	–	–	–	–	–	
Statement of financial position									
Carrying value of assets	1 986.8	–	64.0%	1 986.8	1 986.8	1 986.8	–	64.0%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(77.6)	-49.4%	-10.2%	(85.2)	(91.1)	(96.6)	7.6%	-2.8%	
Investments	160.4	–	5.1%	160.4	160.4	160.4	–	5.2%	
Inventory	34.0	–	1.0%	34.0	34.0	34.0	–	1.1%	
Receivables and prepayments	40.4	–	1.4%	40.4	40.4	40.4	–	1.3%	
Cash and cash equivalents	882.8	–	28.5%	882.8	882.8	882.8	–	28.4%	
Total assets	3 104.3	–	100.0%	3 104.3	3 104.3	3 104.3	–	100.0%	
Accumulated surplus/(deficit)	1 492.8	–	49.0%	1 492.8	1 492.8	1 492.8	–	48.1%	
Borrowings	11.5	–	0.3%	11.5	11.5	11.5	–	0.4%	
Deferred income	476.0	–	14.5%	476.0	476.0	476.0	–	15.3%	
Trade and other payables	469.0	–	15.2%	469.0	469.0	469.0	–	15.1%	
Provisions	655.0	–	20.9%	655.0	655.0	655.0	–	21.1%	
Total equity and liabilities	3 104.3	–	100.0%	3 104.3	3 104.3	3 104.3	–	100.0%	

Personnel information

Table 27.20 South African National Parks personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment														Number				
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost			Unit cost				
South African National Parks		6 481	6 481	6 481	1 005.3	0.2	6 481	1 109.8	0.2	6 481	1 176.4	0.2	6 481	1 247.0	0.2	6 481	1 321.8	0.2	6.0%	100.0%
Salary level																				
1 – 6	5 655	5 655	5 655	607.8	0.1	5 655	671.0	0.1	5 655	711.2	0.1	5 655	753.9	0.1	5 655	799.1	0.1	6.0%	87.3%	
7 – 10	670	670	670	246.7	0.4	670	272.3	0.4	670	288.7	0.4	670	306.0	0.5	670	324.4	0.5	6.0%	10.3%	
11 – 12	113	113	113	93.4	0.8	113	103.1	0.9	113	109.3	1.0	113	115.9	1.0	113	122.8	1.1	6.0%	1.7%	
13 – 16	43	43	43	52.2	1.2	43	57.6	1.3	43	61.1	1.4	43	64.7	1.5	43	68.6	1.6	6.0%	0.7%	
17 – 22	–	–	–	5.2	–	–	5.8	–	–	6.1	–	–	6.5	–	–	6.9	–	6.0%	–	

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **iSimangaliso Wetland Park Authority** protects and conserves the park to promote and facilitate tourism and tourism-related development in the park. Its total budget for 2018/19 is R164.2 million.
- The **South African National Biodiversity Institute** focuses on biodiversity knowledge management and information generation and dissemination by conducting coordinated research on the composition, value, status, functioning and dynamics of South Africa's biodiversity. The institute's total budget for 2018/19 is R737.9 million.
- The **South African Weather Service** maintains, extends and improves the quality of meteorological services. The entity's total budget for 2018/19 is R421.6 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
R million										
South African National Parks	Upgrade of tourist accommodation facilities	Construction	1 282.8	248.4	195.0	206.7	125.6	61.0	62.5	65.6
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
South African National Parks	Upgrade of roads	Construction	500.0	30.0	31.4	33.0	34.7	36.6	38.1	40.0
South African National Biodiversity Institute	Upgrade of laboratories and replacement of old and depleted equipment and vehicles	Construction	550.0	48.0	60.0	63.6	64.0	66.8	75.7	79.5
South African National Parks	Upgrade of accommodation facilities and equipment in national parks	Construction	595.7	67.5	73.3	152.1	83.2	43.5	46.2	48.5
iSimangaliso Wetland Park Authority	Upgrade of office facilities	Construction	655.2	81.4	41.1	79.2	80.0	91.7	54.5	57.2
South African National Biodiversity Institute	Upgrade of and building of new facilities in botanical gardens	Construction	230.0	18.5	12.3	17.8	11.0	12.6	6.8	7.1
Small projects (total project cost of less than R250 million over the project life cycle)										
South African Weather Service	Acquisition of high performance computer to assist with improved weather and meteorological services	Tender	500.0	30.0	–	–	35.0	37.0	38.5	40.4
iSimangaliso Wetland Park Authority	Upgrade of accommodation facilities and equipment	Construction	220.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Total			4 533.7	543.8	433.1	572.4	453.5	369.2	342.3	358.5

Vote 28

Labour

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	917.4	876.9	0.8	39.6	977.0	1 038.2
Inspection and Enforcement Services	598.2	564.2	0.1	33.9	639.0	687.6
Public Employment Services	582.6	351.6	229.7	1.4	615.4	653.5
Labour Policy and Industrial Relations	1 197.1	154.0	1 043.0	0.1	1 201.7	1 269.5
Total expenditure estimates	3 295.2	1 946.7	1 273.6	75.0	3 432.9	3 648.7
Executive authority	Minister of Labour					
Accounting officer	Director General of Labour					
Website address	www.labour.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Play a significant role in reducing unemployment, poverty and inequality by pursuing the objectives of decent work for all through: employment creation and enterprise development; the setting of standards and protection of rights at work, including the facilitation of equal opportunities and social dialogue; and the provision of social protection.

Mandate

The Department of Labour derives its legislative mandate from the Constitution, particularly the Bill of Rights, which is given effect through a number of acts that regulate labour matters in South Africa. The most important of these are the Labour Relations Act (1995), the Basic Conditions of Employment Act (1997), the Employment Equity Act (1998), the Occupational Health and Safety Act (1993), and the Employment Services Act (2014).

The mandate of the department is to regulate the labour market through policies and programmes developed in consultation with social partners. These aim to:

- improve economic efficiency and productivity
- facilitate decent employment creation
- promote labour standards and fundamental rights at work
- provide adequate social safety nets to protect vulnerable workers
- promote and enforce sound labour relations
- promote equity and eliminate unfair discrimination in the workplace
- eliminate inequality and discrimination in the workplace
- enhance occupational health and safety awareness and compliance in the workplace
- give value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market flexibility for the competitiveness of enterprises, balanced with the promotion of decent employment.

Selected performance indicators

Table 28.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of employers inspected per year to determine compliance with employment law	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive growth	182 375	188 577	187 159	217 008	218 732	223 608	229 068
Percentage of reported incidents finalised within 90 days	Inspection and Enforcement Services		45% (589/1 305)	82% (1 080/1 309)	80% (703/878)	65%	65%	65%	65%
Number of work seekers registered on the Employment Services of South Africa database per year ¹	Public Employment Services		618 570	634 503	666 719	500 000	650 000	700 000	750 000
Number of registered work seekers provided with employment counselling per year	Public Employment Services		246 744	250 000	197 247 ²	140 000	200 000 ²	210 000	220 000
Number of employment opportunities registered on the Employment Services of South Africa database per year	Public Employment Services		74 056	102 631 ¹	74 510 ²	60 000 ²	85 000 ²	90 000	95 000
Number of registered employment opportunities filled by registered work seekers per year	Public Employment Services		16 634	10 927	12 517	8 000	42 500	45 000	47 500
Number of pay scales assessed per year to reduce gaps in minimum wage determinations	Labour Policy and Industrial Relations		4	4	2	2	-3	-3	-3

1. High achievement due to advocacy campaigns and roadshows.

2. Targets revised to align with the department's budget.

3. The indicator will not be reported on from 2018/19 due to the introduction of the national minimum wage.

Expenditure analysis

The Department of Labour supports efforts towards realising the goals of the National Development Plan (NDP) to increase workplace inspections and resolve workplace disputes to enhance healthy labour relations and create 11 million jobs by 2030. Outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework gives overall strategic direction to the department's work. Over the medium term, the department will focus on establishing safe work environments, supporting work seekers, and regulating the workplace to establish minimum working conditions and fair labour practices.

Cabinet approved budget reductions of R59.4 million and R8.2 million over the MTEF period have been effected on the department's *Administration* and *Public Employment Services* programmes, respectively. The reduction in the *Administration* programme relates to payments for transport equipment, which is expected to have a minimal impact as the department has reconsidered its fleet replacement strategy. The reduction in the *Public Employment Services* programme is on the transfer to the *Supported Employment Enterprises* subprogramme. This is also expected to have minimal impact as the subprogramme functions as a trading entity that generates revenue.

Promoting safety in the workplace

In seeking to create and promote safe work environments, the department aims to ensure that employers adhere to employment equity plans and decent work principles, and that vulnerable workers are protected. The number of inspections for compliance with labour legislation is expected to increase from 217 008 in 2017/18 to 229 068 in 2020/21, based on available capacity and the norms and standards for the number of inspections conducted per inspector. To achieve these targets and support the department's commitment to creating decent working conditions, R1.9 billion over the MTEF period is allocated in the *Inspection and Enforcement Services* programme.

The department has amended the Occupational Health and Safety Act (1993), which has been approved for tabling in Parliament and is targeted for implementation in 2019/20, and has allocated R104.5 million for

occupational health and safety inspections over the MTEF period. In seeking to create healthy and safe work environments, the department plans to introduce compulsory provisions such as permitting inspectors to administer fines, allowing employees to leave the workplace if conditions are unhealthy or unsafe, and enabling safety representatives in the service of employers to check for compliance through routine inspections.

Supporting work seekers

To support the achievement of the NDP's job creation target of 11 million jobs by 2030, the Employment Services Act (2014) makes provision for: free public employment services; the regulation of private employment agencies and the recruitment of foreign nationals; support for job creation; the registration of job opportunities; and the establishment of various work schemes geared towards job creation, which is being considered by the newly established Employment Services Board.

By providing career counselling services and work enhancement activities such as life skills and competency assessments, the department seeks to facilitate greater access to the labour market, particularly for workers with basic skills, and a lack of resources to undertake job research. In terms of the Employment Services Act (2014), over the MTEF period, the department plans to finalise regulations on the establishment of work schemes that are aimed at stimulating the absorption of unemployed work seekers into the workforce. To protect vulnerable workers from abuse and paying placement fees, over the medium term, the department plans to regulate recruitment agencies and the categories of employment for which new vacancies and positions must be reported in terms of the Employment Services Act (2014). For these purposes, the *Public Employment Services* programme is set to receive R1.1 billion over the medium term, excluding transfers and subsidies of R750.7 million to Productivity South Africa, the *Supported Employment Enterprises* subprogramme for operations, and the Compensation Fund for claims made by civil servants who have been injured on duty.

The department will pilot 4 dedicated employment service centres in Johannesburg, East London, KwaZulu Natal and Cape Town, which are set to be leased through the Department of Public Works in 2018/19. In the department's efforts to relieve capacity constraints, it has focused on rolling out self-help kiosks. An estimated 40 labour centres across South Africa will have fully installed self-help kiosks by March 2018, at a projected cost of R14 million.

To prepare work seekers for employment and speed up the placement process, the department plans to employ an additional 40 employment counsellors, 20 employment services practitioners and 9 directors over the MTEF period, funded through savings of an estimated R23.7 million realised by greater organisational efficiencies. The addition of these posts is expected to ease the administrative burden on the department, and provide employment counselling to 630 000 of these registered work seekers over the medium term. The number of work seekers to be registered on the Employment Services of South Africa system is set to increase from 500 000 in 2017/18 to 750 000 in 2020/21. To inform the public about employment services and make these services accessible to citizens, R6 million has been reprioritised over the medium term from work seeker services to fund the revamp and maintenance of four buses, which will be used as mobile employment services centres.

The department has not met its annual target for placing work seekers in registered employment opportunities due to prospective employers not providing the department with prompt feedback on the work seekers it refers, as some employers view reporting as an administrative burden. Over the medium term, the department plans to conduct research into the root causes of challenges in placing work seekers, including facilitating life skills activities and enhancing the readiness of work seekers. The department also plans to place registered work seekers in 50 per cent (42 500) of the employment opportunities registered on the Employment Services of South Africa system, compared with 16 per cent (40 078) placed between 2014/15 and 2016/17. The department plans to achieve this target by training registration officers and enhancing systems at a projected cost of R20.2 million over the medium term.

Creating a fair working environment

South Africa has one of the highest income differentials in the world. To address this challenge, over the medium term, the department, with social partners at the National Economic Development and Labour Council, will continue to set standards for reducing income inequality, institute minimum wages for vulnerable workers and monitor compliance with the Employment Equity Act (1998). The National Minimum Wage Bill was approved by Cabinet for tabling in Parliament, with implementation planned for 1 May 2018. In terms of the bill, the department will establish a national minimum wage commission and secretariat, which will be responsible for reviewing, making adjustments to and monitoring the social and economic impact of the national minimum wage, which is currently set at R20 per hour.

The Commission for Conciliation, Mediation and Arbitration is set to receive R2.9 billion over the MTEF period in the form of a transfer from the *Labour Policy and Industrial Relations* programme. This allocation includes an additional R57 million to address the increasing caseloads arising from the various labour law amendments, non-compliance with the national minimum wage, and to purchase the required recording equipment for hearings.

South Africa is the current chair of the Brazil-Russia-India-China-South Africa (BRICS) group of countries, and will host the 10th BRICS Summit in 2018/19. In this regard, the department plans to host the BRICS employment and labour ministers meeting in July 2018. The meeting will focus on attaining the 2030 Agenda for Sustainable Development with a particular focus on youth employment, the advancement of equal pay for women, and strengthening collective bargaining mechanisms. The *International Labour Matters* subprogramme has budgeted R1.5 million for the hosting of this meeting.

Expenditure trends

Table 28.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Inspection and Enforcement Services														
3. Public Employment Services														
4. Labour Policy and Industrial Relations														
Programme														
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	787.7	784.9	676.0	845.1	815.1	745.6	852.9	856.6	819.1	885.6	887.8	884.0	92.7%	93.4%
Programme 2	403.2	410.4	430.9	430.8	471.8	472.9	519.5	509.3	464.3	532.7	531.2	526.9	100.5%	98.6%
Programme 3	466.5	481.5	465.3	488.3	497.3	485.1	510.3	507.2	524.9	561.1	557.4	557.4	100.3%	99.5%
Programme 4	869.9	869.4	847.8	922.7	920.0	908.4	965.2	969.7	953.4	1 086.4	1 079.4	1 079.4	98.6%	98.7%
Total	2 527.3	2 546.3	2 419.9	2 686.9	2 704.2	2 612.0	2 847.9	2 842.9	2 761.6	3 065.8	3 055.8	3 047.7	97.4%	97.2%
Change to 2017 Budget estimate	(10.0)													
Economic classification														
Current payments	1 554.0	1 591.1	1 458.3	1 683.8	1 642.8	1 533.0	1 714.8	1 675.9	1 545.3	1 817.6	1 787.3	1 779.1	93.3%	94.3%
Compensation of employees	966.5	1 006.1	997.8	1 079.6	1 052.9	1 025.6	1 132.2	1 108.0	1 064.7	1 224.5	1 212.8	1 204.6	97.5%	98.0%
Goods and services	587.4	585.0	460.6	604.2	589.9	507.4	582.6	567.9	480.6	593.1	574.5	574.5	85.5%	87.3%
Transfers and subsidies	942.4	927.6	924.6	956.2	1 009.2	1 010.4	1 064.6	1 063.4	1 073.2	1 160.7	1 162.4	1 162.4	101.1%	100.2%
Provinces and municipalities	0.0	0.0	0.5	0.0	0.5	0.6	0.5	0.7	0.6	0.5	0.5	0.5	217.5%	123.8%
Departmental agencies and accounts	774.9	789.9	785.8	824.2	824.2	820.9	867.8	868.3	879.4	962.2	962.2	962.2	—	—
Foreign governments and international organisations	16.5	17.4	17.0	17.3	19.3	20.9	20.6	22.0	19.7	23.8	23.8	23.8	104.2%	98.7%
Non-profit institutions	150.7	119.5	116.6	114.4	164.5	164.0	175.5	169.6	168.8	173.9	173.9	173.9	101.5%	99.3%
Households	0.3	0.8	4.7	0.3	0.7	4.0	0.3	2.8	4.6	0.3	2.1	2.1	1 221.6%	242.6%

Table 28.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Audited outcome	2016/17	Adjusted appropriation	Audited outcome	2017/18	Adjusted appropriation	Revised estimate		
R million														
Payments for capital assets	31.0	27.6	36.1	46.9	52.2	68.1	68.4	103.6	140.5	87.5	106.1	106.1	150.1%	121.2%
Buildings and other fixed structures	0.0	0.3	1.9	–	2.0	0.5	28.0	28.0	29.2	14.0	14.0	14.0	108.5%	102.9%
Machinery and equipment	31.0	27.3	34.2	46.9	50.2	67.6	40.4	75.6	65.0	73.5	92.1	92.1	135.0%	105.6%
Software and other intangible assets	–	–	–	–	–	–	–	–	46.4	–	0.1	0.1	–	77.376.7%
Payments for financial assets	–	–	0.9	–	–	0.5	–	–	2.6	–	–	–	–	–
Total	2 527.3	2 546.3	2 419.9	2 686.9	2 704.2	2 612.0	2 847.9	2 842.9	2 761.6	3 065.8	3 055.8	3 047.7	97.4%	97.2%

Expenditure estimates

Table 28.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Inspection and Enforcement Services									
3. Public Employment Services									
4. Labour Policy and Industrial Relations									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
R million									
Programme 1	884.0	4.0%	28.8%	917.4	977.0	1 038.2	5.5%	28.4%	
Programme 2	526.9	8.7%	17.5%	598.2	639.0	687.6	9.3%	18.3%	
Programme 3	557.4	5.0%	18.7%	582.6	615.4	653.5	5.4%	17.9%	
Programme 4	1 079.4	7.5%	34.9%	1 197.1	1 201.7	1 269.5	5.6%	35.4%	
Total	3 047.7	6.2%	100.0%	3 295.2	3 432.9	3 648.7	6.2%	100.0%	
Change to 2017 Budget estimate				28.8	(18.6)	(20.8)			
Economic classification									
Current payments	1 779.1	3.8%	58.3%	1 946.7	2 076.7	2 219.5	7.7%	59.8%	
Compensation of employees	1 204.6	6.2%	39.6%	1 317.8	1 410.2	1 516.0	8.0%	40.6%	
Goods and services	574.5	-0.6%	18.7%	628.9	666.5	703.6	7.0%	19.2%	
Transfers and subsidies	1 162.4	7.8%	38.5%	1 273.6	1 280.1	1 349.3	5.1%	37.7%	
Provinces and municipalities	0.5	525.7%	0.0%	0.6	0.6	0.7	12.4%	0.0%	
Departmental agencies and accounts	962.2	6.8%	31.8%	1 066.1	1 059.8	1 116.9	5.1%	31.3%	
Foreign governments and international organisations	23.8	10.9%	0.8%	25.2	26.6	28.1	5.7%	0.8%	
Non-profit institutions	173.9	13.3%	5.7%	181.3	192.6	203.2	5.3%	5.6%	
Households	2.1	40.2%	0.1%	0.4	0.4	0.4	-42.0%	0.0%	
Payments for capital assets	106.1	56.6%	3.2%	75.0	76.1	79.8	-9.0%	2.5%	
Buildings and other fixed structures	14.0	259.2%	0.4%	16.0	16.0	16.9	6.4%	0.5%	
Machinery and equipment	92.1	49.9%	2.4%	59.0	60.1	63.0	-11.9%	2.0%	
Software and other intangible assets	0.1	–	0.4%	–	–	–	-100.0%	0.0%	
Total	3 047.7	6.2%	100.0%	3 295.2	3 432.9	3 648.7	6.2%	100.0%	

Expenditure trends and estimates for significant spending items

Table 28.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Commission for Conciliation, Mediation and Arbitration	687 096	731 799	770 501	864 090	7.9%	28.2%	963 066	951 152	1 002 245	5.1%	28.2%
Inspection services: Compliance, Monitoring and Enforcement	340 162	373 034	367 843	419 740	7.3%	13.8%	477 259	508 774	548 056	9.3%	14.6%
Provision of public employment services: Employer and workseeker services	234 063	236 124	196 592	285 442	6.8%	8.8%	297 641	311 693	331 279	5.1%	9.1%
Total	1 261 321	1 340 957	1 334 936	1 569 272	22.0%	50.8%	1 737 966	1 771 619	1 881 580	19.5%	51.9%

Goods and services expenditure trends and estimates

Table 28.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	5 451	4 958	5 941	6 658	6.9%	1.1%	5 791	6 256	6 242	-2.1%	1.0%
Advertising	6 737	17 431	9 881	16 949	36.0%	2.5%	16 433	17 259	19 064	4.0%	2.7%
Minor assets	4 423	2 869	3 340	9 033	26.9%	1.0%	7 609	8 476	8 877	-0.6%	1.3%
Audit costs: External	15 320	16 511	16 913	20 318	9.9%	3.4%	21 234	22 630	23 930	5.6%	3.4%
Bursaries: Employees	2 299	1 906	1 978	2 511	3.0%	0.4%	3 078	3 426	3 620	13.0%	0.5%
Catering: Departmental activities	3 747	4 532	4 674	4 604	7.1%	0.9%	5 479	5 538	5 845	8.3%	0.8%
Communication	35 234	31 232	24 770	28 731	-6.6%	5.9%	28 051	29 639	31 350	3.0%	4.6%
Computer services	69 702	66 868	88 129	89 514	8.7%	15.5%	117 052	123 853	130 398	13.4%	17.9%
Consultants: Business and advisory services	6 313	7 178	10 025	12 138	24.3%	1.8%	10 851	10 164	9 629	-7.4%	1.7%
Laboratory services	-	-	-	150	-	-	-	-	-	-100.0%	-
Legal services	2 270	3 085	7 601	4 034	21.1%	0.8%	4 860	5 430	5 890	13.4%	0.8%
Science and technological services	-	-	-	-	-	-	-	95	100	-	-
Contractors	8 185	7 091	6 979	5 714	-11.3%	1.4%	3 862	2 967	4 216	-9.6%	0.7%
Agency and support/outsourced services	3 044	3 111	2 135	4 307	12.3%	0.6%	4 438	4 793	5 111	5.9%	0.7%
Entertainment	139	189	192	224	17.2%	-	275	290	313	11.8%	-
Fleet services (including government motor transport)	19 359	19 795	21 888	23 435	6.6%	4.2%	30 393	34 321	36 894	16.3%	4.9%
Inventory: Materials and supplies	-	-	-	51	-	-	-	-	18	-29.3%	-
Consumable supplies	3 192	2 545	3 390	4 859	15.0%	0.7%	4 240	4 605	4 891	0.2%	0.7%
Consumables: Stationery, printing and office supplies	18 890	19 673	16 325	21 119	3.8%	3.8%	23 676	25 691	27 324	9.0%	3.8%
Operating leases	104 877	139 488	115 668	139 929	10.1%	24.7%	148 281	156 968	166 400	5.9%	23.8%
Rental and hiring	843	1 103	513	1 078	8.5%	0.2%	331	350	451	-25.2%	0.1%
Property payments	46 762	57 055	48 428	66 425	12.4%	10.8%	70 275	74 355	78 157	5.6%	11.2%
Transport provided: Departmental activity	390	140	185	1 436	54.4%	0.1%	800	900	950	-12.9%	0.2%
Travel and subsistence	77 171	82 429	72 203	75 085	-0.9%	15.2%	82 076	88 125	90 294	6.3%	13.0%
Training and development	6 672	6 636	3 803	12 695	23.9%	1.5%	14 232	15 255	16 413	8.9%	2.3%
Operating payments	11 449	6 489	8 744	10 448	-3.0%	1.8%	11 218	11 740	12 859	7.2%	1.8%
Venues and facilities	8 106	5 087	6 924	13 043	17.2%	1.6%	14 358	13 387	14 331	3.2%	2.1%
Total	460 575	507 401	480 629	574 488	7.6%	100.0%	628 893	666 513	703 567	7.0%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 28.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Non-profit institutions											
Current	116 534	164 045	168 747	173 852	14.3%	15.0%	181 212	192 595	203 188	5.3%	14.8%
Deaf Federation of South Africa	-	-	-	275	-	-	291	2 744	2 895	119.2%	0.1%
National Council for the Physically Disabled	136	308	296	318	32.7%	-	336	2 792	2 946	110.0%	0.1%
South African National Council for the Blind	155	417	366	390	36.0%	-	413	2 873	3 031	98.1%	0.1%
Workshops for the Blind	7 793	10 341	10 638	11 739	14.6%	1.0%	12 420	13 116	13 837	5.6%	1.0%
Work-centres for the disabled	91 132	135 050	138 568	141 307	15.7%	12.1%	146 779	148 923	157 114	3.6%	11.7%
Various civil and labour organisations	17 318	17 929	18 879	19 823	4.6%	1.8%	20 973	22 147	23 365	5.6%	1.7%
Provinces and municipalities											
Municipal bank accounts											
Current	408	493	488	434	2.1%	-	541	570	626	13.0%	-
Vehicle licences	408	493	488	434	2.1%	-	541	570	626	13.0%	-
Households											
Social benefits											
Current	3 875	2 647	4 088	1 355	-29.5%	0.3%	354	376	397	-33.6%	-
Employee social benefits	3 875	2 647	4 088	1 355	-29.5%	0.3%	354	376	397	-33.6%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	761 938	806 121	860 375	946 264	7.5%	81.0%	1 050 006	1 042 961	1 099 103	5.1%	81.7%
Communication	4 276	-	-	-	-100.0%	0.1%	-	-	-	-	-
Productivity South Africa	43 119	45 531	59 057	50 341	5.3%	4.8%	53 261	56 244	59 337	5.6%	4.3%
Commission for Conciliation, Mediation and Arbitration	687 096	731 799	770 501	864 090	7.9%	73.3%	963 066	951 152	1 002 245	5.1%	74.7%
National Economic Development and Labour Council	27 447	28 791	30 817	31 833	5.1%	2.9%	33 679	35 565	37 521	5.6%	2.7%

Table 28.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Foreign governments and international organisations											
Current	17 019	20 909	19 719	23 813	11.8%	2.0%	25 218	26 630	28 095	5.7%	2.0%
International Labour Organisation	16 019	19 753	19 719	22 648	12.2%	1.9%	23 984	25 327	26 720	5.7%	1.9%
African Regional Labour Administration Centre	1 000	1 156	–	1 165	5.2%	0.1%	1 234	1 303	1 375	5.7%	0.1%
Departmental agencies and accounts											
Social security funds											
Current	23 752	14 780	19 031	15 917	-12.5%	1.8%	16 107	16 877	17 805	3.8%	1.3%
Compensation Fund	23 752	14 780	19 031	15 917	-12.5%	1.8%	16 107	16 877	17 805	3.8%	1.3%
Total	923 526	1 008 995	1 072 448	1 161 635	7.9%	100.0%	1 273 438	1 280 009	1 349 214	5.1%	100.0%

Personnel information

Table 28.7 Vote personnel numbers and cost by salary level and programme¹

Programmes												Number								
1. Administration												Average growth rate (%)	Average: Salary level/Total (%)							
2. Inspection and Enforcement Services																				
3. Public Employment Services																				
4. Labour Policy and Industrial Relations																				
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment									2017/18 - 2020/21									
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate			2017/18 - 2020/21	2017/18 - 2020/21								
		2016/17		2017/18		2018/19		2019/20		2020/21										
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost									
Labour		2 877	16	3 347	1 064.7	0.3	3 525	1 204.6	0.3	3 539	1 317.8	0.4	3 531	1 410.2	0.4	3 545	1 516.0	0.4	0.2%	100.0%
Salary level		2 877	16	3 347	1 064.7	0.3	3 525	1 204.6	0.3	3 539	1 317.8	0.4	3 531	1 410.2	0.4	3 545	1 516.0	0.4	0.2%	100.0%
1 – 6	1379	2	1 599	315.2	0.2	1 665	352.4	0.2	1 696	397.4	0.2	1 701	431.6	0.3	1 712	468.3	0.3	0.9%	47.9%	
7 – 10	1201	3	1 397	478.8	0.3	1 486	546.3	0.4	1 457	579.3	0.4	1 451	620.7	0.4	1 463	675.6	0.5	-0.5%	41.4%	
11 – 12	230	6	261	188.2	0.7	282	217.3	0.8	292	243.3	0.8	289	259.3	0.9	287	278.0	1.0	0.6%	8.1%	
13 – 16	65	5	88	79.8	0.9	90	85.8	1.0	92	94.7	1.0	88	95.4	1.1	81	90.6	1.1	-3.5%	2.5%	
Other	2	–	2	2.7	1.3	2	2.9	1.4	2	3.1	1.5	2	3.3	1.6	2	3.5	1.8	–	0.1%	
Programme		2 877	16	3 347	1 064.7	0.3	3 525	1 204.6	0.3	3 539	1 317.8	0.4	3 531	1 410.2	0.4	3 545	1 516.0	0.4	0.2%	100.0%
Programme 1	952	16	1 570	325.9	0.2	1 684	378.5	0.2	1 632	402.9	0.2	1 626	433.6	0.3	1 642	468.3	0.3	-0.8%	46.6%	
Programme 2	1 251	–	1 138	382.0	0.3	1 182	426.9	0.4	1 259	492.3	0.4	1 262	527.6	0.4	1 262	570.1	0.5	2.2%	35.1%	
Programme 3	495	–	474	272.3	0.6	490	304.9	0.6	466	312.0	0.7	461	328.7	0.7	464	351.1	0.8	-1.8%	13.3%	
Programme 4	179	–	165	84.5	0.5	169	94.3	0.6	182	110.7	0.6	182	120.3	0.7	177	126.5	0.7	1.6%	5.0%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 28.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2017/18	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/ Total (%) 2017/18 - 2020/21	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
Departmental receipts	11 155	10 056	11 702	17 168	17 168	15.5%	100.0%	11 839	12 608	13 253	-8.3%	100.0%
Sales of goods and services produced by department	3 928	4 129	4 530	4 441	4 441	4.2%	34.0%	4 510	5 418	5 581	7.9%	36.4%
Sales by market establishments of which:	182	176	164	132	132	-10.2%	1.3%	208	212	210	16.7%	1.4%
Market establishment: Rental dwellings	46	43	43	52	52	4.2%	0.4%	54	56	60	4.9%	0.4%
Market establishment: Rental parking (covered and open)	136	133	121	80	80	-16.2%	0.9%	154	156	150	23.3%	1.0%
Administrative fees of which:	1 853	1 970	2 318	2 165	2 165	5.3%	16.6%	2 166	3 000	3 102	12.7%	19.0%
Occupational health and safety licences	1 853	1 970	2 318	2 164	2 164	5.3%	16.6%	2 166	3 000	3 100	12.7%	19.0%
Requisition information: Access to information act	–	–	–	1	1	–	–	–	–	2	26.0%	–

Table 28.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
R thousand												
Other sales	1 893	1 983	2 048	2 144	2 144	4.2%	16.1%	2 136	2 206	2 269	1.9%	16.0%
of which:												
Services rendered: Commission on insurance and garnishee	1 889	1 980	2 043	2 126	2 126	4.0%	16.0%	2 128	2 200	2 260	2.1%	15.9%
Services rendered: Photocopies and faxes	–	1	–	15	15	–	–	1	1	2	-48.9%	–
Replacement of security cards	4	2	–	3	3	-9.1%	–	7	5	7	32.6%	–
Replacement – lost office property	–	–	5	–	–	–	–	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods	28	12	25	37	37	9.7%	0.2%	29	40	32	-4.7%	0.3%
of which:												
Sales: Scrap	1	3	–	7	7	91.3%	–	9	20	12	19.7%	0.1%
Sales: Waste paper	27	9	25	30	30	3.6%	0.2%	20	20	20	-12.6%	0.2%
Transfers received	–	–	–	244	244	–	0.5%	–	–	–	-100.0%	0.4%
Fines, penalties and forfeits	4	1 009	1 011	1 020	1 020	534.1%	6.1%	80	80	90	-55.5%	2.3%
Interest, dividends and rent on land	1 318	1 303	1 377	1 460	1 460	3.5%	10.9%	1 500	1 500	1 550	2.0%	11.0%
Interest	1 318	1 303	1 377	1 460	1 460	3.5%	10.9%	1 500	1 500	1 550	2.0%	11.0%
Sales of capital assets	1 108	105	29	300	300	-35.3%	3.1%	600	350	300	–	2.8%
Transactions in financial assets and liabilities	4 769	3 498	4 730	9 666	9 666	26.6%	45.3%	5 120	5 220	5 700	-16.1%	46.9%
Total	11 155	10 056	11 702	17 168	17 168	15.5%	100.0%	11 839	12 608	13 253	-8.3%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 28.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	24.3	32.6	32.2	31.2	8.6%	3.8%	34.5	36.6	37.0	5.9%	3.6%
Management	252.0	258.5	255.4	254.7	0.4%	32.6%	255.0	271.8	286.5	4.0%	28.0%
Corporate Services	179.5	180.3	260.2	275.4	15.3%	28.6%	297.4	318.5	340.6	7.3%	32.2%
Office of the Chief Financial Officer	97.5	113.2	105.6	135.1	11.5%	14.4%	124.7	132.1	144.2	2.2%	14.0%
Office Accommodation	122.7	161.1	165.7	191.5	16.0%	20.5%	205.7	218.0	229.9	6.3%	22.1%
Total	676.0	745.6	819.1	887.8	9.5%	100.0%	917.4	977.0	1 038.2	5.4%	100.0%
Change to 2017 Budget estimate				2.2			(14.6)	(15.6)	(17.6)		
Economic classification											
Current payments	636.0	707.3	708.6	815.2	8.6%	91.6%	876.9	935.2	994.2	6.8%	94.8%
Compensation of employees	309.5	325.9	325.9	382.3	7.3%	43.0%	402.9	433.6	468.3	7.0%	44.2%
Goods and services ¹	326.5	381.4	382.7	432.9	9.9%	48.7%	474.0	501.6	525.8	6.7%	50.6%
of which:											
Audit costs: External	15.3	16.5	16.9	20.3	9.9%	2.2%	21.2	22.6	23.9	5.6%	2.3%
Communication	14.5	17.0	21.5	23.6	17.7%	2.4%	22.8	23.9	25.1	2.1%	2.5%
Computer services	69.3	65.9	87.3	88.5	8.5%	9.9%	116.1	122.8	129.6	13.6%	12.0%
Operating leases	103.1	137.5	113.5	135.2	9.5%	15.6%	142.5	151.7	160.2	5.8%	15.4%
Property payments	36.9	44.6	47.9	65.5	21.0%	6.2%	69.3	73.3	77.0	5.5%	7.5%
Travel and subsistence	29.4	37.1	32.0	26.6	-3.2%	4.0%	29.2	31.6	29.9	4.0%	3.1%
Transfers and subsidies¹	5.8	2.3	2.0	1.5	-37.1%	0.4%	0.8	0.9	1.0	-12.7%	0.1%
Provinces and municipalities	0.5	0.5	0.5	0.5	2.7%	0.1%	0.6	0.6	0.7	12.4%	0.1%
Departmental agencies and accounts	4.4	0.0	0.0	–	-100.0%	0.1%	–	–	–	–	–
Non-profit institutions	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Households	0.9	1.8	1.5	1.0	1.2%	0.2%	0.2	0.3	0.3	-34.5%	–

Table 28.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Payments for capital assets	33.2	35.5	105.8	71.1	28.9%	7.9%	39.6	40.8	43.1	-15.4%	5.1%
Buildings and other fixed structures	1.9	0.5	29.2	14.0	95.7%	1.5%	16.0	16.0	16.9	6.4%	1.6%
Machinery and equipment	31.3	35.0	30.3	57.1	22.2%	4.9%	23.6	24.8	26.2	-22.9%	3.4%
Software and other intangible assets	–	–	46.4	–	–	1.5%	–	–	–	–	–
Payments for financial assets	0.9	0.5	2.6	–	-100.0%	0.1%	–	–	–	–	–
Total	676.0	745.6	819.1	887.8	9.5%	100.0%	917.4	977.0	1 038.2	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	27.9%	28.5%	29.7%	29.1%	–	–	27.8%	28.5%	28.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4.3	–	–	–	-100.0%	0.1%	–	–	–	–	–
Communication	4.3	–	–	–	-100.0%	0.1%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Inspection and Enforcement Services

Programme purpose

Realise decent work by regulating non-employment and employment conditions through inspection and enforcement, to achieve compliance with all labour market policies.

Objectives

- Protect vulnerable workers through the inspection and enforcement of labour legislation by ensuring that decent work principles are adhered to by:
 - conducting 218 732 compliance inspections by March 2019
 - serving 80 per cent of non-compliant employers inspected with a notice in terms of relevant employment law within 14 calendar days of inspection.
- Strengthen the health and safety of workers through the enforcement of occupational health and safety regulations by finalising 65 per cent of all reported incidents within 90 days of receipt by 2018/19.

Subprogrammes

- *Management and Support Services: Inspection and Enforcement Services* manages the delegated administrative and financial responsibilities of the office of the deputy director general, and provides corporate support to line function subprogrammes within the programme.
- *Occupational Health and Safety* promotes health and safety in the workplace by conducting inspections on compliance with the Occupational Health and Safety Act (1993), and regulating dangerous activities and the use of plant and machinery.
- *Registration: Inspection and Enforcement Services* registers incidents relating to labour relations and occupational health and safety, as reported by members of the public, and communicates these to the relevant structures within the *Compliance, Monitoring and Enforcement Services* subprogramme for investigation.
- *Compliance, Monitoring and Enforcement Services* ensures that employers and employees comply with labour legislation by conducting regular inspections and following up on reported incidents.
- *Training of Staff: Inspection and Enforcement Services* defrays all expenditure relating to staff training within this programme.
- *Statutory and Advocacy Services* gives effect to legislative enforcement requirements and educates stakeholders on labour legislation.

Expenditure trends and estimates

Table 28.10 Inspection and Enforcement Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Management and Support Services: Inspection and Enforcement Services	4.5	4.6	6.9	5.3	5.3%	1.1%	6.4	6.8	7.3	11.3%	1.1%
Occupational Health and Safety	22.2	29.3	23.9	29.7	10.2%	5.5%	32.4	34.8	37.3	7.9%	5.5%
Registration: Inspection and Enforcement Services	51.4	52.6	53.6	62.5	6.8%	11.6%	67.3	72.6	78.0	7.6%	11.4%
Compliance, Monitoring and Enforcement Services	340.2	373.0	367.8	419.7	7.3%	79.0%	477.3	508.8	548.1	9.3%	79.6%
Training of Staff: Inspection and Enforcement Services	5.5	6.7	4.7	5.4	-0.6%	1.2%	5.6	6.0	6.3	5.5%	0.9%
Statutory and Advocacy Services	7.1	6.6	7.4	8.6	6.5%	1.6%	9.2	9.9	10.6	7.2%	1.6%
Total	430.9	472.9	464.3	531.2	7.2%	100.0%	598.2	639.0	687.6	9.0%	100.0%
Change to 2017 Budget estimate				(1.5)			(0.0)	0.0	2.9		
Economic classification											
Current payments	426.8	439.8	428.8	496.8	5.2%	94.4%	564.2	604.9	651.7	9.5%	94.4%
Compensation of employees	350.1	375.9	382.0	431.2	7.2%	81.0%	492.3	527.6	570.1	9.8%	82.3%
Goods and services ¹	76.7	63.9	46.9	65.6	-5.1%	13.3%	71.9	77.4	81.6	7.6%	12.1%
<i>of which:</i>											
Minor assets	0.9	0.5	0.5	2.7	43.0%	0.2%	3.8	4.2	4.5	18.8%	0.6%
Fleet services (including government motor transport)	8.7	7.5	8.0	9.0	0.9%	1.7%	9.8	11.3	11.9	10.1%	1.7%
Consumables: Stationery, printing and office supplies	3.6	4.4	3.0	4.5	7.7%	0.8%	4.7	5.1	5.4	6.6%	0.8%
Travel and subsistence	28.8	25.4	22.6	26.5	-2.7%	5.4%	28.2	30.0	31.7	6.2%	4.7%
Training and development	0.9	2.3	1.2	4.4	70.4%	0.5%	4.5	4.8	5.1	5.3%	0.8%
Venues and facilities	1.7	1.3	2.2	4.1	34.9%	0.5%	4.7	4.1	4.3	1.5%	0.7%
Transfers and subsidies¹	1.9	1.2	1.7	0.6	-33.2%	0.3%	0.1	0.1	0.1	-47.8%	-
Provinces and municipalities	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Households	1.9	1.2	1.7	0.6	-32.9%	0.3%	0.1	0.1	0.1	-47.8%	-
Payments for capital assets	2.2	31.9	33.7	33.9	150.6%	5.4%	33.9	33.9	35.8	1.8%	5.6%
Machinery and equipment	2.2	31.9	33.7	33.9	150.6%	5.4%	33.9	33.9	35.8	1.8%	5.6%
Total	430.9	472.9	464.3	531.2	7.2%	100.0%	598.2	639.0	687.6	9.0%	100.0%
Proportion of total programme expenditure to vote expenditure	17.8%	18.1%	16.8%	17.4%	-	-	18.2%	18.6%	18.8%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Public Employment Services

Programme purpose

Provide assistance to companies and workers to adjust to changing labour market conditions, and to regulate private employment agencies.

Objectives

- Provide public employment services by March 2019 by:
 - registering 650 000 work seekers on the Employment Services System of South Africa database
 - providing employment counselling to 200 000 work seekers
 - filling 42 500 registered employment opportunities
 - registering 85 000 work opportunities on the employment services of South Africa database system.
- Contribute to increasing employment opportunities for people with disabilities by providing quarterly funding over the medium term, and monitoring disability organisations on an ongoing basis.

Subprogrammes

- *Management and Support Services: Public Employment Services* manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes.
- *Employer Services* registers work opportunities, facilitates the employment of foreign nationals where such skills do not exist in South Africa, oversees placements, responds to companies in distress, provides a social plan and regulates private employment agencies.
- *Work Seeker Services* registers work seekers, retrenched workers and work, learning, training and income generating opportunities on the Employment Services of South Africa system; and facilitates access to employment and income generating opportunities for the unemployed and underemployed.
- *Designated Groups Special Services* facilitates the transfer of subsidies to national councils and workshops for the blind to promote the employment of people with disabilities.
- *Supported Employment Enterprises* promotes work and employment opportunities for persons with disabilities through improved administration, production and financial management of supported employment enterprises.
- *Productivity South Africa* transfers funds to Productivity South Africa, which promotes workplace productivity, competitiveness and social plan interventions.
- *Unemployment Insurance Fund* provides for the possible future funding of the Unemployment Insurance Fund.
- *Compensation Fund* provides for costs incurred through claims from civil servants for injuries sustained on duty or occupation-related illnesses and diseases, and provides for the funding of claims from the Compensation Fund.
- *Training of Staff: Public Employment Services* defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes.

Expenditure trends and estimates

Table 28.11 Public Employment Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Management and Support Services: Public Employment Services	34.6	36.0	89.5	44.1	8.4%	10.0%	47.6	52.0	56.5	8.7%	8.3%
Employer Services	116.8	120.1	81.5	104.2	-3.7%	20.8%	117.7	124.7	132.9	8.4%	19.9%
Work Seeker Services	117.2	116.0	115.1	181.2	15.6%	26.1%	180.0	187.0	198.4	3.1%	31.0%
Designated Groups Special Services	0.3	11.1	11.3	12.7	252.3%	1.7%	13.5	21.5	22.7	21.3%	2.9%
Supported Employment Enterprises	127.8	140.7	148.7	147.5	4.9%	27.8%	153.3	155.7	164.4	3.7%	25.8%
Productivity South Africa	43.1	45.5	59.1	50.3	5.3%	9.7%	53.3	56.2	59.3	5.6%	9.1%
Unemployment Insurance Fund	-	-	-	0.0	-	-	0.0	0.0	0.0	-	-
Compensation Fund	23.8	14.8	19.0	15.9	-12.5%	3.6%	16.1	16.9	17.8	3.8%	2.8%
Training of Staff: Public Employment Services	1.6	0.9	0.7	1.4	-4.9%	0.2%	1.2	1.3	1.4	-0.5%	0.2%
Total	465.3	485.1	524.9	557.4	6.2%	100.0%	582.6	615.4	653.5	5.4%	100.0%
Change to 2017 Budget estimate				(3.7)			(2.6)	(2.7)	(5.2)		
Economic classification											
Current payments	297.5	277.6	294.6	336.5	4.2%	59.3%	351.6	370.5	395.6	5.5%	60.4%
Compensation of employees	265.1	245.7	272.3	304.9	4.8%	53.5%	312.0	328.7	351.1	4.8%	53.8%
Goods and services ¹	32.4	31.8	22.4	31.6	-0.9%	5.8%	39.6	41.7	44.5	12.1%	6.5%
of which:											
Communication	4.9	5.6	1.5	2.1	-24.4%	0.7%	1.5	1.6	1.8	-6.2%	0.3%
Fleet services (including government motor transport)	2.7	3.0	2.8	3.1	4.4%	0.6%	8.3	9.9	11.5	54.7%	1.4%
Consumables: Stationery, printing and office supplies	2.2	1.7	1.5	3.3	14.3%	0.4%	5.0	5.5	6.3	24.3%	0.8%
Operating leases	0.5	0.4	0.3	1.5	46.7%	0.1%	2.7	1.9	1.9	8.4%	0.3%
Travel and subsistence	10.3	9.0	8.9	9.2	-3.8%	1.8%	14.0	14.8	14.3	16.1%	2.2%
Operating payments	1.5	1.1	1.6	1.9	7.8%	0.3%	2.2	2.1	2.2	5.8%	0.3%

Table 28.11 Public Employment Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21	
Transfers and subsidies¹	167.3	207.4	229.4	220.3	9.6%	40.6%	229.7	243.6	257.0	5.3%	39.5%
Departmental agencies and accounts	66.9	60.3	78.1	66.3	-0.3%	13.4%	69.4	73.1	77.1	5.2%	11.9%
Non-profit institutions	99.2	146.1	149.9	154.0	15.8%	27.0%	160.2	170.4	179.8	5.3%	27.6%
Households	1.2	0.9	1.4	0.1	-63.4%	0.2%	0.0	0.1	0.1	-3.0%	-
Payments for capital assets	0.5	0.2	0.9	0.5	1.4%	0.1%	1.4	1.3	0.9	16.7%	0.2%
Machinery and equipment	0.5	0.2	0.9	0.5	-2.5%	0.1%	1.4	1.3	0.9	21.4%	0.2%
Software and other intangible assets	-	-	-	0.1	-	-	-	-	-	-100.0%	-
Total	465.3	485.1	524.9	557.4	6.2%	100.0%	582.6	615.4	653.5	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	19.2%	18.6%	19.0%	18.2%	-	-	17.7%	17.9%	17.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	43.1	45.5	59.1	50.3	5.3%	9.7%	53.3	56.2	59.3	5.6%	9.1%
Productivity South Africa	43.1	45.5	59.1	50.3	5.3%	9.7%	53.3	56.2	59.3	5.6%	9.1%
Non-profit institutions											
Current	99.2	146.1	149.9	154.0	15.8%	27.0%	160.2	170.4	179.8	5.3%	27.6%
Deaf Federation of South Africa	-	-	-	0.3	-	-	0.3	2.7	2.9	119.2%	0.3%
National Council for the Physically Disabled	0.1	0.3	0.3	0.3	32.7%	0.1%	0.3	2.8	2.9	110.0%	0.3%
South African National Council for the Blind	0.2	0.4	0.4	0.4	36.0%	0.1%	0.4	2.9	3.0	98.1%	0.3%
Workshops for the Blind	7.8	10.3	10.6	11.7	14.6%	2.0%	12.4	13.1	13.8	5.6%	2.1%
Work-centres for the disabled	91.1	135.1	138.6	141.3	15.7%	24.9%	146.8	148.9	157.1	3.6%	24.7%
Departmental agencies and accounts											
Social security funds											
Current	23.8	14.8	19.0	15.9	-12.5%	3.6%	16.1	16.9	17.8	3.8%	2.8%
Compensation Fund	23.8	14.8	19.0	15.9	-12.5%	3.6%	16.1	16.9	17.8	3.8%	2.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Labour Policy and Industrial Relations

Programme purpose

Facilitate the establishment of an equitable and sound labour relations environment. Support institutions of social dialogue and promote South Africa's interests in international labour matters. Conduct research and analysis, and evaluate labour policy. Provide statistical data on the labour market.

Objectives

- Improve employment equity implementation and compliance monitoring mechanisms in the labour market by:
 - publicising the 2017/18 employment equity annual report and public register by June 2018
 - developing the 2018/19 employment equity annual report and public register by March 2019
 - finalising the amendments to the Employment Equity Act (1998) to set sectoral employment equity targets to expedite transformation in the labour market by March 2019.
- Extend protection to vulnerable workers by publishing the national minimum wage for all sectors by 1 May annually.
- Promote sound labour relations and centralised collective bargaining through the extension of collective agreements and 100 per cent registration of qualifying labour and employer organisations by March 2019.
- Monitor and evaluate the impact of labour legislation to promote an evidence-based labour policy framework through the production of 4 research reports and 4 labour market trend reports by March 2019.

Subprogrammes

- *Management and Support Services: Labour Policy and Industrial Relations* manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes.

- *Strengthen Civil Society* transfers funds to various civil society organisations that protect vulnerable workers by providing resources, support and expertise to improve the independence and self-reliance of workers, to contribute to a stable and well functioning labour market.
- *Collective Bargaining* manages the implementation of the Labour Relations Act (1995) through policies and practices that promote sound labour relations by: registering labour organisations and deregistering those that are non-compliant; publishing and extending collective agreements; supporting and advancing participation in collective bargaining structures; participating in the governance structures of the Commission for Conciliation, Mediation and Arbitration; and participating in relevant National Economic Development and Labour Council activities.
- *Employment Equity* promotes equity in the labour market through the elimination of unfair discrimination and the promotion of equitable representation in the workplace.
- *Employment Standards* protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997).
- *Commission for Conciliation, Mediation and Arbitration* transfers funds to the Commission for Conciliation, Mediation and Arbitration, which promotes social justice and fairness in the workplace through dispute prevention and resolution services.
- *Research, Policy and Planning* monitors and evaluates the impact of labour legislation and policies that affect the South African labour market.
- *Labour Market Information and Statistics* collects, collates, analyses and disseminates internal and external labour market statistics regarding changes in the South African labour market that affect employment legislation.
- *International Labour Matters* contributes to global policy formulation and facilitates compliance with international obligations through multilateral and bilateral relations.
- *National Economic Development and Labour Council* transfers funds to the National Economic Development and Labour Council, which promotes economic growth, participation in economic decision-making and social equity.

Expenditure trends and estimates

Table 28.12 Labour Policy and Industrial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average: Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
R million											
Management and Support Services: Labour Policy and Industrial Relations	10.1	12.6	13.9	15.6	15.5%	1.4%	16.5	17.8	14.5	-2.5%	1.4%
Strengthen Civil Society	17.3	17.9	18.9	19.8	4.6%	2.0%	21.0	22.1	23.4	5.6%	1.8%
Collective Bargaining	13.5	12.6	13.2	15.8	5.4%	1.5%	16.1	17.4	19.7	7.7%	1.5%
Employment Equity	9.9	14.3	12.9	16.4	18.3%	1.4%	14.4	15.4	18.0	3.1%	1.4%
Employment Standards	11.0	11.0	11.2	15.8	12.7%	1.3%	29.2	33.1	34.3	29.4%	2.4%
Commission for Conciliation, Mediation and Arbitration	687.1	731.8	770.5	864.1	7.9%	80.6%	963.1	951.2	1 002.2	5.1%	79.6%
Research, Policy and Planning	6.7	7.1	7.9	10.4	15.8%	0.8%	9.8	10.5	10.4	0.2%	0.9%
Labour Market Information and Statistics	33.9	35.9	36.2	41.6	7.0%	3.9%	45.0	48.7	52.4	8.1%	4.0%
International Labour Matters	30.8	36.4	38.0	48.0	16.0%	4.0%	48.3	49.9	57.0	5.9%	4.3%
National Economic Development and Labour Council	27.4	28.8	30.8	31.8	5.1%	3.1%	33.7	35.6	37.5	5.6%	2.9%
Total	847.8	908.4	953.4	1 079.4	8.4%	100.0%	1 197.1	1 201.7	1 269.5	5.6%	100.0%
Change to 2017 Budget estimate				(7.0)			46.0	(0.3)	(1.0)		

Table 28.12 Labour Policy and Industrial Relations expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Current payments	98.0	108.4	113.2	138.8	12.3%	12.1%	154.0	166.1	178.1	8.7%	13.4%
Compensation of employees	73.0	78.1	84.5	94.3	8.9%	8.7%	110.7	120.3	126.5	10.3%	9.5%
Goods and services ¹	24.9	30.3	28.7	44.5	21.3%	3.4%	43.3	45.7	51.6	5.1%	3.9%
of which:											
Advertising	2.4	5.6	3.3	5.4	30.2%	0.4%	5.8	6.0	7.2	10.1%	0.5%
Consultants: Business and advisory services	3.0	3.1	3.8	5.5	22.7%	0.4%	4.6	4.9	4.0	-10.2%	0.4%
Consumables: Stationery, printing and office supplies	4.0	2.8	2.8	4.8	6.7%	0.4%	5.1	5.7	6.1	8.4%	0.5%
Operating leases	0.8	1.2	1.7	2.3	43.3%	0.2%	2.3	2.5	3.4	13.3%	0.2%
Travel and subsistence	8.7	10.9	8.7	12.8	13.6%	1.1%	10.6	11.7	14.3	3.7%	1.0%
Venues and facilities	2.2	1.9	2.3	4.4	25.7%	0.3%	5.5	5.0	5.5	7.4%	0.4%
Transfers and subsidies¹	749.6	799.5	840.1	940.1	7.8%	87.9%	1 043.0	1 035.5	1 091.3	5.1%	86.6%
Departmental agencies and accounts	714.5	760.6	801.3	895.9	7.8%	83.7%	996.7	986.7	1 039.8	5.1%	82.5%
Foreign governments and international organisations	17.0	20.9	19.7	23.8	11.8%	2.1%	25.2	26.6	28.1	5.7%	2.2%
Non-profit institutions	17.3	17.9	18.9	19.9	4.7%	2.0%	21.0	22.2	23.4	5.6%	1.8%
Households	0.8	0.1	0.1	0.5	-13.8%	-	-	-	-	-100.0%	-
Payments for capital assets	0.2	0.5	0.1	0.5	32.9%	-	0.1	0.1	0.1	-38.7%	-
Machinery and equipment	0.2	0.5	0.1	0.5	32.9%	-	0.1	0.1	0.1	-38.7%	-
Total	847.8	908.4	953.4	1 079.4	8.4%	100.0%	1 197.1	1 201.7	1 269.5	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	35.0%	34.8%	34.5%	35.3%	-	-	36.3%	35.0%	34.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	714.5	760.6	801.3	895.9	7.8%	83.7%	996.7	986.7	1 039.8	5.1%	82.5%
Commission for Conciliation, Mediation and Arbitration	687.1	731.8	770.5	864.1	7.9%	80.6%	963.1	951.2	1 002.2	5.1%	79.6%
National Economic Development and Labour Council	27.4	28.8	30.8	31.8	5.1%	3.1%	33.7	35.6	37.5	5.6%	2.9%
Foreign governments and international organisations											
Current	17.0	20.9	19.7	23.8	11.8%	2.1%	25.2	26.6	28.1	5.7%	2.2%
International Labour Organisation	16.0	19.8	19.7	22.6	12.2%	2.1%	24.0	25.3	26.7	5.7%	2.1%
African Regional Labour Administration Centre	1.0	1.2	-	1.2	5.2%	0.1%	1.2	1.3	1.4	5.7%	0.1%
Non-profit institutions											
Current	17.3	17.9	18.9	19.8	4.6%	2.0%	21.0	22.1	23.4	5.6%	1.8%
Various civil and labour organisations	17.3	17.9	18.9	19.8	4.6%	2.0%	21.0	22.1	23.4	5.6%	1.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

Compensation Fund

Mandate

The Compensation Fund administers the Compensation for Occupational Injuries and Diseases Act (1993). The main objective of the act is to provide compensation for disablement caused by occupational injuries, or diseases sustained or contracted by employees, or for death resulting from such injuries or diseases.

¹ This section has been compiled with the latest available information from the entities concerned.

Selected performance indicators

Table 28.13 Compensation Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of active registered non-exempt employers assessed annually by 31 March ¹	Compensation for Occupational Injuries and Diseases Act (1993) services	Outcome 13: An inclusive and responsive social protection system	- ²	46% (208 613/ 457 588)	57% (268 218/ 472 808)	75%	75%	90% ³	90%
Percentage of approved claims paid within 5 working days	Compensation for Occupational Injuries and Diseases Act (1993) services		- ²	95% (135 531/ 143 200)	100% (999 949)	95% ⁴	98% ⁴	100% ⁴	100% ⁴
Percentage of registered compensation claims adjudicated within specified number of working days of receipt	Compensation for Occupational Injuries and Diseases Act (1993) services		- ²	76% within 60 days (77 916/ 103 055)	90% Within 60 days (130 800/ 145 922)	85% Within 60 days ⁴	90% Within 40 days ⁴	90% Within 30 days ⁴	90% within 30 days ⁴
Percentage of medical claims finalised per year within specified number of working days of receipt of invoice	Medical benefits		- ²	97% within 60 days (512 976/ 529 785)	89% Within 60 days (612 960/ 686 385)	85% within 60 days ⁴	85% Within 60 days ⁴	85% within 40 days ⁴	85% within 30 days ⁴
Percentage of pre-authorisations responded to within 10 working days	Medical benefits		- ²	- ²	- ²	85%	85%	85%	85%
Percentage of compliant requests for assistive devices responded to within 30 working days of receipt	Orthotic and medical rehabilitation		- ²	- ²	- ²	85%	85%	85%	85%

1. Old indicator selected for publication in the Estimate of National Expenditure.

2. No historical data available.

3. Targets aligned with the fund's strategic plan.

4. Actual figures cannot be supplied as it is not possible for the fund to anticipate the number of claims, pre-authorisations or requests for assistive devices that will be received, approved, adjudicated or finalised per year.

Expenditure analysis

Over the medium term, the Compensation Fund will focus on improving access to social insurance for the working age population with the aim of preventing or alleviating poverty and providing protection against vulnerability, and on the rehabilitation, reintegration and return to work of workers who have been injured or contracted work-related diseases. The fund is committed to providing an efficient and effective safety net that protects vulnerable workers and strengthens social protection, while improving its capacity to deliver services as part of its contribution to outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework. To enhance service delivery, the fund has implemented an action plan aimed at improving performance, administration and operational efficiency, and restoring the reputation of the fund.

The compensation for occupational injuries and diseases programme promotes the rehabilitation, reintegration and return to work of injured and diseased workers by ensuring the timeous payment of compensation benefits. Over the medium term, this programme plans to improve the adjudication of registered claims from 85 per cent within 60 days in 2017/18 to 90 per cent within 30 days in 2020/21. The fund's new structure provides for a programme dedicated to the rehabilitation of injured employees and their return to work as soon as possible. The fund collaborates closely with medical service providers and employers to ensure a seamless transition from acute care to full reintegration. R18.5 billion has been allocated over the medium term to support this programme.

The medical benefits programme adjudicates medical claims and processes medical accounts. This programme plans to improve the turnaround time for the processing and payment of medical invoices over the medium term from 85 per cent within 60 days in 2017/18 to 85 per cent within 40 days by 2019/20. In each year over the medium term, the fund plans to respond to 85 per cent of compliant requests for assistive devices within 30 working days of receipt. As a result, spending in the medical benefits programme is projected to increase from R65.1 million in 2017/18 to R3.4 billion in 2020/21, accounting for a projected 21.7 per cent of the fund's total budget over the medium term.

Expenditure on claims and pensions benefits paid is set to increase due to additional personnel dealing with backlogs as part of efforts to process all outstanding claims, as well as IT enhancements and other improvements to the claims process. To ensure that the fund has adequate capacity to deal with the

anticipated increase in claims and to provide timeous responses to claimants, the number of personnel is expected to increase from 1 059 in 2017/18 to 1 187 in 2020/21, resulting in a projected increase in spending on compensation of employees from R653.5 million in 2017/18 to R967.4 million in 2020/21.

The cost of administering the fund, paying compensation benefits and medical expenses, and rehabilitating and reintegrating injured and diseased workers will be funded through levies paid by registered employers and revenue earned from investments. Total revenue in 2018/19 is estimated at R16.6 billion, increasing to a projected R18.2 billion in 2020/21 at an average annual rate of 14.8 per cent. This revenue is used to pay benefits and the cost of administering the fund. The payment of benefits is projected to increase from R7.8 billion in 2017/18 to R9.9 billion in 2020/21.

Programmes/Objectives/Activities

Table 28.14 Compensation Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	1 986.0	821.5	1 020.7	1 431.2	-10.3%	16.0%	2 023.0	1 884.7	1 998.8	11.8%	16.8%
Compensation for Occupational Injuries and Diseases Act (1993) services	6 038.6	8 914.3	5 562.3	7 810.8	9.0%	83.6%	5 903.1	6 158.3	6 466.2	-6.1%	61.5%
Medical benefits	22.5	32.0	38.5	65.1	42.4%	0.5%	3 106.7	3 273.7	3 437.0	275.1%	21.7%
Orthotic and medical rehabilitation	-	-	-	-	-	-	2.5	2.6	2.7	-	0.0%
Total	8 047.1	9 767.8	6 621.5	9 307.1	5.0%	100.0%	11 035.3	11 319.2	11 904.7	8.6%	100.0%

Statements of historical financial performance and position

Table 28.15 Compensation Fund statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	2 807.5	6 254.3	3 434.5	3 869.8	4 055.8	4 561.9	4 262.7	2 765.3	119.9%
Other non-tax revenue	2 807.5	6 254.3	3 434.5	3 869.8	4 055.8	4 561.9	4 262.7	2 765.3	119.9%
Transfers received	8 208.8	8 432.3	7 852.0	7 566.9	8 244.6	8 852.3	8 755.8	9 289.0	103.3%
Total revenue	11 016.3	14 686.6	11 286.5	11 436.7	12 300.4	13 414.2	13 018.5	12 054.3	108.3%
Expenses									
Current expenses	1 017.7	2 017.0	878.4	1 857.8	845.9	1 095.2	935.2	1 515.1	176.4%
Compensation of employees	448.2	410.1	481.3	501.3	256.5	636.4	286.8	653.5	149.5%
Goods and services	565.8	1 585.6	382.1	1 338.4	547.3	416.8	603.5	816.6	198.1%
Depreciation	3.6	21.1	14.7	12.4	41.9	41.9	44.6	44.6	114.4%
Interest, dividends and rent on land	0.2	0.2	0.2	5.8	0.3	0.2	0.3	0.5	729.0%
Transfers and subsidies	4 191.0	6 030.0	3 927.8	7 910.0	8 855.6	5 526.3	9 298.3	7 791.9	103.8%
Total expenses	5 208.7	8 047.1	4 806.1	9 767.8	9 701.4	6 621.5	10 233.5	9 307.1	112.7%
Surplus/(Deficit)	5 808.0	6 640.0	6 480.0	1 669.0	2 599.0	6 793.0	2 785.0	2 747.0	
Statement of financial position									
Carrying value of assets	101.9	159.7	97.8	150.0	101.7	241.1	106.8	106.8	161.1%
of which:									
Acquisition of assets	(8.3)	(34.5)	(30.4)	(1.9)	(14.2)	(101.8)	(14.5)	(1.6)	207.6%
Investments	37 876.2	49 753.0	43 113.8	51 472.2	44 966.6	55 537.4	47 214.9	47 214.9	117.8%
Inventory	-	2.7	2.9	2.4	3.0	1.8	3.2	3.2	111.1%
Receivables and prepayments	4 566.4	3 231.8	3 404.5	3 531.1	3 574.8	6 187.0	3 753.5	3 753.5	109.2%
Cash and cash equivalents	1 170.6	35.5	3.8	87.4	4.0	588.8	4.2	4.2	60.5%
Total assets	43 715.1	53 182.8	46 622.7	55 243.1	48 650.0	62 556.1	51 082.5	51 082.5	116.8%
Accumulated surplus/(deficit)	24 110.6	-	17 547.5	20 381.8	18 158.8	26 959.2	19 066.7	19 066.7	84.2%
Capital and reserves	-	154.6	60.1	163.9	61.3	200.0	64.3	64.3	313.8%
Finance lease	-	4.4	-	1 042.4	-	1 100.7	-	-	-
Accrued interest	-	55.3	-	1.3	-	0.7	-	-	-
Trade and other payables	1 136.9	720.5	1 149.4	1 378.1	1 195.4	1 171.3	1 255.1	1 255.1	95.5%
Capitalised value of pensions	13 275.3	23 061.2	18 765.8	-	19 516.4	-	20 297.0	20 297.0	60.3%
Provisions	5 192.3	29 186.9	9 099.9	12 533.6	9 718.2	12 467.3	10 399.2	10 399.2	187.7%
Derivatives financial instruments	-	-	-	19 742.0	-	20 657.0	-	-	-
Total equity and liabilities	43 715.1	53 182.8	46 622.7	55 243.1	48 650.0	62 556.1	51 082.5	51 082.5	116.8%

Statements of estimates of financial performance and position

Table 28.16 Compensation Fund statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R million	2017/18							
Revenue								
Non-tax revenue	2 765.3	-23.8%	33.3%	6 872.4	7 192.0	7 540.7	39.7%	36.7%
Other non-tax revenue	2 765.3	-23.8%	33.3%	6 872.4	7 192.0	7 540.7	39.7%	36.7%
Transfers received	9 289.0	3.3%	66.7%	9 737.6	10 224.5	10 684.6	4.8%	63.3%
Total revenue	12 054.3	-6.4%	100.0%	16 609.9	17 416.5	18 225.3	14.8%	100.0%
Expenses								
Current expenses	1 515.1	-9.1%	19.2%	2 042.5	1 932.2	2 048.3	10.6%	17.3%
Compensation of employees	653.5	16.8%	6.7%	843.4	902.4	967.4	14.0%	7.7%
Goods and services	816.6	-19.8%	12.1%	1 086.6	912.3	957.6	5.5%	8.7%
Depreciation	44.6	28.3%	0.4%	112.0	117.0	122.9	40.2%	0.9%
Interest, dividends and rent on land	0.5	29.3%	0.0%	0.5	0.5	0.5	3.1%	0.0%
Transfers and subsidies	7 791.9	8.9%	80.8%	8 992.8	9 387.0	9 856.3	8.1%	82.7%
Total expenses	9 307.1	5.0%	100.0%	11 035.3	11 319.2	11 904.7	8.6%	100.0%
Surplus/(Deficit)	2 747.0			5 575.0	6 097.0	6 321.0		
Statement of financial position								
Carrying value of assets	106.8	-12.6%	0.3%	112.1	118.4	124.3	5.2%	0.2%
<i>of which:</i>								
Acquisition of assets	(1.6)	-64.0%	-0.1%	(1.7)	(1.8)	(1.8)	4.7%	-0.0%
Investments	47 214.9	-1.7%	92.0%	49 575.6	52 351.9	54 969.5	5.2%	92.4%
Inventory	3.2	5.3%	0.0%	3.3	3.5	3.7	5.2%	0.0%
Receivables and prepayments	3 753.5	5.1%	7.4%	3 941.2	4 161.9	4 370.0	5.2%	7.3%
Cash and cash equivalents	4.2	-51.1%	0.3%	4.4	4.6	4.8	5.2%	0.0%
Total assets	51 082.5	-1.3%	100.0%	53 636.6	56 640.2	59 472.3	5.2%	100.0%
Accumulated surplus/(deficit)	19 066.7	-	29.3%	20 302.1	21 439.0	22 511.0	5.7%	37.7%
Capital and reserves	64.3	-25.3%	0.3%	65.8	69.4	72.9	4.3%	0.1%
Trade and other payables	1 255.1	20.3%	2.0%	1 317.9	1 391.7	1 461.3	5.2%	2.5%
Capitalised value of pensions	20 297.0	-4.2%	20.8%	21 108.9	22 291.0	23 405.6	4.9%	39.5%
Provisions	10 399.2	-29.1%	29.5%	10 841.9	11 449.0	12 021.5	5.0%	20.2%
Total equity and liabilities	51 082.5	-1.3%	100.0%	53 636.6	56 640.2	59 472.3	5.2%	100.0%

Personnel information

Table 28.17 Compensation Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21						
Compensation Fund			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	1 187	1 187	1 053	636.4	0.6	1 059	653.5	0.6	1 100	843.4	0.8	1 150	902.4	0.8	1 187	967.4	0.8	14.0%	100.0%
1 - 6	700	700	606	234.3	0.4	605	309.4	0.5	625	378.1	0.6	663	659.3	1.0	700	713.5	1.0	32.1%	57.6%
7 - 10	448	448	416	373.3	0.9	422	309.4	0.7	439	429.4	1.0	448	206.7	0.5	448	226.2	0.5	-9.9%	39.1%
11 - 12	22	22	17	13.2	0.8	18	16.5	0.9	20	16.5	0.8	22	14.2	0.6	22	2.6	0.1	-45.8%	1.8%
13 - 16	17	17	14	15.6	1.1	14	18.1	1.3	16	19.4	1.2	17	22.2	1.3	17	25.1	1.5	11.4%	1.4%

1. Rand million.

Unemployment Insurance Fund

Mandate

The mandate of the Unemployment Insurance Fund is to contribute to the alleviation of poverty by providing effective short-term unemployment insurance to all workers who qualify for unemployment and related benefits, as legislated in the Unemployment Insurance Act (2001).

Selected performance indicators**Table 28.18 Unemployment Insurance Fund performance indicators by programme/objective/activity and related outcome**

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of total mandated socially responsible investments committed	Administration		85% (R7.9bn/ R9.3bn)	68% (R7.7bn/ R11.3bn)	85% (R20.9bn/ R24.7bn)	80%	80%	80%	80%
Percentage of valid unemployment benefit claims with complete information approved or rejected within specified timeframe ¹	Business operations		89% (471 002/ 532 116)	84% (494 599/ 589 756)	89% (493 141/ 556 331)	90% within 15 working days	90% within 15 working days	90% within 10 working days	90% within 10 working days
Percentage of valid in-service benefit claims with complete information approved or rejected within specified timeframe ¹	Business operations	Outcome 13: An inclusive and responsive social protection system	92% (93 827/ 102 162) within 5 weeks	88% (100 227/ 114 404) within 5 weeks	87% (96 891/ 111 186) within 5 weeks	90% within 10 working days	90% within 20 working days	90% within 15 working days	90% within 10 working days
Percentage of valid death benefit claims approved or rejected within specified timeframe per year ¹	Business operations		91% (82 683/ 91 268)	82% (13 522/ 16 469)	89% (85 384/ 95 421)	90% within 15 working days	80% within 10 working days	85% within 10 working days	95% within 10 working days
Number of Unemployment Insurance Fund beneficiaries provided with learning and/or workplace experience per year	Labour activation programmes		→	→	→	→	450 000	1 000 000	2 000 000

1. Indicator revised.

2. No historical data available.

Expenditure analysis

Over the medium term, the Unemployment Insurance Fund will continue to expand access to social security by paying benefits to those who qualify; fast-tracking the processing of claims; increasing the period during which qualifying beneficiaries can claim; improving employers' compliance with the Unemployment Insurance Act (2001); ensuring investment in job creation projects to boost employment; and implementing labour activation schemes that involve education and skills development to assist unemployed workers registered with the fund. This is in line with outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework.

The amended Unemployment Insurance Act (2016) introduced a number of improvements to the benefits framework. They include: an extension from 238 days to 365 days for which the contributor is eligible for benefits; an extension of the period during which dependants can claim deceased contributors' benefits from 6 months to 18 months; an extension of the period during which unemployment and maternity benefits can be claimed from 6 months to 12 months; the provision of full benefits to women who miscarry; and a reduction in the period for claiming illness benefits from 14 days to 7 days. As a result, the fund anticipates an increase in the amount paid in benefits from R25.2 billion between 2014/15 and 2016/17 to R53.4 billion over the medium term, at an average annual rate of 19.2 per cent.

The fund's plan to improve its services includes reducing the time taken to process: 90 per cent of valid benefit claims from within 15 working days in 2017/18 to within 10 working days by 2020/21; 90 per cent of in-service benefits such as maternity, illness and adoption claims from within 20 working days in 2018/19 to within 10 working days in 2020/21; and valid deceased benefit claims from 80 per cent within 10 working days in 2018/19 to 95 per cent within 10 working days in 2020/21. The fund also aims to make its services more accessible by offering free Wi-Fi at its 126 labour centres and 400 visitor sites. An estimated 96 provincial sites are expected to be upgraded by 2018/19, and 126 sites by 2020/21, at a cost of R9.5 million over the medium term. The planned upgrades include improvements to staff capacity, IT infrastructure and operating systems.

To enhance the employability of the fund's beneficiaries, learning and/or work opportunities are set to be provided to 450 000 beneficiaries in 2018/19, reaching 2 000 000 beneficiaries in 2020/21. The fund expects to achieve this significantly higher target by ensuring that all of its 126 labour centres and 400 visitor sites provide skills development and training opportunities, enterprise development, and funding for small, medium and micro enterprises (SMMEs), with a particular focus on initiatives targeted at unemployed youth.

In an effort to retain an estimated 10 000 jobs per year, the fund has allocated R250 million over the medium term to Productivity South Africa's turnaround solutions programme to assist between 150 and 200 companies in distress. This is expected to help reduce the number of beneficiary claims as fewer contributors are expected to be unemployed.

A total of R27.3 billion, accounting for 20 per cent of the fund's investment portfolio, has been set aside for socially responsible investment in agriculture, education, renewable energy, financial services, health, housing, agro-processing, mining and beneficiation, construction, petroleum, student accommodation, road infrastructure and technology. This investment is managed by the Public Investment Corporation.

The fund is financed through contributions from employees and employers, as legislated in the Unemployment Insurance Contributions Act (2002), and from returns on investments. Over the medium term, the fund expects to receive, on average, 64.5 per cent (R68 billion) of its total revenue from unemployment contributions. Income earned from returns on investments is expected to increase from R10.9 billion in 2017/18 to R13.2 billion in 2020/21.

Programmes/Objectives/Activities

Table 28.19 Unemployment Insurance Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	538.6	4 873.2	3 423.1	1 622.1	44.4%	18.9%	1 925.8	2 038.0	2 154.6	9.9%	9.9%
Business operations	8 341.4	9 231.4	10 685.2	11 942.0	12.7%	78.9%	17 493.1	18 680.2	19 952.0	18.7%	85.3%
Labour activation programmes	97.8	82.0	146.6	892.6	109.0%	2.2%	951.9	952.2	952.6	2.2%	4.8%
Total	8 977.8	14 186.6	14 255.0	14 456.7	17.2%	100.0%	20 370.8	21 670.4	23 059.3	16.8%	100.0%

Statements of historical financial performance and position

Table 28.20 Unemployment Insurance Fund statements of historical financial performance and position

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Budget estimate		Revised estimate		Average: Outcome/ Budget (%) 2014/15 - 2017/18
	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2017/18	2017/18			
R million	2014/15		2015/16		2016/17		2017/18		2017/18		2017/18		
Revenue													
Non-tax revenue	6 173.7	12 248.0	9 609.1	8 171.4	9 357.6	9 628.7	10 109.6	10 912.6					116.2%
Sale of goods and services other than capital assets	2.7	1.9	6.4	2.2	2.4	3.4	2.6	1.9					67.7%
<i>of which:</i>													
<i>Sales by market establishment</i>	2.3	1.9	6.4	2.2	2.4	3.4	2.5	1.9					70.3%
<i>Other sales</i>	0.3	–	0.1	–	0.1	–	0.1	0.0					1.5%
Other non-tax revenue	6 171.0	12 246.1	9 602.7	8 169.2	9 355.2	9 625.3	10 107.0	10 910.7					116.2%
Transfers received	15 975.2	15 754.1	16 636.9	16 701.2	17 560.3	17 838.8	18 701.7	19 590.8					101.5%
Total revenue	22 148.9	28 002.1	26 246.0	24 872.7	26 917.9	27 467.5	28 811.3	30 503.4					106.5%
Expenses													
Current expenses	1 760.0	1 573.7	2 171.1	6 022.6	2 576.0	4 662.7	2 867.6	3 283.1					165.8%
Compensation of employees	899.8	880.0	1 026.0	941.9	1 188.7	1 065.9	1 444.0	1 495.0					96.1%
Goods and services	846.5	684.9	1 045.4	5 065.0	1 259.2	3 546.4	1 249.9	1 604.8					247.7%
Depreciation	13.7	8.5	99.7	15.7	128.1	50.4	173.6	183.4					62.1%
Interest, dividends and rent on land	0.0	0.3	–	–	–	–	–	–					4 983.3%
Transfers and subsidies	10 070.1	7 404.1	10 508.1	8 163.9	9 272.6	9 592.3	9 823.4	11 173.6					91.6%
Total expenses	11 830.2	8 977.8	12 679.2	14 186.6	11 848.6	14 255.0	12 690.9	14 456.7					105.8%
Surplus/(Deficit)	10 319.0	19 024.0	13 567.0	10 686.0	15 069.0	13 213.0	16 120.0	16 047.0					
Statement of financial position													
Carrying value of assets	96.4	96.6	259.3	217.4	147.2	253.6	273.2	251.2					105.5%
<i>of which:</i>													
<i>Acquisition of assets</i>	(21.6)	(27.1)	(263.0)	(151.5)	(145.2)	(211.4)	(271.2)	(222.5)					87.4%
Investments	91 566.8	111 780.0	125 717.0	120 441.0	152 173.1	135 668.0	170 029.6	153 305.2					96.6%
Receivables and prepayments	185.0	10.7	44.5	227.9	92.9	1 736.4	96.3	60.2					485.9%
Cash and cash equivalents	1 712.5	1 692.1	1 575.3	3 812.9	3 818.6	1 297.4	3 812.9	1 395.4					75.1%
Total assets	93 560.7	113 579.4	127 596.1	124 699.2	156 231.8	138 955.5	174 212.0	155 012.0					96.5%

Table 28.20 Unemployment Insurance Fund statements of historical financial performance and position

Statement of financial position	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average: Outcome/Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	Budget estimate	2017/18	
R million	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Accumulated surplus/(deficit)	67 434.3	90 292.8	102 791.6	98 503.4	127 252.7	110 216.2	143 438.2	133 337.4	98.1%
Capital and reserves	16 143.9	19 145.9	20 312.9	21 621.4	24 144.7	23 121.2	25 671.3	14 873.2	91.3%
Trade and other payables	87.3	274.0	276.3	313.6	316.3	350.6	319.5	8.6	94.7%
Benefits payable	9 859.1	3 840.6	4 189.2	4 234.9	4 492.2	5 202.8	4 756.9	6 765.0	86.0%
Provisions	21.6	26.1	26.1	25.8	25.8	27.7	26.1	27.7	107.8%
Derivatives financial instruments	14.6	-	-	-	-	37.0	-	-	253.6%
Total equity and liabilities	93 560.7	113 579.4	127 596.1	124 699.2	156 231.8	138 955.5	174 212.0	155 012.0	96.5%

Statements of estimates of financial performance and position**Table 28.21 Unemployment Insurance Fund statements of estimates of financial performance and position**

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
R million	2017/18		2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue	10 912.6	-3.8%	36.9%		11 629.9	12 394.4	13 209.2	6.6%	35.5%
Non-tax revenue	10 912.6	-3.8%	36.9%		11 629.9	12 394.4	13 209.2	6.6%	35.5%
Sale of goods and services other than capital assets	1.9	-0.2%	0.0%		2.0	2.1	2.2	5.2%	0.0%
<i>of which:</i>									
<i>Sales by market establishment</i>	1.9	-0.3%	0.0%		2.0	2.1	2.2	5.2%	0.0%
<i>Other sales</i>	0.0	-	0.0%		0.0	0.0	0.0	7.7%	0.0%
Other non-tax revenue	10 910.7	-3.8%	36.8%		11 627.9	12 392.3	13 206.9	6.6%	35.5%
Transfers received	19 590.8	7.5%	63.1%		21 057.9	22 615.2	24 287.6	7.4%	64.5%
Total revenue	30 503.4	2.9%	100.0%		32 687.8	35 009.6	37 496.8	7.1%	100.0%
Expenses									
Current expenses	3 283.1	27.8%	28.9%		3 670.0	3 891.4	4 122.2	7.9%	19.1%
Compensation of employees	1 495.0	19.3%	8.6%		1 579.9	1 684.1	1 793.6	6.3%	8.4%
Goods and services	1 604.8	32.8%	19.8%		1 896.7	2 002.9	2 113.1	9.6%	9.7%
Depreciation	183.4	178.7%	0.5%		193.5	204.3	215.5	5.5%	1.0%
Transfers and subsidies	11 173.6	14.7%	71.1%		16 700.8	17 779.0	18 937.1	19.2%	80.9%
Total expenses	14 456.7	17.2%	100.0%		20 370.8	21 670.4	23 059.3	16.8%	100.0%
Surplus/(Deficit)	16 047.0				12 317.0	13 339.0	14 438.0		
Statement of financial position									
Carrying value of assets	251.2	37.5%	0.2%		225.0	-	-	-100.0%	0.1%
<i>of which:</i>									
<i>Acquisition of assets</i>	(222.5)	101.7%	-0.1%		(212.5)	-	-	-100.0%	-0.1%
Investments	153 305.2	11.1%	97.9%		166 772.0	181 344.0	196 739.5	8.7%	99.0%
Receivables and prepayments	60.2	77.9%	0.4%		142.4	231.7	328.9	76.1%	0.1%
Cash and cash equivalents	1 395.4	-6.2%	1.6%		1 402.7	1 410.5	1 418.9	0.6%	0.8%
Total assets	155 012.0	10.9%	100.0%		168 542.2	182 986.2	198 487.3	8.6%	100.0%
Accumulated surplus/(deficit)	133 337.4	13.9%	81.0%		148 210.6	160 555.0	173 812.8	9.2%	87.3%
Capital and reserves	14 873.2	-8.1%	15.1%		12 344.4	13 257.7	14 314.0	-1.3%	7.8%
Trade and other payables	8.6	-68.4%	0.2%		11.1	11.7	12.5	13.1%	0.0%
Benefits payable	6 765.0	20.8%	3.7%		7 948.2	9 134.0	10 320.3	15.1%	4.8%
Provisions	27.7	2.1%	0.0%		27.7	27.7	27.7	-	0.0%
Total equity and liabilities	155 012.0	10.9%	100.0%		168 542.2	182 986.2	198 487.3	8.6%	100.0%

Personnel information**Table 28.22 Unemployment Insurance Fund personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17			2017/18			2018/19		2019/20		2020/21						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
Unemployment Insurance Fund	3 721	3 721	3 233	1 065.9	0.3	3 233	1 495.0	0.5	3 233	1 579.9	0.5	3 233	1 684.1	0.5	3 233	1 793.6	0.6	6.3%	100.0%
Salary level																			
1-6	93	93	89	18.0	0.2	89	25.7	0.3	89	28.0	0.3	89	29.8	0.3	89	31.7	0.4	7.3%	2.8%
7-10	3 424	3 424	2 965	918.7	0.3	2 965	1 301.3	0.4	2 965	1 374.6	0.5	2 965	1 465.3	0.5	2 965	1 560.6	0.5	6.2%	91.7%
11-12	167	167	148	94.2	0.6	148	128.5	0.9	148	135.7	0.9	148	144.7	1.0	148	154.1	1.0	6.2%	4.6%
13-16	37	37	31	35.0	1.1	31	39.4	1.3	31	41.6	1.3	31	44.4	1.4	31	47.3	1.5	6.2%	1.0%

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Commission for Conciliation, Mediation and Arbitration** aims to promote social justice and economic development in the world of work, and to be the best dispute management and dispute resolution organisation. The commission's total budget for 2018/19 is R988.2 million.
- The **National Economic Development and Labour Council** requires organised labour, organised business, community-based organisations and government to work as a collective to promote the goals of economic growth, and social and economic equity. The council's total budget for 2018/19 is R34.4 million.
- **Productivity South Africa** aims to improve the productive capacity of the economy through interventions that encourage social dialogue and collaboration between government, labour and business. The entity's total budget for 2018/19 is R287.6 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2014/15	2015/16		2016/17	2017/18
Departmental infrastructure								
Small projects (total project cost of less than R250 million over the project life cycle)								
Rustenburg labour centre: Construction of building Security: Wendy houses	Construction of new labour centre	Construction	16.0	0.5	–	–	–	–
	Labour centres security: Construction of wendy houses	Handed over	0.0	–	–	–	–	–
Construction of new office buildings, upgrade of the Ulundi and Prospecton labour centres and the installation of water tanks	New labour centre	Construction	74.0	–	29.2	14.0	16.0	16.0
Total			90.0	0.5	29.2	14.0	16.0	16.0
								16.9

Vote 29

Mineral Resources

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	327.0	312.0	3.6	11.4	345.5	365.7
Mine Health and Safety	205.0	199.5	4.8	0.7	219.3	235.6
Mineral Regulation	393.6	236.0	157.5	0.0	415.4	444.1
Mineral Policy and Promotion	965.0	129.3	835.5	0.2	1 035.9	1 094.3
Total expenditure estimates	1 890.7	876.9	1 001.5	12.4	2 016.0	2 139.7
Executive authority	Minister of Mineral Resources					
Accounting officer	Director General of Mineral Resources					
Website address	www.dmr.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Promote and regulate the minerals and mining sector for transformation, growth and development. Ensure that all South Africans derive sustainable benefits from the country's mineral wealth.

Mandate

The mandate of the Department of Mineral Resources is broadly informed by:

- the Mineral and Petroleum Resources Development Act (2002), which provides the regulatory framework for equitable access to and the sustainable development of mineral resources and related matters
- the Mine Health and Safety Act (1996), which governs mine health and safety
- the 1998 White Paper on Minerals and Mining Policy for South Africa, which ensures the transparent and efficient regulation of the development of South Africa's mineral resources and mineral industry to meet national objectives and bring optimum benefit to the nation.

Selected performance indicators

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of occupational health and safety inspections and mine audits conducted per year	Mine Health and Safety		9 078	8 005	9 869	8 396	8 396	8 396	8 396
Number of mining rights and permits granted or issued to historically disadvantaged South Africans per year ¹	Mineral Regulation	Outcome 4: Decent employment through inclusive economic growth	203	204	175	120	120	120	120
Number of industry workshops on compliance issues conducted per year ¹	Mineral Regulation		16	15	14	9	9	9	9
Number of social and labour plan verification inspections per year ¹	Mineral Regulation		268	270	275	212	212	212	212
Number of environmental verification inspections conducted per year ¹	Mineral Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	1 856	1 889	1 465	1 275	1 275	1 275	1 275
Number of mine economics verification audits per year ¹	Mineral Regulation	Outcome 4: Decent employment through inclusive economic growth	520	595	501	425	425	425	425

Table 29.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of mineral legislation compliance inspections conducted per year ¹	Mineral Regulation	Outcome 4: Decent employment through inclusive economic growth	253	502	264	150	150	150	150
Number of consultations or engagements and conflict management with stakeholders and the mining industry per year ¹	Mineral Regulation		263	341	342	150	150	150	150
Number of procurement opportunities facilitated for black industrialists in the mining sector per year ¹	Mineral Regulation		– ²	5	5	10	10	10	10
Number of publications per year ¹	Mineral Policy and Promotion		15	14	23	12	12	12	12
Number of legislative instruments reviewed and amended per year ¹	Mineral Policy and Promotion		4	2	4	5	3	3	3
Number of derelict and ownerless mines rehabilitated per year	Mineral Policy and Promotion	Outcome 10: Protect and enhance our environmental assets and natural resources	50	50	45	45	45	45	45
Number of new and established SMMEs supported per year ¹	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive growth	87	125	103	80	80	80	80
Number of mining investment events/forums/workshops per year ¹	Mineral Policy and Promotion		30	38	60	55	46	46	46

1. Targets have been revised down due to the slowdown in the mining industry, in line with the department's strategic plan.

2. No historical data available.

Expenditure analysis

Chapters 3, 4 and 5 of the National Development Plan (NDP) detail a vision for South Africa in which sustainable employment and infrastructure development are key to the country's overall development. This vision is expressed in terms of outcome 4 (decent employment through inclusive growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework, with which the work of the Department of Mineral Resources is closely aligned.

Over the medium term, the department intends to focus on: promoting investment in the mining sector; ensuring transformation in the mining sector; promoting the sustainable use of mineral resources; enforcing, monitoring and evaluating compliance with mine health and safety legislation by conducting audit inspections and investigations; and rehabilitating derelict and ownerless mines.

The department fulfils a considerable portion of its mandate through its entities. As a result, over the MTEF period, transfers to entities account for 52.3 per cent (R3.2 billion) of the department's total budget. The Council for Geoscience receives an additional allocation of R386.3 million over the medium term. This is due to a Cabinet approved decision to provide funds to the council through the economic competitiveness and support package for laboratory analytical and research work to improve the council's quality of service.

Due to the labour intensive nature of the department's work, which includes conducting mandatory compliance monitoring and statutory inspections of all mines across the country, compensation of employees accounts for a projected 33.1 per cent (R2 billion) of the department's total budget over the MTEF period. The expected increase in the number of prospecting and mining licences issued by the department over the medium term has resulted in an increase in regulatory and other inspections. Consequently, amounts of R19.6 million in 2018/19, R21.6 million in 2019/20 and R23.7 million in 2020/21 have been reprioritised from the department's goods and services budget to compensation of employees. Spending on goods and services accounts for 14 per cent (R815.4 million) of the department's projected budget over the MTEF period.

Cabinet has approved baseline reductions of R16 million in 2018/19, R22 million in 2019/20 and R23.2 million in 2020/21 on goods and services in the *Administration* programme, and transfers to the Council for Geoscience and the Mine Health and Safety Council. The impact on service delivery will be managed through

the department implementing cost containment measures, particularly on non-core goods and services items, over the MTEF period. Reductions in transfers to entities are expected to be offset by the additional allocation to the Council for Geoscience and the Mine Health and Safety Council having sufficient reserves.

Promoting investment in the mining sector

As part of the department's goal to attract more investment in South Africa, it plans to conduct 138 promotional events/workshops and forums for local and foreign investment at a projected cost of R16.7 million over medium term. To facilitate this, 36 marketing publications aimed at unlocking investment in the mining and petroleum sectors are planned for publication over the MTEF period. To promote investment in shale gas, the department has reprioritised R34.4 million over the medium term from the *Mineral Policy and Promotion* programme to Petroleum Agency South Africa in the *Mineral Regulation* programme.

Providing support to small, medium and micro enterprises (SMMEs) in the mining industry forms part of the department's drive to attract investment, promote transformation and contribute to job creation. In this regard, over the MTEF period, the department plans to spend R74.2 million to provide financial and technical support to 240 SMMEs, mainly for small-scale mining projects. Total funding for attracting investment is expected to increase at an average annual rate of 8.6 per cent over the medium term, from R1.2 billion in 2017/18 to R1.5 billion in 2020/21, in the *Mineral Regulation* and *Mineral Policy Promotion* programmes. In 2017/18, expenditure in these programmes accounted for 71.5 per cent of the department's total budget.

Ensuring transformation in the mining sector and promoting the sustainable use of mineral resources

The department plans to continue facilitating transformation in the mining and minerals sector by developing and reviewing relevant legislation. R21.9 million is allocated over the MTEF period for this purpose in the *Mineral Regulation* and *Mineral Policy Promotion* programmes. In consultation with mining stakeholders, the department also plans to promote the sustainable use of mineral resources, and enforce the environmental management of mines under the revised Broad-Based Socioeconomic Charter for the South African Mining Industry. This is expected to be done in conjunction with the enforcement of mining social and labour plans at an estimated cost of R138.5 million over the MTEF period.

A total of 636 inspections relating to social and labour plans, 3 825 inspections relating to environmental management and 27 industry workshops are planned, while 360 mining rights are expected to be granted to historically disadvantaged South Africans over the medium term with the aim of promoting meaningful transformation in the mining industry. The department also aims to create 30 black industrialists over the MTEF period by giving preference to black-owned businesses in its procurement processes. These activities will be carried out in the *Mineral Regulation* programme, which is allocated R1.3 billion over the medium term.

Through the enforcement unit in the *Mineral Regulation* programme, the department has strengthened its ability to enforce compliance with the conditions of mining rights. For this purpose, the programme's budget for spending on compensation of employees increases from R186.5 million in 2017/18 to R226.4 million in 2020/21.

Enforcing, monitoring and evaluating compliance with mine health and safety legislation

Over the medium term, the department intends to continue enforcing compliance with occupational health and safety legislation and regulations. This is expected to be achieved by improving mine health surveillance activities and monitoring mine sites, as well as cooperating with other public agencies to promote occupational health at mining sites. As such, over the medium term, the department intends to improve its internal human capacity to focus on inspections and implement strategies to improve occupational health and safety. Accordingly, the department plans to conduct 8 396 occupational health and safety inspections and mine audits per year over the medium term. These activities are expected to cost R15.1 million in 2018/19, R15.9 million in 2019/20 and R16.8 million in 2020/21.

Over the MTEF period, the department aims to provide leadership initiatives and activities to the mining industry, labour (mine workers and their representatives) and the Mine Health and Safety Council to ensure that their work programmes respond to current challenges such as mine fatalities and diseases. In addition,

the department aims to provide input into the review of mine health and safety legislation that seeks to incorporate international best practice, and provide support for monitoring the implementation of commitments made at the 2014 Mine Health and Safety Tripartite Summit. These commitments include making mines healthier and safer, promoting a culture of learning and building capacity in the industry. The department also plans to support initiatives that discourage illegal mining and other unsafe practices related to the sector, especially blasting operations.

Activities related to enforcing, monitoring and evaluating compliance with mine health and safety legislation are funded through the *Mine Health and Safety Regions* subprogramme, which is allocated R448.6 million over the medium term.

Rehabilitating derelict and ownerless mines

As part of its safety and environment protection policy, over the medium term, the department aims to rehabilitate 135 derelict and ownerless mines at an estimated cost of R406.9 million. The Council for Geoscience and Mintek will continue to be involved in the rehabilitation of some of the prioritised sites, at a cost of R90 million and R70 million, respectively. In addition, the Working for Mines programme, which is part of the expanded public works programme and focuses on the rehabilitation of derelict and ownerless mines, expects to create 88 job opportunities through an allocation of R3.3 million over the MTEF period.

Expenditure trends

Table 29.2 Vote expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Mine Health and Safety																																	
3. Mineral Regulation																																	
4. Mineral Policy and Promotion																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)		
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18			2014/15 - 2017/18																	
Programme 1	284.2	297.6	315.2	293.2	308.9	359.1	310.9	345.8	361.1	317.7	339.9	339.9	114.0%	106.4%																			
Programme 2	168.0	172.0	167.5	175.8	184.4	171.5	184.9	189.9	189.6	189.4	194.1	194.1	100.6%	97.6%																			
Programme 3	231.4	236.7	237.7	260.4	263.7	246.2	270.8	265.1	258.8	364.6	379.3	379.3	99.5%	98.0%																			
Programme 4	787.8	769.2	754.8	889.0	881.5	861.7	902.5	868.3	851.7	907.7	866.1	866.1	95.6%	98.5%																			
Total	1 471.3	1 475.5	1 475.2	1 618.5	1 638.5	1 638.5	1 669.1	1 669.1	1 661.1	1 779.4	1 779.4	1 779.4	100.2%	99.9%																			
Change to 2017 Budget estimate																																	
Economic classification																																	
Current payments	742.3	744.3	736.9	806.1	800.1	805.2	831.4	863.9	858.6	846.7	871.0	871.0	101.4%	99.8%																			
Compensation of employees	476.8	492.0	484.6	528.4	548.4	526.3	572.1	564.4	558.8	572.8	590.8	590.8	100.5%	98.4%																			
Goods and services	265.6	252.3	252.3	277.7	251.7	279.0	259.2	299.5	299.8	273.9	280.3	280.3	103.2%	102.5%																			
Transfers and subsidies	717.9	719.4	723.7	800.9	826.9	819.7	824.1	791.6	791.3	921.1	896.8	896.8	99.0%	99.9%																			
Departmental agencies and accounts	340.8	347.3	347.3	377.8	394.8	393.4	433.5	433.5	433.5	430.9	440.9	440.9	-	-																			
Public corporations and private enterprises	375.8	370.9	370.9	421.8	430.8	423.7	389.1	356.6	356.6	488.8	454.4	454.4	95.8%	99.6%																			
Households	1.3	1.3	5.6	1.4	1.4	2.5	1.4	1.4	1.2	1.5	1.5	1.5	191.7%	191.7%																			
Payments for capital assets	11.0	11.8	14.5	11.5	11.5	10.6	13.6	13.6	9.9	11.7	11.7	11.7	97.8%	96.3%																			
Buildings and other fixed structures	2.8	3.8	2.9	2.9	2.5	1.1	3.9	3.9	0.2	1.8	1.8	1.8	53.2%	50.6%																			
Machinery and equipment	8.2	8.0	7.2	8.6	8.9	9.3	9.8	9.8	9.8	9.8	9.8	9.8	99.1%	99.0%																			
Software and other intangible assets	-	-	4.4	-	0.1	0.1	-	-	-	-	-	-	-	3 521.5%																			
Payments for financial assets	-	-	-	-	-	2.9	-	-	1.3	-	-	-	-	-																			
Total	1 471.3	1 475.5	1 475.2	1 618.5	1 638.5	1 638.5	1 669.1	1 669.1	1 661.1	1 779.4	1 779.4	1 779.4	100.2%	99.9%																			

Expenditure estimates

Table 29.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Mine Health and Safety								
3. Mineral Regulation								
4. Mineral Policy and Promotion								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	339.9	4.5%	21.0%	327.0	345.5	365.7	2.5%	17.6%
Programme 2	194.1	4.1%	11.0%	205.0	219.3	235.6	6.7%	10.9%
Programme 3	379.3	17.0%	17.1%	393.6	415.4	444.1	5.4%	20.9%
Programme 4	866.1	4.0%	50.9%	965.0	1 035.9	1 094.3	8.1%	50.6%
Total	1 779.4	6.4%	100.0%	1 890.7	2 016.0	2 139.7	6.3%	100.0%
Change to 2017				(16.0)	166.0	175.1		
Budget estimate								
Economic classification								
Current payments	871.0	5.4%	49.9%	876.9	936.7	1 000.3	4.7%	47.1%
Compensation of employees	590.8	6.3%	33.0%	617.6	665.2	715.6	6.6%	33.1%
Goods and services	280.3	3.6%	17.0%	259.2	271.5	284.7	0.5%	14.0%
Transfers and subsidies	896.8	7.6%	49.3%	1 001.5	1 066.3	1 125.7	7.9%	52.3%
Departmental agencies and accounts	440.9	8.3%	24.6%	452.2	565.4	596.5	10.6%	26.3%
Public corporations and private enterprises	454.4	7.0%	24.5%	547.7	499.2	527.4	5.1%	25.9%
Households	1.5	5.0%	0.2%	1.6	1.7	1.8	5.6%	0.1%
Payments for capital assets	11.7	-0.3%	0.7%	12.4	13.0	13.7	5.6%	0.6%
Buildings and other fixed structures	1.8	-21.6%	0.1%	2.0	2.1	2.2	5.8%	0.1%
Machinery and equipment	9.8	7.3%	0.6%	10.4	11.0	11.6	5.6%	0.5%
Total	1 779.4	6.4%	100.0%	1 890.7	2 016.0	2 139.7	6.3%	100.0%

Expenditure trends and estimates for significant spending items

Table 29.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Council for Geoscience	292 839	342 914	378 598	366 988	7.8%	21.1%	386 306	495 835	523 106	12.5%	22.6%
Mintek	370 854	414 742	356 416	367 256	-0.3%	23.0%	350 368	369 989	390 339	2.1%	18.9%
Total	663 693	757 656	735 014	734 244	7.5%	44.1%	736 674	865 824	913 445	14.6%	41.5%

Goods and services expenditure trends and estimates

Table 29.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Administrative fees	2 115	2 618	3 248	5 346	36.2%	1.2%	6 049	6 336	6 681	7.7%	2.2%
Advertising	1 055	846	5 453	2 621	35.4%	0.9%	3 651	3 783	3 932	14.5%	1.3%
Minor assets	262	1 614	968	5 157	170.0%	0.7%	4 790	5 085	5 398	1.5%	1.9%
Audit costs: External	5 280	6 465	6 247	4 987	-1.9%	2.1%	4 924	5 195	5 481	3.2%	1.9%
Bursaries: Employees	992	979	1 234	1 553	16.1%	0.4%	2 123	1 250	2 359	15.0%	0.7%
Catering: Departmental activities	509	1 528	951	3 765	94.8%	0.6%	4 967	5 167	5 383	12.7%	1.8%
Communication	14 577	13 723	17 281	8 964	-15.0%	4.9%	8 305	8 772	9 254	1.1%	3.2%
Computer services	18 936	23 446	26 872	23 023	6.7%	8.3%	25 520	26 887	28 366	7.2%	9.5%
Consultants: Business and advisory services	14 778	5 461	8 237	9 401	-14.0%	3.4%	4 071	4 273	4 517	-21.7%	2.0%
Legal services	7 900	6 476	11 213	2 955	-27.9%	2.6%	4 148	4 319	4 500	15.0%	1.5%
Contractors	2 990	1 875	1 057	21 102	91.8%	2.4%	25 026	26 840	28 721	10.8%	9.3%
Agency and support/outsourced services	13	-	-	3	-38.7%	-	10	11	11	54.2%	-

Table 29.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Entertainment	–	–	–	159	–	–	164	173	182	4.6%	0.1%
Fleet services (including government motor transport)	6 595	10 503	10 518	7 042	2.2%	3.1%	5 394	4 305	6 368	-3.3%	2.1%
Inventory: Clothing material and accessories	–	–	53	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	16	16	19	–	-100.0%	–	51	54	57	–	–
Inventory: Materials and supplies	581	67	218	–	-100.0%	0.1%	–	–	–	–	–
Inventory: Medical supplies	1	2	2	–	-100.0%	–	–	–	–	–	–
Consumable supplies	2 302	1 740	2 063	4 729	27.1%	1.0%	4 318	4 565	4 829	0.7%	1.7%
Consumables: Stationery, printing and office supplies	3 949	4 683	4 673	11 208	41.6%	2.2%	11 505	12 140	12 806	4.5%	4.3%
Operating leases	75 514	94 177	89 325	52 647	-11.3%	28.0%	36 165	39 027	41 995	-7.3%	15.5%
Rental and hiring	13	1 002	232	5 814	664.7%	0.6%	2 110	2 144	2 187	-27.8%	1.1%
Property payments	4 137	5 860	6 259	7 132	19.9%	2.1%	8 092	8 543	9 005	8.1%	3.0%
Travel and subsistence	55 731	71 021	68 383	67 849	6.8%	23.7%	69 522	72 822	71 340	1.7%	25.7%
Training and development	4 736	5 410	4 892	10 148	28.9%	2.3%	8 513	8 958	9 448	-2.4%	3.4%
Operating payments	24 293	12 883	23 740	14 246	-16.3%	6.8%	12 509	13 146	13 749	-1.2%	4.9%
Venues and facilities	4 989	6 581	6 643	10 410	27.8%	2.6%	7 303	7 708	8 121	-7.9%	3.1%
Total	252 264	278 976	299 781	280 261	3.6%	100.0%	259 230	271 503	284 690	0.5%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 29.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	3 126	1 762	1 059	1 224	-26.8%	0.2%	1 295	1 368	1 443	5.6%	0.1%
Employee social benefits	3 126	1 762	1 059	1 224	-26.8%	0.2%	1 295	1 368	1 443	5.6%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	319 522	358 408	396 629	405 441	8.3%	45.8%	414 719	525 849	554 761	11.0%	46.5%
Mining Qualifications Authority	1 217	–	1 716	1 840	14.8%	0.1%	1 973	2 083	2 198	6.1%	0.2%
Public Service Sector Education and Training Authority	215	–	–	–	-100.0%	–	–	–	–	–	–
Mine Health and Safety Council	5 197	–	–	6 162	5.8%	0.4%	4 803	5 082	5 351	-4.6%	0.5%
South African Diamond and Precious Metal Regulator	47 810	50 527	53 205	65 865	11.3%	6.7%	59 105	62 415	65 848	–	6.2%
Council for Geoscience	265 083	307 881	341 708	330 574	7.6%	38.5%	257 791	455 163	480 197	13.3%	37.3%
Council for Geoscience: Economic competitiveness and support package	–	–	–	–	–	–	90 000	–	–	–	2.2%
Council for Geoscience: Expanded public works programme	–	–	–	1 000	–	–	1 047	1 106	1 167	5.3%	0.1%
Capital	27 756	35 033	36 890	35 414	8.5%	4.2%	37 468	39 566	41 742	5.6%	3.8%
Council for Geoscience	27 756	35 033	36 890	35 414	8.5%	4.2%	37 468	39 566	41 742	5.6%	3.8%
Households											
Other transfers to households											
Current	2 475	833	122	294	-50.8%	0.1%	311	328	346	5.6%	–
Employee ex-gratia payments	120	20	120	294	34.8%	–	311	328	346	5.6%	–
Other transfers to households	2 355	813	2	–	-100.0%	0.1%	–	–	–	–	–
Public corporations and private enterprises											
Subsidies on products and production											
Current	–	–	–	87 138	–	2.7%	104 316	104 492	110 609	8.3%	9.9%
Petroleum Agency South Africa	–	–	–	87 138	–	2.7%	98 439	98 286	104 062	6.1%	9.5%
Various institutions: Water management solutions subsidies for marginal mines	–	–	–	–	–	–	5 877	6 206	6 547	–	0.5%

Table 29.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Subsidies on products and production											
Current	320 775	371 138	315 352	310 705	-1.1%	40.8%	383 513	331 490	350 134	4.1%	33.6%
Industrial Development Corporation	–	8 893	–	–	–	0.3%	22 976	24 683	26 453	–	1.8%
Mintek	320 775	362 145	315 152	310 705	-1.1%	40.5%	290 537	306 807	323 681	1.4%	30.1%
State Diamond Trader	–	100	200	–	–	–	–	–	–	–	–
Mintek: Economic competitiveness and support package	–	–	–	–	–	–	70 000	–	–	–	1.7%
Capital	50 079	52 597	41 264	56 551	4.1%	6.2%	59 831	63 182	66 658	5.6%	6.0%
Mintek	50 079	52 597	41 264	56 551	4.1%	6.2%	59 831	63 182	66 658	5.6%	6.0%
Total	723 733	819 771	791 316	896 767	7.4%	100.0%	1 001 453	1 066 275	1 125 693	7.9%	100.0%

Personnel information

Table 29.7 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21												
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost						
Mineral Resources	1 167	2	1 167	558.8	0.5	1 113	590.8	0.5	1 067	617.6	0.6	1 065	665.2	0.6	1 063	715.6	0.7	-1.5%	100.0%
Salary level	1 167	2	1 167	558.8	0.5	1 113	590.8	0.5	1 067	617.6	0.6	1 065	665.2	0.6	1 063	715.6	0.7	-1.5%	100.0%
1 – 6	266	–	266	66.8	0.3	263	64.8	0.2	243	64.7	0.3	242	69.7	0.3	241	75.0	0.3	-2.9%	23.0%
7 – 10	568	–	568	239.0	0.4	547	250.7	0.5	522	257.6	0.5	521	277.7	0.5	521	299.9	0.6	-1.6%	49.0%
11 – 12	237	–	237	167.6	0.7	199	161.2	0.8	198	173.4	0.9	198	187.3	0.9	198	202.4	1.0	-0.2%	18.4%
13 – 16	96	2	96	85.4	0.9	104	114.1	1.1	104	122.0	1.2	104	130.5	1.3	103	138.4	1.3	-0.3%	9.6%
Programme	1 167	2	1 167	558.8	0.5	1 113	590.8	0.5	1 067	617.6	0.6	1 065	665.2	0.6	1 063	715.6	0.7	-1.5%	100.0%
Programme 1	366	2	366	162.3	0.4	355	179.7	0.5	330	186.9	0.6	328	199.8	0.6	327	213.9	0.7	-2.7%	31.1%
Programme 2	303	–	303	158.0	0.5	278	155.7	0.6	272	166.3	0.6	271	178.3	0.7	271	192.4	0.7	-0.8%	25.3%
Programme 3	386	–	386	173.2	0.4	372	186.5	0.5	361	193.2	0.5	361	209.4	0.6	361	226.4	0.6	-1.0%	33.8%
Programme 4	112	–	112	65.3	0.6	108	68.8	0.6	104	71.2	0.7	105	77.6	0.7	104	82.9	0.8	-1.3%	9.8%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 29.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	46 207	29 763	38 072	40 250	19 740	-24.7%	100.0%	40 311	42 648	45 206	31.8%	100.0%
Sales of goods and services produced by department	3 230	6 486	10 148	11 354	5 505	19.4%	19.0%	12 002	12 698	13 459	34.7%	29.5%
Sales by market establishments	482	478	473	468	232	-21.6%	1.2%	495	523	555	33.7%	1.2%
of which:												
Market establishment: Rental parking:	482	478	473	468	232	-21.6%	1.2%	495	523	555	33.7%	1.2%
Covered and open												
Administrative fees	2 232	5 428	9 073	10 195	4 946	30.4%	16.2%	10 776	11 402	12 085	34.7%	26.5%
of which:												
Application fees in relation to the Minerals and Petroleum Resources Development Act (2002)	2 031	1 084	1 791	2 326	713	-29.5%	4.2%	2 458	2 601	2 757	57.0%	5.8%
Requested information: Access to Information Act (2000)	24	23	30	24	13	-18.5%	0.1%	25	27	28	29.1%	0.1%

Table 29.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2014/15 - 2017/18	2018/19		
Environmental Authorisation application fees	177	4 321	7 252	7 845	4 220	187.8%	11.9%	8 293	8 774	9 300	30.1%	20.7%
Other sales	516	580	602	691	327	-14.1%	1.5%	731	773	819	35.8%	1.8%
Services rendered: Commission on insurance and garnishee	183	210	224	230	116	-14.1%	0.5%	244	258	273	33.0%	0.6%
Services rendered: Marking of exam paper	295	345	351	430	196	-12.7%	0.9%	454	480	509	37.5%	1.1%
Services rendered: Photocopies and faxes	36	24	26	31	15	-25.3%	0.1%	33	35	37	35.1%	0.1%
Replacement of security cards	2	1	1	-	-	-100.0%	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods	-	-	1	-	-	-	-	2	2	2	-	-
of which:												
Sales: Scrap	-	-	1	-	-	-	-	2	2	2	-	-
Fines, penalties and forfeits	1 117	847	990	859	442	-26.6%	2.5%	883	934	990	30.8%	2.2%
Interest, dividends and rent on land	31 755	22 268	23 881	25 580	12 046	-27.6%	67.2%	27 038	28 606	30 323	36.0%	66.3%
Interest	57	28	265	78	31	-18.4%	0.3%	82	87	92	43.7%	0.2%
Rent on land	31 698	22 240	23 616	25 502	12 015	-27.6%	67.0%	26 956	28 519	30 231	36.0%	66.1%
Sales of capital assets	1 360	-	-	-	-	-100.0%	1.0%	-	-	-	-	-
Transactions in financial assets and liabilities	8 745	162	3 052	2 457	1 747	-41.5%	10.2%	386	408	432	-37.2%	2.0%
Total	46 207	29 763	38 072	40 250	19 740	-24.7%	100.0%	40 311	42 648	45 206	31.8%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 29.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Ministry	26.5	33.1	35.1	28.1	1.9%	8.9%	27.3	30.7	31.3	3.8%	8.5%
Corporate Services	159.3	180.3	187.8	145.1	-3.1%	48.9%	125.2	137.3	147.5	0.6%	40.3%
Department Management	17.3	15.6	12.5	21.8	8.0%	4.9%	30.1	24.1	24.2	3.6%	7.3%
Financial Administration	84.4	95.4	93.5	97.6	5.0%	27.0%	96.8	102.9	109.6	3.9%	29.5%
Internal Audit	12.2	12.4	10.6	14.5	6.0%	3.6%	12.9	13.8	14.3	-0.6%	4.0%
Office Accommodation	15.5	22.3	21.5	32.9	28.5%	6.7%	34.8	36.7	38.8	5.6%	10.4%
Total	315.2	359.1	361.1	339.9	2.5%	100.0%	327.0	345.5	365.7	2.5%	100.0%
Change to 2017 Budget estimate				22.2			(7.5)	(11.0)	(14.3)		
Economic classification											
Current payments	304.1	348.4	349.6	325.8	2.3%	96.6%	312.0	329.6	349.0	2.3%	95.5%
Compensation of employees	148.1	161.0	162.3	179.7	6.7%	47.3%	186.9	199.8	213.9	6.0%	56.6%
Goods and services ¹	156.0	187.4	187.4	146.1	-2.2%	49.2%	125.1	129.8	135.2	-2.5%	38.9%
of which:											
Audit costs: External	5.3	6.5	6.2	5.0	-1.9%	1.7%	4.9	5.2	5.5	3.2%	1.5%
Computer services	16.8	23.0	24.3	17.8	1.9%	6.0%	17.9	18.9	19.9	3.8%	5.4%
Operating leases	75.0	93.6	88.8	52.0	-11.5%	22.5%	36.0	38.9	41.9	-7.0%	12.2%
Property payments	3.5	5.6	6.3	6.2	20.4%	1.6%	7.2	7.6	8.0	9.1%	2.1%
Travel and subsistence	15.2	21.5	20.0	19.9	9.3%	5.6%	18.9	19.5	15.1	-8.8%	5.3%
Training and development	2.2	2.4	3.4	5.9	38.6%	1.0%	5.8	6.1	6.4	3.0%	1.8%
Transfers and subsidies ¹	4.9	1.8	2.9	3.4	-12.0%	0.9%	3.6	3.8	4.0	5.9%	1.1%
Departmental agencies and accounts	1.4	-	1.7	1.8	8.7%	0.4%	2.0	2.1	2.2	6.1%	0.6%
Households	3.5	1.8	1.2	1.5	-24.3%	0.6%	1.6	1.7	1.8	5.6%	0.5%

Table 29.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
Payments for capital assets	6.2	8.8	8.4	10.8	20.5%	2.5%	11.4	12.0	12.7	5.6%	3.4%
Buildings and other fixed structures	2.0	1.1	0.2	1.8	-2.1%	0.4%	2.0	2.1	2.2	5.8%	0.6%
Machinery and equipment	2.7	7.6	8.3	8.9	49.9%	2.0%	9.5	10.0	10.5	5.6%	2.8%
Software and other intangible assets	1.6	0.1	-	-	-100.0%	0.1%	-	-	-	-	-
Payments for financial assets	-	0.0	0.1	-	-	-	-	-	-	-	-
Total	315.2	359.1	361.1	339.9	2.5%	100.0%	327.0	345.5	365.7	2.5%	100.0%
Proportion of total programme expenditure to vote expenditure	21.4%	21.9%	21.7%	19.1%	-	-	17.3%	17.1%	17.1%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1.2	-	1.7	1.8	14.8%	0.3%	2.0	2.1	2.2	6.1%	0.6%
Mining Qualifications Authority	1.2	-	1.7	1.8	14.8%	0.3%	2.0	2.1	2.2	6.1%	0.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Mine Health and Safety

Programme purpose

Ensure the safe mining of minerals under healthy working conditions.

Objectives

- Promote mine health and safety over the medium term by:
 - implementing the occupational, health and safety improvement strategy and enforcement guidelines to reduce occupational fatalities and injuries by 20 per cent
 - reducing occupational diseases by 10 per cent
 - conducting ongoing investigations, and 8 396 occupational health and safety inspections and mine audits per year.
- Contribute to skills development in the mining sector by conducting ongoing implementation, monitoring and evaluation of the certificate of government competency examination.
- Improve health care turnaround times in the mining sector by 2020/21, by:
 - ensuring 80 per cent adherence to prescribed timeframes for resolving medical appeals
 - ensuring 100 per cent adherence to timeframes for appeals to the chief inspector of mines
 - ensuring 100 per cent adherence to timeframes for applications in terms of the Mineral and Petroleum Resources Development Act (2002).

Subprogrammes

- Governance Policy and Oversight* develops policy and legislation to guide enforcement work; provides technical support to regional offices; chairs tripartite structures, which include the department, mining companies and labour; and facilitates HIV and AIDS awareness workshops in the sector.
- Mine Health and Safety Regions* is responsible for conducting audits and inspections to enforce the Mine Health and Safety Act (1996). This subprogramme is also responsible for examining the process of certification for competency by providing examination services and professional advice.
- Mine Health and Safety Council* transfers funds annually to the Mine Health and Safety Council. The council is tasked with promoting a culture of health and safety in the mining sector.

Expenditure trends and estimates

Table 29.10 Mine Health and Safety expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Governance Policy and Oversight	43.4	44.9	46.4	47.1	2.7%	25.2%	59.8	65.5	70.7	14.5%	28.5%
Mine Health and Safety Regions	118.9	126.6	143.1	140.9	5.8%	73.3%	140.5	148.7	159.5	4.2%	69.0%
Mine Health and Safety Council	5.2	–	–	6.2	5.8%	1.6%	4.8	5.1	5.4	-4.6%	2.5%
Total	167.5	171.5	189.6	194.1	5.0%	100.0%	205.0	219.3	235.6	6.7%	100.0%
Change to 2017				4.7			8.5	8.6	10.0		
Budget estimate											
Economic classification											
Current payments	160.1	168.6	188.4	187.3	5.4%	97.5%	199.5	213.4	229.4	7.0%	97.1%
Compensation of employees	134.1	141.5	158.0	155.7	5.1%	81.5%	166.3	178.3	192.4	7.3%	81.1%
Goods and services ¹	26.0	27.1	30.3	31.6	6.6%	15.9%	33.2	35.1	37.0	5.4%	16.0%
of which:											
Communication	2.0	1.3	2.9	1.6	-5.8%	1.1%	1.7	1.8	1.9	4.4%	0.8%
Consultants: Business and advisory services	0.2	0.5	1.4	1.8	119.4%	0.5%	2.0	2.1	2.2	7.4%	0.9%
Consumables: Stationery, printing and office supplies	0.8	0.8	0.9	1.9	31.7%	0.6%	2.9	3.0	3.2	18.3%	1.3%
Travel and subsistence	19.8	21.3	22.7	19.5	-0.5%	11.5%	20.2	21.3	22.5	4.8%	9.8%
Training and development	0.6	0.3	0.2	0.7	9.7%	0.3%	0.9	1.0	1.0	10.9%	0.4%
Venues and facilities	0.1	0.0	0.2	1.5	212.6%	0.2%	0.9	1.0	1.0	-12.7%	0.5%
Transfers and subsidies¹	5.2	0.1	–	6.2	5.8%	1.6%	4.8	5.1	5.4	-4.6%	2.5%
Departmental agencies and accounts	5.2	–	–	6.2	5.8%	1.6%	4.8	5.1	5.4	-4.6%	2.5%
Households	0.0	0.1	–	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	2.2	0.7	0.3	0.7	-31.9%	0.5%	0.7	0.8	0.8	5.6%	0.4%
Machinery and equipment	2.2	0.7	0.3	0.7	-31.9%	0.5%	0.7	0.8	0.8	5.6%	0.4%
Payments for financial assets	–	2.1	0.9	–	–	0.4%	–	–	–	–	–
Total	167.5	171.5	189.6	194.1	5.0%	100.0%	205.0	219.3	235.6	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	11.4%	10.5%	11.4%	10.9%	–	–	10.8%	10.9%	11.0%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5.2	–	–	6.2	5.8%	1.6%	4.8	5.1	5.4	-4.6%	2.5%
Mine Health and Safety Council	5.2	–	–	6.2	5.8%	1.6%	4.8	5.1	5.4	-4.6%	2.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Mineral Regulation

Programme purpose

Regulate the minerals and mining sector to promote economic growth, employment, transformation and sustainable development.

Objectives

- Improve the participation of historically disadvantaged South Africans in the mining sector by increasing the number of rights issued to historically disadvantaged South Africans by 360 over the medium term.
- Contribute to the transformation of the mining sector by monitoring and enforcing compliance with procurement requirements to empower historically disadvantaged South Africans, as prescribed by the Broad-Based Socioeconomic Charter for the South African Mining Industry, on an ongoing basis.
- Promote job creation through the development of SMMEs by facilitating support to mining enterprises and local development projects through income generating projects annually.

- Promote the sustainable use of resources and the environmental management of mines by supporting approved and evaluated work programmes, social and labour plans, and environmental management plans by conducting 27 industry workshops over the medium term.
- Monitor and enforce compliance with the statutory obligations of the Mineral and Petroleum Resources Development Act (2002) and the Broad-Based Socioeconomic Charter for the South African Mining Industry by conducting 636 inspections and 3 825 environmental management inspections over the medium term.

Subprogrammes

- *Mineral Regulation and Administration* administers prospecting and mining rights and licensing; and monitors compliance with the Mineral and Petroleum Resources Development Act (2002), including the compliance of mines with environmental protection requirements.
- *Management Mineral Regulation* provides overall management of the programme. The subprogramme focuses on the alignment of the South African mineral resources administration system, ensuring that rights and licenses for mining, environmental authorisation and water use are granted within 300 days.
- *South African Diamond and Precious Metals Regulator* implements and enforces the provisions of the Precious Metals Act (2005).
- *Petroleum Agency South Africa* promotes exploration for onshore and offshore oil and gas resources, and their optimal development. The agency regulates exploration and production activities, and acts as the custodian of the national petroleum exploration and production database.

Expenditure trends and estimates

Table 29.11 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Mineral Regulation and Administration	169.2	179.6	189.8	199.2	5.6%	65.8%	206.8	224.5	242.0	6.7%	53.5%
Management Mineral Regulation	20.7	16.1	15.8	27.1	9.4%	7.1%	29.2	30.2	32.1	5.9%	7.3%
South African Diamond and Precious Metals Regulator	47.8	50.5	53.2	65.9	11.3%	19.4%	59.1	62.4	65.8	–	15.5%
Petroleum Agency South Africa	–	–	–	87.1	–	7.8%	98.4	98.3	104.1	6.1%	23.8%
Total	237.7	246.2	258.8	379.3	16.9%	100.0%	393.6	415.4	444.1	5.4%	100.0%
Change to 2017 Budget estimate				14.7			13.7	16.5	19.2		
Economic classification											
Current payments	183.8	195.5	204.8	226.2	7.2%	72.2%	236.0	254.6	274.1	6.6%	60.7%
Compensation of employees	147.8	162.7	173.2	186.5	8.1%	59.7%	193.2	209.4	226.4	6.7%	50.0%
Goods and services ¹	36.0	32.7	31.6	39.7	3.3%	12.5%	42.8	45.2	47.7	6.3%	10.8%
of which:											
Communication	4.9	5.4	3.8	3.2	-13.8%	1.5%	2.7	2.8	3.0	-1.7%	0.7%
Computer services	1.4	0.3	0.5	4.5	46.5%	0.6%	6.8	7.2	7.6	19.4%	1.6%
Fleet services (including government motor transport)	1.8	2.7	3.4	2.7	15.4%	0.9%	1.8	1.9	2.0	-9.1%	0.5%
Consumables: Stationery, printing and office supplies	0.9	1.0	1.3	3.0	50.2%	0.5%	2.6	2.7	2.9	-1.0%	0.7%
Travel and subsistence	13.6	16.2	13.8	16.2	6.0%	5.3%	19.9	21.0	22.2	11.0%	4.9%
Venues and facilities	0.3	0.1	0.9	1.8	84.4%	0.3%	1.6	1.7	1.7	-0.1%	0.4%

Table 29.11 Mineral Regulation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Transfers and subsidies¹	47.9	50.5	53.2	153.0	47.3%	27.1%	157.5	160.7	169.9	3.6%	39.3%
Departmental agencies and accounts	47.8	50.5	53.2	65.9	11.3%	19.4%	59.1	62.4	65.8	–	15.5%
Public corporations and private enterprises	–	–	–	87.1	–	7.8%	98.4	98.3	104.1	6.1%	23.8%
Households	0.1	(0.1)	0.0	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	6.0	0.3	0.6	0.0	-81.3%	0.6%	0.0	0.0	0.0	4.9%	–
Buildings and other fixed structures	1.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Machinery and equipment	2.1	0.3	0.6	0.0	-73.4%	0.3%	0.0	0.0	0.0	4.9%	–
Software and other intangible assets	2.9	–	–	–	-100.0%	0.3%	–	–	–	–	–
Payments for financial assets	–	0.0	0.2	–	–	–	–	–	–	–	–
Total	237.7	246.2	258.8	379.3	16.9%	100.0%	393.6	415.4	444.1	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	16.1%	15.0%	15.6%	21.3%	–	–	20.8%	20.6%	20.8%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	47.8	50.5	53.2	65.9	11.3%	19.4%	59.1	62.4	65.8	–	15.5%
South African Diamond and Precious Metal Regulator	47.8	50.5	53.2	65.9	11.3%	19.4%	59.1	62.4	65.8	–	15.5%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidiaries on products and production)											
Current	–	–	–	87.1	–	7.8%	98.4	98.3	104.1	6.1%	23.8%
Petroleum Agency of South Africa	–	–	–	87.1	–	7.8%	98.4	98.3	104.1	6.1%	23.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Mineral Policy and Promotion

Programme purpose

Develop relevant mineral policies that promote South Africa's mining and minerals industries to attract investment.

Objectives

- Promote investment in the mining, minerals and upstream petroleum sectors over the medium term by:
 - hosting 138 promotional and awareness activities or events for local and foreign investors
 - participating in local and international mining and petroleum conferences and events, engaging with stakeholders in various forums, and leading the implementation of key government priorities on behalf of the department
 - releasing 36 publications
 - providing factors of production such as mine equipment and training to 240 SMMEs, mainly for small-scale mining projects
 - ensuring the full implementation of plans to develop the oceans economy (oil and gas) through Operation Phakisa
 - ensuring the full implementation of the shale gas action plan through consultations, advocacy, research and promotional activities for shale gas exploration.
- Manage diplomatic imperatives and relations with foreign countries to benefit South Africa by establishing and implementing bilateral and multilateral partnerships for mining and upstream petroleum development on an ongoing basis.

- Promote the sustainable use and management of mineral resources over the medium term by:
 - participating in technical and strategic partnerships such as the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development; the Benguela Current Commission; and United Nations programmes
 - reviewing the departmental environmental management plan
 - reviewing and amending 9 legislative instruments
 - rehabilitating and closing 135 derelict and ownerless mines.

Subprogrammes

- *Management* provides overall management for the programme.
- *Mineral Policy* develops new policies, reviews existing policies, and amends legislation to promote investment growth and achieve transformation in the mining, minerals and upstream petroleum sectors. This entails conducting research, organising consultations with stakeholders, attending parliamentary hearings on related bills, and gazetting the bills once they are assented to. This subprogramme also represents the department in international and regional forums such as the Kimberley Process certification scheme, the African Diamond Producers Association, and the Pan African Mineral Development Company.
- *Mineral Promotion and International Coordination* promotes mineral development and advises on trends in the mining industry to attract additional investment. This subprogramme conducts promotional activities, including the production of various publications, participates in mining conferences, and supports the implementation of national mineral beneficiation initiatives.
- *Assistance to Mines* prevents the uncontrolled movement of water into and out of underground mine openings and holdings. This entails providing subsidies to marginal mines to pump extraneous water from underground mine openings; and researching, developing and implementing strategic solutions for mine water management, including managing the decanting of contaminated water.
- *Council for Geoscience* transfers funds annually to the Council for Geoscience.
- *Mintek* transfers funds annually to Mintek.
- *Economic Advisory Services* undertakes macroeconomic research to analyse economic trends and produce departmental reports to inform and advise the minister and departmental management; and participates in activities to transform the mining and minerals industry and enhance competitiveness. This entails leading and convening the meetings of the mining industry growth, development and employment task team stakeholder forum, which researches and analyses the economic impact of the regulatory and legislative framework of the mining and minerals sector using regulatory impact assessments.
- *Mine Environmental Management* provides strategic guidance on the environmental management and closure of mines. This entails managing the rehabilitation of derelict and ownerless mines; and research on the impact of mining on water, air quality and the environment in general.

Expenditure trends and estimates

Table 29.12 Mineral Policy and Promotion expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management	10.7	18.1	26.4	31.5	43.2%	2.6%	22.3	23.3	24.5	-8.1%	2.6%
Mineral Policy	32.2	19.2	28.1	20.0	-14.7%	3.0%	20.0	21.6	23.1	4.9%	2.1%
Mineral Promotion and International Coordination	37.1	53.1	48.8	47.8	8.9%	5.6%	71.8	76.7	82.1	19.7%	7.0%
Assistance to Mines	–	–	–	–	–	–	5.9	6.2	6.5	–	0.5%
Council for Geoscience	292.8	342.9	378.6	367.0	7.8%	41.4%	386.3	495.8	523.1	12.5%	44.7%
Mintek	370.9	414.7	356.4	367.3	-0.3%	45.3%	420.4	370.0	390.3	2.1%	39.1%
Economic Advisory Services	2.8	4.0	4.0	4.5	17.8%	0.5%	4.5	4.9	5.2	5.0%	0.5%
Mine Environmental Management	8.4	9.6	9.4	28.1	49.8%	1.7%	33.9	37.3	39.5	12.1%	3.5%
Total	754.8	861.7	851.7	866.1	4.7%	100.0%	965.0	1 035.9	1 094.3	8.1%	100.0%
Change to 2017 Budget estimate				(41.6)			(30.8)	151.9	160.2		
Economic classification											
Current payments	88.8	92.7	115.8	131.7	14.0%	12.9%	129.3	139.0	147.7	3.9%	13.8%
Compensation of employees	54.6	61.0	65.3	68.8	8.0%	7.5%	71.2	77.6	82.9	6.4%	7.6%
Goods and services ¹	34.2	31.7	50.5	62.9	22.6%	5.4%	58.1	61.4	64.8	1.0%	6.2%
of which:											
Administrative fees	0.3	1.0	1.5	3.7	121.5%	0.2%	3.6	3.8	4.0	3.4%	0.4%
Catering: Departmental activities	0.1	0.4	0.2	2.0	185.2%	0.1%	2.8	2.8	2.9	13.7%	0.3%
Contractors	0.0	0.0	0.0	17.8	878.0%	0.5%	22.7	24.3	26.1	13.6%	2.3%
Rental and hiring	0.0	0.5	0.0	5.8	1696.7%	0.2%	2.0	2.0	2.1	-29.1%	0.3%
Travel and subsistence	7.0	12.0	11.9	12.2	20.4%	1.3%	10.5	11.0	11.6	-1.7%	1.1%
Operating payments	17.8	6.2	20.1	7.6	-24.6%	1.6%	7.6	8.0	8.5	3.4%	0.8%
Transfers and subsidies¹	665.7	767.4	735.2	734.2	3.3%	87.1%	835.5	896.7	946.4	8.8%	86.2%
Departmental agencies and accounts	292.8	342.9	378.6	367.0	7.8%	41.4%	386.3	495.8	523.1	12.5%	44.7%
Public corporations and private enterprises	370.9	423.7	356.6	367.3	-0.3%	45.5%	449.2	400.9	423.3	4.9%	41.4%
Households	2.0	0.7	–	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	0.2	0.8	0.7	0.2	-14.8%	0.1%	0.2	0.2	0.2	5.5%	–
Machinery and equipment	0.2	0.8	0.7	0.2	-14.8%	0.1%	0.2	0.2	0.2	5.5%	–
Payments for financial assets	–	0.8	0.1	–	–	–	–	–	–	–	–
Total	754.8	861.7	851.7	866.1	4.7%	100.0%	965.0	1 035.9	1 094.3	8.1%	100.0%
Proportion of total programme expenditure to vote expenditure	51.2%	52.6%	51.3%	48.7%	–	–	51.0%	51.4%	51.1%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	265.1	307.9	341.7	331.6	7.7%	37.4%	348.8	456.3	481.4	13.2%	40.8%
Council for Geoscience	265.1	307.9	341.7	330.6	7.6%	37.3%	257.8	455.2	480.2	13.3%	38.5%
Council for Geoscience: Economic competitiveness and support package	–	–	–	–	–	–	90.0	–	–	–	2.3%
Council for Geoscience: Expanded public works programme	–	–	–	1.0	–	–	1.0	1.1	1.2	5.3%	0.1%
Capital	27.8	35.0	36.9	35.4	8.5%	4.1%	37.5	39.6	41.7	5.6%	3.9%
Council for Geoscience	27.8	35.0	36.9	35.4	8.5%	4.1%	37.5	39.6	41.7	5.6%	3.9%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Current	–	–	–	–	–	–	5.9	6.2	6.5	–	0.5%
Various institutions: Water management solutions subsidies for marginal mines	–	–	–	–	–	–	5.9	6.2	6.5	–	0.5%

Table 29.12 Mineral Policy and Promotion expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	320.8	371.0	315.2	310.7	-1.1%	39.5%	383.5	331.5	350.1	4.1%	34.7%
Industrial Development Corporation	–	8.9	–	–	–	0.3%	23.0	24.7	26.5	–	1.9%
Mintek	320.8	362.1	315.2	310.7	-1.1%	39.3%	290.5	306.8	323.7	1.4%	31.1%
Mintek: Economic competitiveness and support package	–	–	–	–	–	–	70.0	–	–	–	1.8%
Capital	50.1	52.6	41.3	56.6	4.1%	6.0%	59.8	63.2	66.7	5.6%	6.2%
Mintek	50.1	52.6	41.3	56.6	4.1%	6.0%	59.8	63.2	66.7	5.6%	6.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Council for Geoscience** was established in terms of the Geoscience Act (1993). Its principal mandate is to develop and publish world class geoscience knowledge products and to provide geoscience related services to the South African public and to industry. The council's total budget for 2018/19 is R414.2 million.
- **Mintek** develops appropriate and innovative technology for transfer to the minerals industry, and provides the industry with test work; and consultancy, analytical and mineralogical services. The council's total budget for 2018/19 is R553.5 million.
- The **Mine Health and Safety Council** was established in terms of the Mine Health and Safety Act (1996) and is mandated to advise the Minister of Mineral Resources on occupational health and safety at mines, develop legislation, conduct research and liaise with other statutory bodies on matters relating to occupational health and safety at mines. The council's total budget for 2018/19 is R124.9 million.
- The **South African Diamond and Precious Metals Regulator** was established in terms of section 3 of the Diamonds Act (1986), as amended. It is mandated to regulate control over the possession, purchase, sale, processing and export of diamonds; and the regulation of precious metals. The regulator's total budget for 2018/19 is R109.4 million.
- The **State Diamond Trader** is mandated to buy and sell rough diamonds to promote equitable access to diamonds and the local beneficiation of diamond resources. Its revenue is generated by means of selling rough diamonds to clients, mainly diamond polishers and cutters. The entity's total budget for 2018/19 is R563.3 million.

Vote 30

Science and Technology

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	383.8	357.3	14.3	12.2	340.4	362.1
Technology Innovation	1 131.7	71.9	1 059.9	–	1 224.4	1 292.8
International Cooperation and Resources	136.4	68.9	67.5	–	143.4	152.4
Research, Development and Support	4 360.3	52.6	4 307.7	–	4 661.4	4 918.6
Socioeconomic Innovation Partnerships	1 778.3	52.6	1 725.6	–	1 878.9	1 983.2
Total expenditure estimates	7 790.5	603.3	7 175.0	12.2	8 248.4	8 709.2
Executive authority	Minister of Science and Technology					
Accounting officer	Director General of Science and Technology					
Website address	www.dst.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Realise the full potential of science and technology in social and economic development by developing human resources, research and innovation.

Mandate

The Department of Science and Technology derives its mandate from the 1996 White Paper on Science and Technology, which introduced the concept of the national system of innovation, a set of interacting organisations and policies through which the country creates, acquires, diffuses and puts into practice new knowledge to help achieve individual and collective goals. A coordinated and efficient national system of innovation will help the country achieve its national development priorities by promoting change through innovation, enabling all South Africans to enjoy the economic, sociopolitical and intellectual benefits of science, technology and innovation.

Selected performance indicators

Table 30.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of instruments funded in support of knowledge utilisation per year	Technology Innovation		3	6	25	19	21	19	19
Number of commercial outputs in designated areas per year	Technology Innovation		1	3	8	4	3	3	3
Amount of international funds directly invested in research, innovation, and science, technology and innovation human capital development programmes as well as research infrastructure investments in South Africa, accounted for as part of cooperation initiatives implemented by the department per year	International Cooperation and Resources	Outcome 4: Decent employment through inclusive growth	–1	R619m	R689m	R420m	R440m	R480m	R500m

Table 30.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current 2017/18	Projections		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Amount of funds invested by international partners in their own organisations and initiatives, but targeted at cooperation in research, innovation, and science, technology and innovation human capital development with South African partners as part of cooperation initiatives implemented by the department per year ²	International Cooperation and Resources	Outcome 4: Decent employment through inclusive growth	– ¹	R2.2m	R1.3bn ³	R250m	R280m	R300m	R320m
Number of PhD students awarded bursaries annually as reflected in the reports from the National Research Foundation and relevant entities per year	Research, Development and Support	Outcome 5: A skilled and capable workforce to support an inclusive growth path	2 845	3 404	3 454	3 100	3 100	3 100	3 100
Number of pipeline postgraduate students (BTech and honours, and masters students) awarded bursaries annually as reflected in the reports from the National Research Foundation and relevant entities per year	Research, Development and Support		7 711	10 996	10 268	10 800	10 800	10 800	10 800
Number of researchers awarded research grants through programmes managed by the National Research Foundation as reflected in the foundation's project reports per year	Research, Development and Support		4 064	4 315	4 520	4 500	4 500	4 500	4 500
Number of knowledge and innovation products (patents, prototypes, technology demonstrators or technology transfer packages) added to the intellectual property portfolio through fully funded or co-funded research initiatives per year	Socioeconomic Innovation Partnerships	Outcome 4: Decent employment through inclusive growth	29	38	36	17	26	34	34

1. No historical data available.

2. Old indicator selected for publication in the Estimates of National Expenditure.

3. Actual figure higher than target due to an increased funding from international partners, especially the European Union Horizon 2020 programme.

Expenditure analysis

The National Development Plan (NDP) acknowledges that science, technology and innovation are crucial to enabling broad-based socioeconomic development through a skilled and innovative population. This is expressed in terms of outcome 5 (a skilled and capable workforce to support an inclusive growth path) and outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. The work of the Department of Science and Technology is closely aligned with these outcomes. As such, over the medium term, the department plans to focus on: producing new knowledge; generating and exploiting knowledge and innovation for inclusive economic development; developing human capital; and funding research, innovation and infrastructure.

The department's total budget is expected to increase at an average annual rate of 4.8 per cent, from R7.6 billion in 2017/18 to R8.7 billion in 2020/21, 92.5 per cent (R22.9 billion) of which is set aside for transfers to its entities. As part of government's decision to lower the national aggregate expenditure ceiling, Cabinet has approved budget reductions on the department's budget amounting to R186.1 million over the MTEF period. These reductions will be effected on spending on goods and services, and on the baseline budgets of entities.

Producing new knowledge

Over the medium term, the department intends to carry out various activities that enable the production of new knowledge, and the development and commercialisation of technology. Funding for these activities is provided in the *Technology Innovation* programme, which has a total allocation of R3.6 billion (14.6 per cent of the department's total budget) over the medium term. Of this, R1.3 billion is set aside specifically to fund technological innovation with the ultimate aim of commercialisation.

The department seeks to use bio-innovation to strengthen research and innovation competencies to contribute to the achievement of government's industrial, health and social development goals, as well as to develop indigenous knowledge applications. This will allow the department to strengthen research and innovation competencies that form the strategic foundation for bio-based scientific innovation, and develop and support strategic research and innovation programmes. R500 million is allocated over the MTEF period to the *Bioinnovation* subprogramme for spending on these activities.

To ensure that publicly funded intellectual property is protected and used to create products, processes and services that improve the quality of life in South Africa, the department plans to spend R123.6 million over the medium term in the *Technology Innovation* programme. R27.3 million has been set aside over the MTEF period for the implementation of the national space strategy, which is intended to ensure that South Africa captures a reasonable share of the global space market, which involves economic activities related to manufacturing components that go into the earth's orbit or beyond.

Exploiting knowledge and innovation for inclusive economic development

The department has earmarked R433.8 million in the *Socioeconomic Innovation Partnerships* programme over the MTEF period to advance a set of technology-based interventions to enhance South Africa's economic competitiveness. This includes the sector innovation funds, a partnership between industry and government, to co-fund research, development and innovation. The key focus of sector innovation funds is to incentivise the private sector to invest more into research development and innovation, thereby increasing exports and improving the competitiveness of existing sectors such as agriculture, forestry and manufacturing.

The *Socioeconomic Innovation Partnerships* programme is allocated R130.8 million over the MTEF period for activities related to generating and exploiting knowledge and innovation that aligns with government's priorities for inclusive economic development. The department expects to invest R113.9 million over the medium term on a range of ICT initiatives such as the ICT-enabled agriculture model to support small-scale producers in the agriculture, forestry and fisheries sector.

Other knowledge generation initiatives include strengthening a network of technology stations and technology upgrading support to companies within supply chains that are linked to large government procurement projects, and advancing a mining research and development hub supported by both industry and government. This will be done under the *Technology Localisation, Beneficiation and Advanced Manufacturing* subprogramme, which has a total allocation of R1.1 billion over the MTEF period.

Developing human capital

Human capital is key in the development of a national system of innovation that is globally competitive and responsive to South Africa's developmental needs. Accordingly, R4.6 billion is allocated over the medium term to the *Research, Development and Support* programme for the development of human capital through postgraduate bursaries and scholarships; internships; and support for emerging and established researchers, which includes support for the South African research chairs initiative, centres of excellence, and the human and social development dynamics programme. To date, the department has established 211 research chairs and 15 centres of excellence. Research chairs are designed to attract and retain excellence in research and innovation at South African public universities by expanding scientific research and innovation capacity, while centres of excellence act as hubs that draw together a range of universities and science councils in partnerships to tackle challenges in health care and food security, among others.

Funding research, innovation and infrastructure

The availability of adequate infrastructure is vital in the development of a robust and competitive national system of innovation. To this end, the department has allocated R2.2 billion over the MTEF period to the *Research, Development and Support* programme to provide for research and development infrastructure across the national system of innovation. These funds will be used specifically for the acquisition of research equipment, and the development of pilot plants (small production plants that are operated to test processes before using them on a large scale), technology demonstrators (proof concepts with the primary purpose of

showcasing the possible applications, feasibility, performance and method of an idea for a new technology), and specialised facilities such as aerospace.

The *Basic Science and Infrastructure* subprogramme receives R747 million over the medium term for the implementation of the national integrated cyber infrastructure system by the Council for Scientific and Industrial Research. The system is expected to enable the successful and sustainable implementation of national projects such as MeerKAT and the Square Kilometre Array, as well as large research infrastructure that is dependent on the presence of a robust cyber infrastructure system. In addition, through funds allocated to the subprogramme, continued support will be provided to students and researchers to access global and international infrastructure such as the Large Hadron Collider in Switzerland, the Joint Institute for Nuclear Research in Russia, and the European Synchrotron Radiation Facility in France.

Scientific research in strategic research areas defined by South Africa's geographic advantage, such as palaeosciences, astronomy, climate change, marine and polar research, and indigenous knowledge will be supported by an allocation of R660.8 million over the MTEF period to the *Science Missions* subprogramme. The department plans to invest R244.9 million over the medium term to promote science, which, in addition to implementing initiatives that promote science awareness, will strengthen the coordination of department-led science engagements such as festivals and exhibitions through the South African Agency for Science and Technology Advancement. The aim and mandate of the agency is to advance public awareness, appreciation and engagement of science, engineering and technology in South Africa.

Expenditure trends

Table 30.2 Vote expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Technology Innovation																																	
3. International Cooperation and Resources																																	
4. Research, Development and Support																																	
5. Socioeconomic Innovation Partnerships																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)		
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18					
Programme 1	291.0	291.9	278.4	299.8	300.5	302.0	304.0	345.1	332.6	383.7	376.0	378.0	101.0%	98.3%																			
Programme 2	991.6	1 008.9	974.0	1 008.8	1 008.5	1 063.3	1 007.1	1 005.4	1 015.9	1 073.6	1 075.1	1 075.1	101.2%	100.7%																			
Programme 3	119.7	119.3	107.6	122.0	121.4	115.0	124.5	124.5	118.5	128.7	132.4	130.4	95.3%	94.7%																			
Programme 4	3 436.2	3 429.4	3 489.8	4 247.1	4 238.8	4 218.9	4 200.6	4 171.0	4 152.6	4 348.9	4 350.1	4 350.1	99.9%	100.1%																			
Programme 5	1 631.7	1 630.3	1 539.2	1 804.5	1 796.9	1 738.3	1 792.9	1 783.0	1 764.0	1 622.3	1 623.6	1 623.7	97.3%	97.5%																			
Total	6 470.2	6 479.9	6 389.0	7 482.1	7 466.1	7 437.5	7 429.0	7 429.0	7 383.6	7 557.2	7 557.2	7 557.2	99.4%	99.4%																			
Change to 2017																																	
Budget estimate																																	
Economic classification																																	
Current payments	486.7	494.5	445.9	496.4	495.0	464.8	509.7	532.3	507.9	575.8	570.7	570.7	96.2%	95.1%																			
Compensation of employees	283.8	284.9	276.0	291.3	295.3	301.1	309.2	313.8	319.0	315.5	326.8	326.8	101.9%	100.2%																			
Goods and services	202.9	209.6	169.8	205.1	199.7	163.7	200.5	218.5	188.9	260.2	243.9	243.9	88.2%	87.9%																			
Transfers and subsidies	5 981.2	5 983.1	5 936.9	6 983.4	6 968.8	6 956.1	6 917.0	6 872.2	6 860.1	6 960.5	6 964.5	6 964.5	99.5%	99.7%																			
Departmental agencies and accounts	4 409.3	4 393.7	4 011.0	5 466.0	5 457.1	4 762.4	5 344.7	5 311.4	4 696.6	5 204.3	5 204.3	5 204.3	-	-																			
Higher education institutions	21.4	38.9	228.0	114.6	114.6	230.3	-	-	210.3	-	-	-	491.9%	435.8%																			
Public corporations and private enterprises	1 140.8	1 145.5	1 573.1	1 253.3	1 249.8	1 833.7	1 307.4	1 299.4	1 794.0	1 447.1	1 447.1	1 447.1	129.1%	129.3%																			
Non-profit institutions	409.7	405.0	120.3	149.6	147.3	128.8	264.9	261.4	157.7	309.1	313.1	313.1	63.5%	63.9%																			
Households	-	-	4.4	-	-	0.8	-	-	1.4	-	-	-	-	-																			
Payments for capital assets	2.3	2.3	6.2	2.3	2.3	16.5	2.3	24.5	15.5	21.0	22.0	22.0	215.7%	117.8%																			
Machinery and equipment	2.3	2.3	6.2	2.3	2.3	16.5	2.3	24.5	15.5	21.0	22.0	22.0	215.7%	117.8%																			
Payments for financial assets	-	-	0.1	-	-	0.1	-	-	0.1	-	-	-	-	-																			
Total	6 470.2	6 479.9	6 389.0	7 482.1	7 466.1	7 437.5	7 429.0	7 429.0	7 383.6	7 557.2	7 557.2	7 557.2	99.4%	99.4%																			

Expenditure estimates

Table 30.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Technology Innovation								
3. International Cooperation and Resources								
4. Research, Development and Support								
5. Socioeconomic Innovation Partnerships								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	378.0	9.0%	4.5%	383.8	340.4	362.1	-1.4%	4.5%
Programme 2	1 075.1	2.1%	14.4%	1 131.7	1 224.4	1 292.8	6.3%	14.6%
Programme 3	130.4	3.0%	1.6%	136.4	143.4	152.4	5.4%	1.7%
Programme 4	4 350.1	8.3%	56.4%	4 360.3	4 661.4	4 918.6	4.2%	56.6%
Programme 5	1 623.7	-0.1%	23.2%	1 778.3	1 878.9	1 983.2	6.9%	22.5%
Total	7 557.2	5.3%	100.0%	7 790.5	8 248.4	8 709.2	4.8%	100.0%
Change to 2017 Budget estimate				(125.5)	57.1	60.2		
Economic classification								
Current payments	570.7	4.9%	6.9%	603.3	577.3	616.1	2.6%	7.3%
Compensation of employees	326.8	4.7%	4.3%	352.9	380.5	408.4	7.7%	4.5%
Goods and services	243.9	5.2%	2.7%	250.4	196.8	207.6	-5.2%	2.8%
Transfers and subsidies	6 964.5	5.2%	92.9%	7 175.0	7 668.5	8 090.3	5.1%	92.5%
Departmental agencies and accounts	5 204.3	5.8%	64.9%	5 312.3	5 689.5	6 002.4	4.9%	68.7%
Public corporations and private enterprises	1 447.1	8.1%	23.1%	1 519.9	1 613.0	1 701.7	5.6%	19.4%
Non-profit institutions	313.1	-8.2%	2.5%	342.8	366.0	386.1	7.2%	4.4%
Payments for capital assets	22.0	112.1%	0.2%	12.2	2.7	2.8	-49.6%	0.1%
Machinery and equipment	22.0	112.1%	0.2%	12.2	2.7	2.8	-49.6%	0.1%
Total	7 557.2	5.3%	100.0%	7 790.5	8 248.4	8 709.2	4.8%	100.0%

Expenditure trends and estimates for significant spending items

Table 30.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Research and development, including research institutions	2 268 652	2 755 781	2 694 140	2 671 437	5.6%	36.1%	2 745 048	2 882 500	3 048 091	4.5%	35.1%
National Research Foundation	2 442 346	2 942 514	2 904 025	2 977 089	6.8%	39.2%	3 062 678	3 277 193	3 457 439	5.1%	39.5%
Human Sciences Research Council	285 667	294 152	290 149	314 093	3.2%	4.1%	315 479	335 007	353 432	4.0%	4.1%
Council for Scientific and Industrial Research	1 053 993	1 059 827	1 112 916	1 197 878	4.4%	15.4%	1 302 829	1 373 221	1 448 748	6.5%	16.5%
Technology Innovation Agency	338 386	385 188	382 364	396 732	5.4%	5.2%	420 322	443 860	468 272	5.7%	5.4%
Total	6 389 044	7 437 462	7 383 594	7 557 229	25.4%	100.0%	7 846 356	8 311 781	8 775 982	25.8%	100.6%

Goods and services expenditure trends and estimates

Table 30.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Administrative fees	3 826	1 877	1 220	6 234	17.7%	1.7%	6 586	6 955	7 344	5.6%	3.0%
Advertising	23 223	22 792	28 711	9 008	-27.1%	10.9%	10 397	10 849	12 001	10.0%	4.7%
Minor assets	630	537	249	608	-1.2%	0.3%	644	680	717	5.7%	0.3%
Audit costs: External	4 761	5 061	4 249	8 702	22.3%	3.0%	9 869	6 488	6 900	-7.4%	3.6%
Bursaries: Employees	1 256	1 067	1 485	2 620	27.8%	0.8%	3 540	2 927	3 088	5.6%	1.4%
Catering: Departmental activities	3 221	5 138	3 500	2 049	-14.0%	1.8%	3 246	3 426	3 613	20.8%	1.4%
Communication	5 064	7 540	8 234	13 031	37.0%	4.4%	13 666	11 545	12 178	-2.2%	5.6%

Table 30.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Computer services	12 728	10 418	21 055	8 571	-12.3%	6.9%	9 067	9 082	9 777	4.5%	4.1%
Consultants: Business and advisory services	5 603	3 762	9 870	19 098	50.5%	5.0%	21 512	13 261	14 124	-9.6%	7.6%
Legal services	–	–	167	997	–	0.2%	1 054	1 113	1 174	5.6%	0.5%
Science and technological services	2 801	580	866	–	-100.0%	0.6%	–	–	–	–	–
Contractors	6 771	7 547	3 523	9 508	12.0%	3.6%	10 544	9 560	10 086	2.0%	4.4%
Agency and support/outsourced services	8 053	8 135	15 304	16 702	27.5%	6.3%	17 639	17 873	18 702	3.8%	7.9%
Entertainment	735	1 021	658	5 332	93.6%	1.0%	5 608	5 190	5 475	0.9%	2.4%
Fleet services (including government motor transport)	978	764	882	–	-100.0%	0.3%	–	–	–	–	–
Inventory: Clothing material and accessories	1 028	48	–	–	-100.0%	0.1%	–	–	–	–	–
Inventory: Fuel, oil and gas	10	72	–	136	138.7%	–	144	152	160	5.6%	0.1%
Inventory: Materials and supplies	319	103	–	–	-100.0%	0.1%	–	–	–	–	–
Inventory: Medical supplies	–	1	–	–	–	–	–	–	–	–	–
Inventory: Other supplies	–	1	–	1 270	–	0.2%	1 343	1 417	1 494	5.6%	0.6%
Consumable supplies	1 940	993	1 160	–	-100.0%	0.5%	–	–	–	–	–
Consumables: Stationery, printing and office supplies	3 244	2 660	4 954	8 792	39.4%	2.6%	9 098	5 885	6 209	-10.9%	3.3%
Operating leases	5 488	2 906	4 117	7 534	11.1%	2.6%	7 762	4 397	4 639	-14.9%	2.7%
Rental and hiring	8 368	6 657	1 280	–	-100.0%	2.1%	–	–	–	–	–
Property payments	–	–	10 455	18 207	–	3.7%	18 853	8 164	8 613	-22.1%	6.0%
Transport provided: Departmental activity	41 566	38 249	–	–	-100.0%	10.4%	–	–	–	–	–
Travel and subsistence	3 411	13 416	46 484	56 563	155.0%	15.6%	58 126	42 399	44 754	-7.5%	22.5%
Training and development	11 438	7 919	4 944	7 968	-11.4%	4.2%	8 101	6 221	6 563	-6.3%	3.2%
Operating payments	12 141	11 311	9 848	7 691	-14.1%	5.3%	8 138	8 593	9 065	5.6%	3.7%
Venues and facilities	1 246	3 148	5 661	33 281	198.9%	5.7%	25 488	20 628	20 955	-14.3%	11.2%
Total	169 849	163 723	188 876	243 902	12.8%	100.0%	250 425	196 805	207 631	-5.2%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 30.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	4 123	573	845	–	-100.0%	–	–	–	–	–	–
Households	4 123	573	845	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3 019 586	3 625 986	3 616 650	3 791 656	7.9%	52.6%	3 948 593	4 216 669	4 448 585	5.5%	54.9%
Various institutions: Institutional and programme support research	3 500	4 000	1 500	–	-100.0%	–	–	–	–	–	–
Various institutions: Biofuels	6 000	6 000	–	–	-100.0%	–	–	–	–	–	–
Various institutions: Technology transfer offices: Support of research units	2 199	4 411	687	–	-100.0%	–	–	–	–	–	–
Various institutions: Implementation of bioeconomy strategy	13 290	9 500	9 500	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Energy grand challenge research	24 396	26 373	22 316	35 149	12.9%	0.4%	37 049	40 946	43 198	7.1%	0.5%
Various institutions: Health innovation research	36 000	37 568	37 500	–	-100.0%	0.4%	–	–	–	–	–
Various institutions: Research in HIV and AIDS prevention and treatment technologies	22 596	24 535	23 800	23 711	1.6%	0.4%	24 588	27 866	29 399	7.4%	0.4%
Various institutions: Hydrogen strategy research	16 005	16 984	4 007	–	-100.0%	0.1%	–	–	–	–	–

Table 30.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Various institutions: Innovation projects research	1 122	12 000	10 000	27 911	191.9%	0.2%	29 529	35 318	37 260	10.1%	0.4%
International Centre for Genetic Engineering and Biotechnology	-	-	-	12 795	-	-	13 537	14 295	15 081	5.6%	0.2%
Various institutions: Space science research – economic competitiveness and support package	40 000	71 978	-	28 860	-10.3%	0.5%	9 200	30 000	31 650	3.1%	0.3%
National Research Foundation: Indigenous knowledge systems	-	1 840	-	-	-	-	-	-	-	-	-
Technology Innovation Agency	338 386	385 188	382 364	396 732	5.4%	5.6%	420 322	443 860	468 272	5.7%	5.8%
South African National Space Agency	118 298	124 355	154 630	131 226	3.5%	2.0%	138 036	145 453	153 453	5.4%	1.9%
Various institutions: Emerging research areas	-	11 802	11 498	-	-	0.1%	-	-	-	-	-
National Research Foundation: Research and development in indigenous knowledge systems	2 896	-	-	4 604	16.7%	-	4 871	5 144	5 427	5.6%	0.1%
National Research Foundation: Bilateral cooperation for global science development	12 935	13 530	13 598	14 130	3.0%	0.2%	14 948	15 952	16 829	6.0%	0.2%
Various institutions: Global science: International multilateral agreements	1 656	22 353	28 088	-	-100.0%	0.2%	-	-	-	-	-
Various institutions: Global science: African multilateral agreements	-	958	2 900	-	-	-	-	-	-	-	-
Academy of Science of South Africa	21 577	-	-	25 261	5.4%	0.2%	25 668	27 105	28 596	4.2%	0.4%
Various institutions: Astronomy research and development	12 707	25 155	14 069	29 348	32.2%	0.3%	31 050	32 789	34 592	5.6%	0.4%
Various institutions: Policy development on human and social development dynamics	9 838	10 283	10 283	26 012	38.3%	0.2%	27 409	28 896	30 485	5.4%	0.4%
National Research Foundation: Human resources development for science and engineering	465 658	835 665	832 662	833 804	21.4%	11.1%	889 172	950 582	1 002 864	6.3%	12.3%
National Research Foundation	851 286	878 399	882 805	925 964	2.8%	13.2%	904 752	953 365	1 005 799	2.8%	12.7%
Various institutions: Science awareness, research and initiatives to encourage youth participation in science	37 926	57 766	66 221	73 018	24.4%	0.9%	77 253	81 579	86 066	5.6%	1.1%
National Research Foundation: South African research chairs initiative to develop human resources in science	451 779	470 446	482 243	500 875	3.5%	7.1%	530 274	566 305	597 452	6.1%	7.3%
Various institutions: Strategic science platforms for research and development	138 044	149 943	181 819	199 572	13.1%	2.5%	208 325	220 176	232 286	5.2%	2.9%
Various institutions: Economic competitiveness and support package: Local manufacturing capacity research and technical support	-	-	-	80 000	-	0.3%	80 000	80 000	84 400	1.8%	1.1%
Various institutions: Economic competitiveness and support package: Local systems of innovation for the cold chain technologies project	-	-	-	-	-	-	62 000	62 000	65 410	-	0.6%
Various institutions: Innovative research and development	16 678	13 786	6 866	41 823	35.9%	0.3%	39 890	44 249	46 683	3.7%	0.6%
Human Sciences Research Council	276 010	288 706	290 149	304 656	3.3%	4.3%	303 733	320 053	337 656	3.5%	4.2%
Various institutions: Local manufacturing capacity research and technical support	43 712	42 000	70 739	3 311	-57.7%	0.6%	25 864	28 689	30 267	109.1%	0.3%
Various institutions: Local systems of innovation for the cold chain technologies project	33 000	60 000	64 000	35 781	2.7%	0.7%	10 632	11 793	12 442	-29.7%	0.2%
Various institutions: Resource-based industries research and development	1 000	1 304	1 000	-	-100.0%	-	-	-	-	-	-

Table 30.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
National Research Foundation: Research information management system	6 850	12 240	7 201	3 781	-18.0%	0.1%	4 000	8 448	8 913	33.1%	0.1%
Human Science Research Council: Develop and monitor science and technology indicators	9 657	5 445	–	9 437	-0.8%	0.1%	9 984	12 404	13 086	11.5%	0.2%
Various institutions: Environmental innovation	4 585	1 473	4 205	23 895	73.4%	0.1%	26 507	29 402	31 019	9.1%	0.4%
Capital	988 950	1 136 449	1 079 949	1 412 632	12.6%	17.3%	1 363 697	1 472 815	1 553 856	3.2%	19.4%
Various institutions: Infrastructure projects for research and development	343 751	449 034	413 312	718 701	27.9%	7.2%	654 285	703 015	741 717	1.1%	9.4%
National Research Foundation: Square Kilometre Array: Capital contribution to research	645 199	687 415	666 637	693 931	2.5%	10.1%	709 412	769 800	812 139	5.4%	10.0%
Households											
Other transfers to households											
Current	325	250	533	–	-100.0%	–	–	–	–	–	–
Households	–	–	303	–	–	–	–	–	–	–	–
Various institutions: Policy development on human and social development dynamics	125	125	200	–	-100.0%	–	–	–	–	–	–
National Research Foundation: Human resources development for science and engineering	–	125	–	–	–	–	–	–	–	–	–
Various institutions: Strategic science platforms for research and development	200	–	30	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises											
Subsidies on products and production											
Current	825 740	820 204	872 043	915 645	3.5%	12.9%	963 164	1 014 914	1 070 735	5.4%	13.3%
Council for Scientific and Industrial Research	825 740	820 204	872 043	915 645	3.5%	12.9%	963 164	1 014 914	1 070 735	5.4%	13.3%
Higher education institutions											
Current	134 455	134 561	183 249	–	-100.0%	1.7%	–	–	–	–	–
Various institutions: Institutional and programme support research	410	4 640	6 000	–	-100.0%	–	–	–	–	–	–
Various institutions: Biofuels	–	490	2 000	–	–	–	–	–	–	–	–
Various institutions: Technology transfer offices: Support of research units	36 560	31 744	23 313	–	-100.0%	0.3%	–	–	–	–	–
Various institutions: Implementation of bioeconomy strategy	8 006	8 515	995	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Energy grand challenge research	5 550	7 360	5 250	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Health innovation research	700	150	463	–	-100.0%	–	–	–	–	–	–
Various institutions: Hydrogen strategy research	15 923	16 448	81 438	–	-100.0%	0.4%	–	–	–	–	–
Various institutions: Indigenous knowledge systems	894	–	–	–	-100.0%	–	–	–	–	–	–
Various institutions: Innovation projects research	5 884	–	2 004	–	-100.0%	–	–	–	–	–	–
International Centre for Genetic Engineering and Biotechnology	–	504	10 000	–	–	–	–	–	–	–	–
National Research Foundation: Indigenous knowledge systems	–	4 789	3 663	–	–	–	–	–	–	–	–
Various institutions: Emerging research areas	12 806	13 500	14 500	–	-100.0%	0.2%	–	–	–	–	–
Various institutions: Global science: International multilateral agreements	15 666	11 187	8 332	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Global science: African multilateral agreements	4 320	1 937	200	–	-100.0%	–	–	–	–	–	–
National Research Foundation: Human resources development for science and engineering	4 940	3 736	3 024	–	-100.0%	–	–	–	–	–	–
Various institutions: Science awareness	9 652	8 118	200	–	-100.0%	0.1%	–	–	–	–	–

Table 30.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Various institutions: Strategic science platforms for research and development	5 467	6 796	7 244	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Astronomy research and development	612	–	–	–	-100.0%	–	–	–	–	–	–
Various institutions: Advanced manufacturing technology strategy implementation	2 321	2 892	330	–	-100.0%	–	–	–	–	–	–
Various institutions: Innovative research and development	631	4 498	8 000	–	-100.0%	–	–	–	–	–	–
Various institutions: Local manufacturing capacity research and technical support	747	2 407	1 974	–	-100.0%	–	–	–	–	–	–
Various institutions: Local systems of innovation for the cold chain technologies project	2 366	3 545	4 319	–	-100.0%	–	–	–	–	–	–
Various institutions: Resource-based industries research and development	1 000	1 305	–	–	-100.0%	–	–	–	–	–	–
Capital	93 578	95 743	27 080	–	-100.0%	0.8%	–	–	–	–	–
Various institutions: Hydrogen strategy – capital	60 772	63 568	–	–	-100.0%	0.5%	–	–	–	–	–
Various institutions: Infrastructure projects for research and development	32 806	32 175	27 080	–	-100.0%	0.3%	–	–	–	–	–
Non-profit institutions											
Current	120 289	128 822	146 425	246 004	26.9%	2.4%	271 869	291 028	307 034	7.7%	3.7%
Various institutions: Institutional and programme support research	4 356	5 325	9 170	17 503	59.0%	0.1%	14 286	15 086	15 916	-3.1%	0.2%
Various institutions: Biofuels research	–	–	1 799	5 348	–	–	7 245	7 651	8 072	14.7%	0.1%
Various institutions: Implementation of the Biotechnology strategy	3 810	8 089	11 556	36 112	111.6%	0.2%	37 742	41 651	43 942	6.8%	0.5%
Various institutions: Energy grand challenge research	2 350	–	700	–	-100.0%	–	–	–	–	–	–
Various institutions: Health innovation research	–	–	300	44 691	–	0.2%	46 947	51 160	53 974	6.5%	0.7%
Various institutions: Hydrogen strategy – research	–	–	–	38 002	–	0.1%	40 206	42 458	44 793	5.6%	0.6%
Various institutions: Innovation projects research	2 755	2 955	1 000	–	-100.0%	–	–	–	–	–	–
International Centre for Genetic Engineering and Biotechnology	36 280	11 621	22 186	–	-100.0%	0.3%	–	–	–	–	–
Various institutions: Technology transfer offices: Support for research units	–	–	1 833	36 000	–	0.1%	39 000	41 184	43 449	6.5%	0.5%
National Research Foundation: Indigenous knowledge systems	–	500	–	–	–	–	–	–	–	–	–
South African Association of Science and Technology Centres:	–	3 507	–	3 701	–	–	3 916	4 135	4 362	5.6%	0.1%
Technology top 100 awards	–	–	–	15 000	–	0.1%	30 000	31 680	33 422	30.6%	0.4%
South African National AIDS Council	–	–	–	–	–	–	–	–	–	–	–
Various institutions: Emerging research areas	5 800	6 000	6 000	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Global science: International multilateral agreements	28	147	424	40 775	1033.5%	0.2%	43 139	46 009	48 539	6.0%	0.6%
Various institutions: Global science: African multilateral agreements	–	723	2 950	8 872	–	–	9 388	10 014	10 565	6.0%	0.1%
Academy of Science of South Africa	–	23 229	25 106	–	–	0.2%	–	–	–	–	–
National Research Foundation: Human resources development for science and engineering	80	5 578	6 042	–	-100.0%	–	–	–	–	–	–
Various institutions: Science awareness	18 377	3 310	3 060	–	-100.0%	0.1%	–	–	–	–	–
Square Kilometre Array	8 400	–	–	–	-100.0%	–	–	–	–	–	–

Table 30.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Various institutions: Strategic science platforms for research and development	3 000	1 500	3 311	–	-100.0%	–	–	–	–	–	–
Various institutions: Advanced manufacturing technology strategy implementation	100	100	100	–	-100.0%	–	–	–	–	–	–
Various institutions: Innovative research and development	19 644	8 105	8 920	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Local systems of innovation for the cold chain technologies project	13 397	36 351	30 291	–	-100.0%	0.3%	–	–	–	–	–
Various institutions: Resource-based industries research and development	1 222	1 706	1 697	–	-100.0%	–	–	–	–	–	–
Various institutions: Environmental innovation	690	10 076	9 980	–	-100.0%	0.1%	–	–	–	–	–
Capital	–	–	11 301	67 080	–	0.3%	70 971	74 945	79 067	5.6%	1.0%
Various institutions: Hydrogen strategy – capital	–	–	–	67 080	–	0.3%	70 971	74 945	79 067	5.6%	1.0%
Various institutions: Infrastructure projects for research and development	–	–	11 301	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	354 857	485 059	497 562	308 192	-4.6%	6.2%	320 356	346 399	365 451	5.8%	4.5%
Various institutions: Institutional and programme support research	1 425	600	191	–	-100.0%	–	–	–	–	–	–
Households	32 215	–	–	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Technology transfer offices: Support of research units	–	6 592	5 680	–	–	–	–	–	–	–	–
Various institutions: Implementation of bioeconomy strategy	7 822	6 850	76 620	–	-100.0%	0.3%	–	–	–	–	–
Various institutions: Energy grand challenge research	1 500	–	15 923	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Health innovation research	5 000	5 900	2 853	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Hydrogen strategy research	1 500	2 580	–	–	-100.0%	–	–	–	–	–	–
Various institutions: Indigenous knowledge systems	1 000	–	–	–	-100.0%	–	–	–	–	–	–
Various institutions: Innovation projects research	100	14 657	7 450	–	-100.0%	0.1%	–	–	–	–	–
National Research Foundation: Indigenous knowledge systems	–	1 735	6 150	–	–	–	–	–	–	–	–
Various institutions: Emerging research areas	33 130	61 129	–	100 848	44.9%	0.7%	106 697	112 672	118 869	5.6%	1.5%
Various institutions: Technology transfer offices for support of research units	14 647	–	–	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Global science: International multilateral agreements	16 198	5 338	2 115	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Global science: African multilateral agreements	–	3 138	2 200	–	–	–	–	–	–	–	–
National Research Foundation: Human resources development for science and engineering	–	33 505	–	–	–	0.1%	–	–	–	–	–
National Research Foundation: Human resources development for science and engineering: Economic competitiveness and support package	–	–	38 388	51 140	–	0.3%	13 800	22 000	23 210	-23.2%	0.4%
National Research Foundation: Square Kilometre Array: Research and development	723	2 000	–	–	-100.0%	–	–	–	–	–	–
Various institutions: Strategic science platforms for research and development	700	4 500	4 611	–	-100.0%	–	–	–	–	–	–
Various institutions: Advanced manufacturing technology strategy implementation	25 649	–	43 146	51 215	25.9%	0.4%	53 678	59 542	62 817	7.0%	0.8%

Table 30.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Council for Scientific and Industrial Research	24 208	26 144	21 827	31 960	9.7%	0.4%	34 738	38 533	40 652	8.3%	0.5%
Various institutions: Innovative research and development	20 827	12 343	19 295	–	-100.0%	0.2%	–	–	–	–	–
Various institutions: Local manufacturing capacity research and technical support	68 034	143 101	141 925	–	-100.0%	1.3%	–	–	–	–	–
Council for Scientific and Industrial Research: Mining research and development	–	–	–	27 000	–	0.1%	63 000	60 000	63 300	32.8%	0.7%
Various institutions: Local systems of innovation for the cold chain technologies project	51 422	104 840	54 413	–	-100.0%	0.8%	–	–	–	–	–
Various institutions: Resource-based industries research and development	38 494	45 193	41 100	46 029	6.1%	0.6%	48 443	53 652	56 603	7.1%	0.7%
Various institutions: Environmental innovation	10 263	4 914	13 675	–	-100.0%	0.1%	–	–	–	–	–
Capital	389 116	486 184	424 380	223 273	-16.9%	5.7%	236 339	251 686	265 529	5.9%	3.3%
Council for Scientific and Industrial Research: Cyber infrastructure research and development	204 045	213 479	214 546	223 273	3.0%	3.2%	236 339	251 686	265 529	5.9%	3.3%
Various institutions: Infrastructure projects for research and development	185 071	272 705	209 834	–	-100.0%	2.5%	–	–	–	–	–
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	3 353	42 227	–	–	-100.0%	0.2%	–	–	–	–	–
South African Association of Science and Technology Centres: Innovation projects	3 353	–	–	–	-100.0%	–	–	–	–	–	–
Various institutions: Advanced manufacturing technology strategy implementation	–	42 227	–	–	–	0.2%	–	–	–	–	–
Total	5 934 372	6 956 058	6 860 017	6 964 482	5.5%	100.0%	7 174 989	7 668 456	8 090 257	5.1%	100.0%

Personnel information

Table 30.7 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number		
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)		
		2016/17	Unit	2017/18	Unit	2018/19	Unit	2019/20	Unit	2020/21			Unit	2017/18 - 2020/21
Science and Technology		Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Unit
Salary level	492	–	428 319.0	0.7	408 326.8	0.8	410 352.9	0.9	411 380.5	0.9	410 408.4	1.0	–	100.0%
1 – 6	70	–	62 15.0	0.2	61 16.0	0.3	62 17.5	0.3	62 18.9	0.3	62 20.4	0.3	–	0.5%
7 – 10	141	–	129 57.3	0.4	124 60.2	0.5	124 65.1	0.5	124 70.2	0.6	123 75.2	0.6	–	-0.3%
11 – 12	155	–	122 108.0	0.9	114 110.0	1.0	115 119.8	1.0	116 130.5	1.1	116 140.9	1.2	–	0.6%
13 – 16	124	–	113 134.5	1.2	107 136.2	1.3	107 145.7	1.4	107 155.7	1.5	107 166.5	1.6	–	–
Other	2	–	2 4.2	2.1	2 4.5	2.3	2 4.8	2.4	2 5.2	2.6	2 5.5	2.8	–	0.5%
Programme	492	–	428 319.0	0.7	408 326.8	0.8	410 352.9	0.9	411 380.5	0.9	410 408.4	1.0	–	100.0%
Programme 1	265	–	225 161.2	0.7	210 160.4	0.8	212 174.0	0.8	213 188.1	0.9	212 201.5	1.0	–	0.3%
Programme 2	58	–	50 42.9	0.9	49 45.9	0.9	49 49.3	1.0	49 53.0	1.1	49 57.0	1.2	–	12.0%
Programme 3	63	–	57 43.3	0.8	57 46.8	0.8	57 50.4	0.9	57 54.2	1.0	57 58.3	1.0	–	13.9%
Programme 4	49	–	45 34.6	0.8	41 33.7	0.8	41 36.2	0.9	41 38.9	0.9	41 41.9	1.0	–	10.0%
Programme 5	57	–	51 37.0	0.7	51 40.0	0.8	51 43.0	0.8	51 46.2	0.9	51 49.7	1.0	–	12.4%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 30.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	1 602	514	8 199	8 189	8 440	74.0%	100.0%	555	545	545	-59.9%	100.0%
Sales of goods and services produced by department	50	51	57	58	58	5.1%	1.2%	35	35	35	-15.5%	1.6%
Other sales	50	51	57	58	58	5.1%	1.2%	35	35	35	-15.5%	1.6%
of which:												
Services rendered: Commission on insurance.	50	51	57	58	58	5.1%	1.2%	35	35	35	-15.5%	1.6%
Sales of scrap, waste, arms and other used current goods	-	-	-	3	4	-	-	-	-	-	-100.0%	-
of which:												
Sales: scrap, waste and other goods	-	-	-	3	4	-	-	-	-	-	-100.0%	-
Interest, dividends and rent on land	3	6	9	56	56	165.3%	0.4%	20	10	10	-43.7%	1.0%
Interest	3	6	9	56	56	165.3%	0.4%	20	10	10	-43.7%	1.0%
Sales of capital assets	-	-	45	-	250	-	1.6%	-	-	-	-100.0%	2.5%
Transactions in financial assets and liabilities	1 549	457	8 088	8 072	8 072	73.4%	96.9%	500	500	500	-60.4%	94.9%
Total	1 602	514	8 199	8 189	8 440	74.0%	100.0%	555	545	545	-59.9%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 30.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Total	278.4	302.0	332.6	376.0	10.5%	100.0%	383.8	340.4	362.1	-1.2%	100.0%
Change to 2017 Budget estimate				-			(17.8)	(8.9)	(9.8)		
Economic classification	262.2	270.5	299.6	336.4	8.7%	90.7%	357.3	322.6	343.4	0.7%	93.0%
Current payments											
Compensation of employees	140.1	151.7	161.2	158.4	4.2%	47.4%	174.0	188.1	201.5	8.4%	49.4%
Goods and services ¹	122.1	118.8	138.4	178.0	13.4%	43.2%	183.3	134.5	141.9	-7.3%	43.6%
of which:											
Advertising	23.1	22.8	28.0	7.9	-30.1%	6.3%	9.2	9.7	10.8	11.0%	2.6%
Consultants: Business and advisory services	3.3	3.1	4.0	12.3	55.0%	1.8%	14.4	7.2	7.6	-14.9%	2.8%
Contractors	6.8	7.5	3.5	9.5	12.0%	2.1%	10.5	9.6	10.1	2.0%	2.7%
Property payments	-	-	10.5	17.4	-	2.2%	18.0	7.3	7.7	-23.9%	3.4%
Travel and subsistence	3.4	5.0	21.3	30.5	108.9%	4.7%	32.8	20.5	21.7	-10.8%	7.2%
Venues and facilities	0.9	1.4	1.4	24.2	201.6%	2.2%	16.2	11.5	11.2	-22.6%	4.3%
Transfers and subsidies¹	10.2	14.9	17.5	17.5	19.6%	4.7%	14.3	15.1	15.9	-3.1%	4.3%
Departmental agencies and accounts	3.5	4.0	1.5	-	-100.0%	0.7%	-	-	-	-	-
Higher education institutions	0.4	4.6	6.0	-	-100.0%	0.9%	-	-	-	-	-
Public corporations and private enterprises	1.4	0.6	0.2	-	-100.0%	0.2%	-	-	-	-	-
Non-profit institutions	4.4	5.3	9.2	17.5	59.0%	2.8%	14.3	15.1	15.9	-3.1%	4.3%
Households	0.5	0.3	0.6	-	-100.0%	0.1%	-	-	-	-	-

Table 30.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Payments for capital assets	6.0	16.5	15.4	22.0	54.6%	4.6%	12.2	2.7	2.8	-49.6%	2.7%
Machinery and equipment	6.0	16.5	15.4	22.0	54.6%	4.6%	12.2	2.7	2.8	-49.6%	2.7%
Payments for financial assets	0.0	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Total	278.4	302.0	332.6	376.0	10.5%	100.0%	383.8	340.4	362.1	-1.2%	100.0%
Proportion of total programme expenditure to vote expenditure	4.4%	4.1%	4.5%	5.0%	–	–	4.9%	4.1%	4.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3.5	4.0	1.5	–	-100.0%	0.7%	–	–	–	–	–
Various institutions: Institutional and programme support research	3.5	4.0	1.5	–	-100.0%	0.7%	–	–	–	–	–
Higher education institutions											
Current	0.4	4.6	6.0	–	-100.0%	0.9%	–	–	–	–	–
Various institutions: Institutional and programme support research	0.4	4.6	6.0	–	-100.0%	0.9%	–	–	–	–	–
Non-profit institutions											
Current	4.4	5.3	9.2	17.5	59.0%	2.8%	14.3	15.1	15.9	-3.1%	4.3%
Various institutions: Institutional and programme support research	4.4	5.3	9.2	17.5	59.0%	2.8%	14.3	15.1	15.9	-3.1%	4.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations	1.4	0.6	0.2	–	-100.0%	0.2%	–	–	–	–	–
Various institutions: Institutional and programme support research	1.4	0.6	0.2	–	-100.0%	0.2%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Technology Innovation

Programme purpose

Enable research and development in space science and technology, energy security and the bioeconomy, and in the emerging and converging areas of nanotechnology, robotics, photonics and indigenous knowledge systems, to promote the realisation of commercial products, processes and services. Promote the protection and utilisation of intellectual property, technology transfer and technology commercialisation through the implementation of enabling policies and interventions along the entire innovation value chain.

Objectives

- Facilitate and resource strategic investments in space science and technology, energy, the bioeconomy, nanotechnology, robotics, photonics, indigenous knowledge systems, intellectual property management, technology transfer and technology commercialisation by March 2021, by:
 - funding and/or maintaining 59 instruments to support the use of knowledge
 - generating 446 knowledge products (including peer-reviewed scientific articles published in scientific publications, and filings/applications or the registration/granting of intellectual property rights)
 - developing and approving 15 science, technology and innovation strategic policy directives to enhance understanding and analyses that support the implementation of relevant interventions
 - developing and/or maintaining 6 decision support interventions to improve the delivery of government services or functions
 - converting 100 per cent of the requests for regulations into recommendations for decision support by government.

- Oversee, monitor and regulate key policy initiatives in the strategic areas of space science and technology, energy, bio-innovation, nanotechnology, robotics and photonics by March 2021 by overseeing 630 new disclosures reported by publicly funded institutions.
- Coordinate and support high-end skills development by supporting 830 masters and doctoral students, and 720 trainees through department funded research and development initiatives by March 2021.
- Support, promote and advocate the development and translation of scientific research and development outputs into commercial products, processes and services that will contribute towards economic growth and better quality of life by March 2021, by:
 - supporting 16 knowledge application products, including prototypes, technology demonstrators and pilots
 - supporting 9 commercial outputs, including licences, assignments, options, new companies, products, processes and services.

Subprogrammes

- *Space Science* supports the creation of an environment conducive to the implementation of the national space strategy and South African earth observation strategy, and that addresses the development of innovative applications and human capital to respond to national priorities and support socioeconomic development.
- *Hydrogen and Energy* provides policy leadership in research, development and innovation initiatives in the energy sector. This subprogramme plays a key role in developing a sustainable and globally competitive South African energy knowledge base and industry.
- *Bioinnovation* leads the implementation of the national bioeconomy strategy approved by Cabinet in 2013.
- *Innovation Priorities and Instruments* supports and strengthens the innovation policy package aimed at creating and sustaining an enabling environment for innovation, technology and development, and the commercialisation of publicly funded research and development initiatives.
- *National Intellectual Property Management Office* is the implementing agency established to provide for the more effective use of intellectual property emanating from publicly financed research and development.

Expenditure trends and estimates

Table 30.10 Technology Innovation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Space Science	168.5	209.1	167.8	174.9	1.3%	17.4%	161.9	190.7	201.4	4.8%	15.4%
Hydrogen and Energy	143.8	147.7	143.6	156.8	2.9%	14.3%	167.8	178.5	188.5	6.3%	14.6%
Bio-innovation	150.1	136.1	220.2	156.1	1.3%	16.0%	178.4	193.3	204.2	9.4%	15.5%
Innovation Priorities and Instruments	415.2	518.1	442.0	540.5	9.2%	46.4%	572.7	608.3	641.9	5.9%	50.0%
National Intellectual Property Management Office	96.4	52.4	42.2	46.8	-21.4%	5.8%	50.9	53.6	56.8	6.6%	4.4%
Total	974.0	1 063.3	1 015.9	1 075.1	3.3%	100.0%	1 131.7	1 224.4	1 292.8	6.3%	100.0%
Change to 2017				-			11.6	29.3	31.0		
Budget estimate											
Economic classification											
Current payments	51.8	51.6	55.7	67.3	9.2%	5.5%	71.9	73.9	79.1	5.5%	6.2%
Compensation of employees	35.6	39.8	42.9	45.9	8.9%	4.0%	49.3	53.0	57.0	7.5%	4.3%
Goods and services ¹	16.2	11.7	12.7	21.4	9.8%	1.5%	22.6	20.9	22.1	1.0%	1.8%
of which:											
Communication	0.4	0.7	0.9	0.9	26.4%	0.1%	0.9	1.0	1.0	5.6%	0.1%
Consultants: Business and advisory services	1.3	0.2	2.1	1.6	9.2%	0.1%	1.7	1.7	1.8	3.8%	0.1%
Agency and support/outsourced services	1.9	1.0	0.2	6.4	50.0%	0.2%	6.7	6.3	6.5	0.9%	0.5%
Entertainment	0.0	0.0	0.0	3.7	526.7%	0.1%	3.9	3.4	3.5	-1.4%	0.3%
Travel and subsistence	-	-	6.5	5.2	-	0.3%	5.4	4.6	4.9	-1.8%	0.4%
Venues and facilities	-	0.0	2.0	2.0	-	0.1%	2.1	2.2	2.4	5.6%	0.2%

Table 30.10 Technology Innovation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)			
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19			2019/20	2020/21	2017/18 - 2020/21
	R million													
Transfers and subsidies¹	922.2	1 011.7	960.2	1 007.8	3.0%	94.5%	1 059.9	1 150.4	1 213.7	6.4%	93.8%			
Departmental agencies and accounts	623.7	732.5	656.3	661.0	2.0%	64.8%	677.1	742.9	783.7	5.8%	60.6%			
Higher education institutions	147.1	147.1	143.6	–	-100.0%	10.6%	–	–	–	–	–			
Public corporations and private enterprises	100.3	99.4	114.7	100.8	0.2%	10.1%	106.7	112.7	118.9	5.6%	9.3%			
Non-profit institutions	51.0	32.7	45.4	245.9	69.0%	9.1%	276.0	294.9	311.1	8.1%	23.9%			
Households	0.2	–	0.2	–	-100.0%	–	–	–	–	–	–			
Payments for capital assets	0.1	–	0.0	–	-100.0%	–	–	–	–	–	–			
Machinery and equipment	0.1	–	0.0	–	-100.0%	–	–	–	–	–	–			
Total	974.0	1 063.3	1 015.9	1 075.1	3.3%	100.0%	1 131.7	1 224.4	1 292.8	6.3%	100.0%			
Proportion of total programme expenditure to vote expenditure	15.2%	14.3%	13.8%	14.2%	–	–	14.5%	14.8%	14.8%	–	–			
Details of selected transfers and subsidies														
Departmental agencies and accounts														
Departmental agencies (non-business entities)														
Current	621.2	732.5	656.3	661.0	2.1%	64.7%	677.1	742.9	783.7	5.8%	60.6%			
Various institutions: Biofuels	6.0	6.0	–	–	-100.0%	0.3%	–	–	–	–	–			
Various institutions: Technology transfer offices: Support of research units	2.2	4.4	0.7	–	-100.0%	0.2%	–	–	–	–	–			
Various institutions: Implementation of bio-economy strategy	13.3	9.5	9.5	–	-100.0%	0.8%	–	–	–	–	–			
Various institutions: Energy grand challenge research	24.4	26.4	22.3	35.1	12.9%	2.6%	37.0	40.9	43.2	7.1%	3.3%			
Various institutions: Health innovation research	36.0	37.6	37.5	–	-100.0%	2.7%	–	–	–	–	–			
Various institutions: Research in HIV and AIDS prevention and treatment technologies	22.6	24.5	23.8	23.7	1.6%	2.3%	24.6	27.9	29.4	7.4%	2.2%			
Various institutions: Hydrogen strategy research	16.0	17.0	4.0	–	-100.0%	0.9%	–	–	–	–	–			
Various institutions: Innovation projects research	1.1	12.0	10.0	27.9	191.9%	1.2%	29.5	35.3	37.3	10.1%	2.8%			
International Centre for Genetic Engineering and Biotechnology	–	–	–	12.8	–	0.3%	13.5	14.3	15.1	5.6%	1.2%			
Various institutions: Space science research-Economic competitiveness and support package	40.0	72.0	–	28.9	-10.3%	3.4%	9.2	30.0	31.7	3.1%	2.1%			
National Research Foundation: Indigenous knowledge systems	–	1.8	–	–	–	–	–	–	–	–	–			
Technology Innovation Agency	338.4	385.2	382.4	396.7	5.4%	36.4%	420.3	443.9	468.3	5.7%	36.6%			
South African National Space Agency	118.3	124.4	154.6	131.2	3.5%	12.8%	138.0	145.5	153.5	5.4%	12.0%			
Various institutions: Emerging research areas	–	11.8	11.5	–	–	0.6%	–	–	–	–	–			
National Research Foundation: Research and development in indigenous knowledge systems	2.9	–	–	4.6	16.7%	0.2%	4.9	5.1	5.4	5.6%	0.4%			
Higher education institutions	85.4	83.5	143.6	–	-100.0%	7.6%	–	–	–	–	–			
Various institutions: Biofuels	–	0.5	2.0	–	–	0.1%	–	–	–	–	–			
Various institutions: Technology transfer offices: Support of research units	36.6	31.7	23.3	–	-100.0%	2.2%	–	–	–	–	–			
Various institutions: Implementation of bio-economy strategy	8.0	8.5	1.0	–	-100.0%	0.4%	–	–	–	–	–			
Various institutions: Energy grand challenge research	5.6	7.4	5.3	–	-100.0%	0.4%	–	–	–	–	–			
Various institutions: Health innovation research	0.7	0.2	0.5	–	-100.0%	–	–	–	–	–	–			
Various institutions: Hydrogen strategy research	15.9	16.4	81.4	–	-100.0%	2.8%	–	–	–	–	–			
Various institutions: Innovation projects research	5.9	–	2.0	–	-100.0%	0.2%	–	–	–	–	–			
International Centre for Genetic Engineering and Biotechnology	–	0.5	10.0	–	–	0.3%	–	–	–	–	–			
National Research Foundation: Indigenous knowledge systems	–	4.8	3.7	–	–	0.2%	–	–	–	–	–			
Various institutions: Emerging research areas	12.8	13.5	14.5	–	-100.0%	1.0%	–	–	–	–	–			

Table 30.10 Technology Innovation expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Capital	60.8	63.6	-	-	-100.0%	3.0%	-	-	-	-	-
Various institutions: Hydrogen strategy - capital	60.8	63.6	-	-	-100.0%	3.0%	-	-	-	-	-
Non-profit institutions											
Current	51.0	32.2	45.4	178.9	51.9%	7.4%	205.1	219.9	232.0	9.1%	17.7%
Various institutions: Biofuels research	-	-	1.8	5.3	-	0.2%	7.2	7.7	8.1	14.7%	0.6%
Various institutions: Implementation of the Bio-technology strategy	3.8	8.1	11.6	36.1	111.6%	1.4%	37.7	41.7	43.9	6.8%	3.4%
Various institutions: Energy grand challenge research	2.4	-	0.7	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Health innovation research	-	-	0.3	44.7	-	1.1%	46.9	51.2	54.0	6.5%	4.2%
Various institutions: Hydrogen strategy-research	-	-	-	38.0	-	0.9%	40.2	42.5	44.8	5.6%	3.5%
Various institutions: Innovation projects research	2.8	3.0	1.0	-	-100.0%	0.2%	-	-	-	-	-
International Centre for Genetic Engineering and Biotechnology	36.3	11.6	22.2	-	-100.0%	1.7%	-	-	-	-	-
Various institutions: Technology transfer offices: Support for research units	-	-	1.8	36.0	-	0.9%	39.0	41.2	43.4	6.5%	3.4%
South African Association of Science and Technology Centres: Technology top 100 awards	-	3.5	-	3.7	-	0.2%	3.9	4.1	4.4	5.6%	0.3%
South African National AIDS Council	-	-	-	15.0	-	0.4%	30.0	31.7	33.4	30.6%	2.3%
Various institutions: Emerging research areas	5.8	6.0	6.0	-	-100.0%	0.4%	-	-	-	-	-
Capital	-	-	-	67.1	-	1.6%	71.0	74.9	79.1	5.6%	6.2%
Various institutions: Hydrogen strategy - capital	-	-	-	67.1	-	1.6%	71.0	74.9	79.1	5.6%	6.2%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	96.9	99.4	114.7	100.8	1.3%	10.0%	106.7	112.7	118.9	5.6%	9.3%
Households	32.2	-	-	-	-100.0%	0.8%	-	-	-	-	-
Various institutions: Technology transfer offices: Support of research units	-	6.6	5.7	-	-	0.3%	-	-	-	-	-
Various institutions: Implementation of bio-economy strategy	7.8	6.9	76.6	-	-100.0%	2.2%	-	-	-	-	-
Various institutions: Energy grand challenge research	1.5	-	15.9	-	-100.0%	0.4%	-	-	-	-	-
Various institutions: Health innovation research	5.0	5.9	2.9	-	-100.0%	0.3%	-	-	-	-	-
Various institutions: Hydrogen strategy research	1.5	2.6	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Indigenous knowledge systems	1.0	-	-	-	-100.0%	-	-	-	-	-	-
Various institutions: Innovation projects research	0.1	14.7	7.5	-	-100.0%	0.5%	-	-	-	-	-
National Research Foundation: Indigenous knowledge systems	-	1.7	6.2	-	-	0.2%	-	-	-	-	-
Various institutions: Emerging research areas	33.1	61.1	-	100.8	44.9%	4.7%	106.7	112.7	118.9	5.6%	9.3%
Various institutions: Technology transfer offices for support of research units	14.6	-	-	-	-100.0%	0.4%	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: International Cooperation and Resources

Programme purpose

Strategically develop, promote and manage international partnerships that strengthen the national system of innovation. Enable an exchange of knowledge, capacity and resources between South Africa and its international partners, with a focus on supporting science, technology and innovation capacity building in Africa. Support South African foreign policy through science diplomacy.

Objectives

- Complement South Africa's national investments in science, technology and innovation, including access to resources for departmental initiatives that require external investment, by securing international funding of R1.4 billion over the medium term.
- Enhance South Africa's national science, technology and innovation capabilities to contribute to the attainment of the department's targets for human capital development by accessing international knowledge and resources through securing the participation of 2 030 South African researchers in international postgraduate training programmes by March 2021.
- Build capacity in and support initiatives for the Southern African Development Community (SADC) and African Union (AU) to advance Africa's growth and development by strengthening cooperation in science, technology and innovation in Africa through technical and financial support for 60 approved SADC and AU science, technology and innovation initiatives and programmes by March 2021.
- Support South Africa's foreign policy objectives of creating a better South Africa and contributing to a better Africa and a better world by maximising South Africa's strategic interests in international science, technology and innovation cooperation through interventions that ensure South Africa occupies 12 new leadership positions in international science, technology and innovation governance structures by March 2021.

Subprogrammes

- *Multilateral Cooperation and Africa* advances and facilitates South Africa's participation in bilateral science, technology and innovation cooperation initiatives with other African partners; in African multilateral programmes, especially SADC and AU programmes; and in broader multilateral science, technology and innovation partnerships, with a strategic focus on South-South cooperation.
- *International Resources* works to increase the flow of international funding into South African science, technology and innovation initiatives, as well as African regional and continental programmes, through concerted efforts to promote foreign investment, and the fostering of strategic partnerships with partners such as the European Union, philanthropic foundations and organisations, and the multinational private sector.
- *Overseas Bilateral Cooperation* promotes and facilitates South Africa's bilateral science, technology and innovation cooperation with partners in Europe, the Americas, Asia and Australasia, especially for human capital development and collaborative research and innovation; and secures support for joint cooperation with other African partners.

Expenditure trends and estimates

Table 30.11 International Cooperation and Resources expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Multilateral Cooperation and Africa	22.2	25.7	30.4	31.2	12.0%	23.1%	31.4	32.7	34.9	3.8%	23.0%
International Resources	54.0	56.6	54.2	60.5	3.8%	47.6%	63.0	66.9	70.9	5.5%	46.3%
Overseas Bilateral Cooperation	31.4	32.7	33.9	40.7	9.1%	29.3%	42.0	43.8	46.6	4.6%	30.7%
Total	107.6	115.0	118.5	132.4	7.2%	100.0%	136.4	143.4	152.4	4.8%	100.0%
Change to 2017 Budget estimate				-			1.2	(1.0)	(1.0)		

Table 30.11 International Cooperation and Resources expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	53.3	55.6	57.6	68.6	8.7%	49.7%	68.9	71.4	76.5	3.7%	50.6%
Compensation of employees	36.8	41.3	43.3	48.8	9.9%	35.9%	50.4	54.2	58.3	6.1%	37.5%
Goods and services ¹	16.6	14.4	14.3	19.8	6.0%	13.7%	18.6	17.2	18.2	-2.7%	13.1%
<i>of which:</i>											
<i>Communication</i>	0.5	0.7	1.2	1.4	40.7%	0.8%	1.5	1.5	1.6	5.6%	1.1%
<i>Agency and support/outsourced services</i>	0.3	0.7	0.1	0.7	26.1%	0.4%	0.7	0.7	0.8	5.6%	0.5%
<i>Entertainment</i>	0.2	0.3	0.2	0.8	53.0%	0.3%	0.8	0.9	0.9	5.7%	0.6%
<i>Travel and subsistence</i>	–	–	8.8	9.5	–	3.9%	8.1	6.6	7.0	-10.0%	5.5%
<i>Operating payments</i>	3.9	1.2	0.4	1.1	-34.2%	1.4%	1.2	1.2	1.3	5.7%	0.9%
<i>Venues and facilities</i>	0.4	0.0	1.3	4.3	126.7%	1.3%	4.1	3.9	4.1	-1.0%	2.9%
Transfers and subsidies¹	54.1	59.3	60.9	63.8	5.6%	50.3%	67.5	72.0	75.9	6.0%	49.4%
Departmental agencies and accounts	14.6	36.8	44.6	14.1	-1.1%	23.3%	14.9	16.0	16.8	6.0%	11.0%
Higher education institutions	20.0	13.1	8.5	–	-100.0%	8.8%	–	–	–	–	–
Public corporations and private enterprises	16.2	8.5	4.3	–	-100.0%	6.1%	–	–	–	–	–
Non-profit institutions	0.0	0.9	3.4	49.6	1110.4%	11.4%	52.5	56.0	59.1	6.0%	38.5%
Households	3.3	0.0	0.1	–	-100.0%	0.7%	–	–	–	–	–
Payments for capital assets	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Total	107.6	115.0	118.5	132.4	7.2%	100.0%	136.4	143.4	152.4	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	1.7%	1.5%	1.6%	1.8%	–	–	1.8%	1.7%	1.8%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	14.6	36.8	44.6	14.1	-1.1%	23.3%	14.9	16.0	16.8	6.0%	11.0%
National Research Foundation: Bilateral cooperation for global science development	12.9	13.5	13.6	14.1	3.0%	11.4%	14.9	16.0	16.8	6.0%	11.0%
Various institutions: Global science: International multilateral agreements	1.7	22.4	28.1	–	-100.0%	11.0%	–	–	–	–	–
Various institutions: Global science: African multilateral agreements	–	1.0	2.9	–	–	0.8%	–	–	–	–	–
Higher education institutions											
Current	20.0	13.1	8.5	–	-100.0%	8.8%	–	–	–	–	–
Various institutions: Global science: International multilateral agreements	15.7	11.2	8.3	–	-100.0%	7.4%	–	–	–	–	–
Various institutions: Global science: African multilateral agreements	4.3	1.9	0.2	–	-100.0%	1.4%	–	–	–	–	–
Non-profit institutions											
Current	0.0	0.9	3.4	49.6	1110.4%	11.4%	52.5	56.0	59.1	6.0%	38.5%
Various institutions: Global science: International multilateral agreements	0.0	0.1	0.4	40.8	1033.5%	8.7%	43.1	46.0	48.5	6.0%	31.6%
Various institutions: Global science: African multilateral agreements	–	0.7	3.0	8.9	–	2.6%	9.4	10.0	10.6	6.0%	6.9%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	16.2	8.5	4.3	–	-100.0%	6.1%	–	–	–	–	–
Various institutions: Global science: International multilateral agreements	16.2	5.3	2.1	–	-100.0%	5.0%	–	–	–	–	–
Various institutions: Global science: African multilateral agreements	–	3.1	2.2	–	–	1.1%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Research, Development and Support

Programme purpose

Provide an enabling environment for research and knowledge production that promotes the strategic development of basic sciences and priority science areas, through the promotion of science, human capital development, and the provision of research infrastructure and relevant research support, in pursuit of South Africa's transition to a knowledge economy.

Objectives

- Contribute to the development of representative, high-level human capital able to pursue locally relevant, globally competitive research and innovation activities over the medium term by:
 - awarding 9 300 bursaries to PhD students
 - awarding 32 400 bursaries to postgraduate (BTech, honours and masters) students
 - placing 1 350 graduates and students in department funded work preparation programmes in science, engineering and technology institutions.
- Ensure the availability of and access to internationally comparable research and innovation infrastructure in order to generate new knowledge and train new researchers by:
 - maintaining the number of research infrastructure grants at 30 per year over the MTEF period
 - increasing the total available broadband capacity provided by the South African National Research Network from 3 400 Gbps in 2018/19 to 3 500 Gbps in 2020/21.
- Support and promote research that develops basic sciences through the production of new knowledge and relevant training opportunities over the medium term by:
 - maintaining the total number of researchers awarded research grants through programmes managed by the National Research Foundation at above 13 500
 - maintaining the number of research articles published by researchers funded by the National Research Foundation and cited in the Thomson Reuters Web of Science citation database at 21 000.
- Strategically develop priority science areas in which South Africa enjoys a competitive advantage by promoting internationally competitive research and training activities and outputs, by:
 - installing 64 ultra high frequency science mode receivers in 2018/19, 8 large survey project correlators in 2019/20, and 64 s-band receivers on MeerKAT by 2018/19
 - ensuring that 2 reports on the state of climate change in South Africa are submitted to Cabinet by 2018/19.
- Promote public engagement on science, technology and innovation by creating an environment that enables up to 9 million people to participate in the science engagement programme over the medium term.

Subprogrammes

- *Human Capital and Science Promotions* formulates and implements policies and strategies that address the availability of human capital for science, technology and innovation; provide fundamental support for research activities; and contribute to the development of a society that is knowledgeable about science, and is critically engaged and scientifically literate.
- *Science Missions* promotes the development of research, the production of scientific knowledge, and human capital in science areas in which South Africa enjoys a geographic advantage.
- *Basic Sciences and Infrastructure* facilitates the strategic implementation of research and innovation equipment and facilities to promote knowledge production in areas of national priority, and sustain innovation led by research and development.
- *Astronomy* supports the development of astronomical sciences around a new multi-wavelength astronomy strategy, and provides strategic guidance and support to relevant astronomy institutions in the implementation of strategic astronomy programmes.

Expenditure trends and estimates

Table 30.12 Research, Development and Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Human Capital and Science Promotions	1 872.8	2 331.8	2 354.6	2 424.8	9.0%	55.4%	2 457.1	2 617.7	2 761.9	4.4%	56.1%
Science Missions	159.5	177.0	213.1	214.2	10.3%	4.7%	223.0	235.5	248.7	5.1%	5.0%
Basic Science and Infrastructure	783.7	987.0	895.5	976.6	7.6%	22.5%	927.6	993.5	1 048.3	2.4%	21.6%
Astronomy	673.8	723.0	689.5	734.5	2.9%	17.4%	752.6	814.7	859.7	5.4%	17.3%
Total	3 489.8	4 218.9	4 152.6	4 350.1	7.6%	100.0%	4 360.3	4 661.4	4 918.6	4.2%	100.0%
Change to 2017				-			(116.0)	(95.6)	(100.7)		
Budget estimate											
Economic classification											
Current payments	37.7	43.8	48.3	49.2	9.3%	1.1%	52.6	54.1	57.9	5.5%	1.2%
Compensation of employees	29.4	31.1	34.6	33.7	4.6%	0.8%	36.2	38.9	41.9	7.5%	0.8%
Goods and services ¹	8.3	12.6	13.7	15.5	23.4%	0.3%	16.4	15.2	16.0	1.0%	0.3%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	0.1	0.2	0.1	0.6	81.1%	-	0.6	0.6	0.7	5.6%	-
<i>Communication</i>	0.3	0.2	0.6	0.6	24.0%	-	0.7	0.7	0.8	5.7%	-
<i>Consultants: Business and advisory services</i>	0.4	0.4	2.3	1.4	52.5%	-	1.4	1.3	1.3	-1.1%	-
<i>Agency and support/outsourced services</i>	0.9	1.5	0.8	0.9	-1.5%	-	0.9	1.0	1.0	5.6%	-
<i>Travel and subsistence</i>	0.1	5.4	7.3	8.5	418.1%	0.1%	8.9	7.6	8.0	-2.0%	0.2%
<i>Venues and facilities</i>	-	1.1	1.0	2.0	-	-	2.1	2.2	2.4	5.6%	-
Transfers and subsidies¹	3 452.0	4 175.1	4 104.3	4 300.9	7.6%	98.9%	4 307.7	4 607.3	4 860.7	4.2%	98.8%
Departmental agencies and accounts	2 977.8	3 564.1	3 550.1	4 026.5	10.6%	87.1%	4 057.6	4 333.6	4 572.0	4.3%	92.9%
Higher education institutions	53.5	50.8	37.5	-	-100.0%	0.9%	-	-	-	-	-
Public corporations and private enterprises	390.5	526.2	467.4	274.4	-11.1%	10.2%	250.1	273.7	288.7	1.7%	5.9%
Non-profit institutions	29.9	33.6	48.8	-	-100.0%	0.7%	-	-	-	-	-
Households	0.4	0.4	0.5	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.1	-	0.0	-	-100.0%	-	-	-	-	-	-
Total	3 489.8	4 218.9	4 152.6	4 350.1	7.6%	100.0%	4 360.3	4 661.4	4 918.6	4.2%	100.0%
Proportion of total programme expenditure to vote expenditure	54.6%	56.7%	56.2%	57.6%	-	-	56.0%	56.5%	56.5%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 988.8	2 427.7	2 470.1	2 613.9	9.5%	58.6%	2 693.9	2 860.8	3 018.1	4.9%	61.2%
Academy of Science of South Africa	21.6	-	-	25.3	5.4%	0.3%	25.7	27.1	28.6	4.2%	0.6%
Various institutions: Astronomy research and development	12.7	25.2	14.1	29.3	32.2%	0.5%	31.1	32.8	34.6	5.6%	0.7%
Various institutions: Policy development on human and social development dynamics	9.8	10.3	10.3	26.0	38.3%	0.3%	27.4	28.9	30.5	5.4%	0.6%
National Research Foundation: Human resources development for science and engineering	465.7	835.7	832.7	833.8	21.4%	18.3%	889.2	950.6	1 002.9	6.3%	20.1%
National Research Foundation	851.3	878.4	882.8	926.0	2.8%	21.8%	904.8	953.4	1 005.8	2.8%	20.7%
Various institutions: Science awareness, research and initiatives to encourage youth participation in science	37.9	57.8	66.2	73.0	24.4%	1.4%	77.3	81.6	86.1	5.6%	1.7%
National Research Foundation: South African research chairs initiative to develop human resources in science	451.8	470.4	482.2	500.9	3.5%	11.8%	530.3	566.3	597.5	6.1%	12.0%
Various institutions: Strategic science platforms for research and development	138.0	149.9	181.8	199.6	13.1%	4.1%	208.3	220.2	232.3	5.2%	4.7%
Capital	989.0	1 136.4	1 079.9	1 412.6	12.6%	28.5%	1 363.7	1 472.8	1 553.9	3.2%	31.7%
Various institutions: Infrastructure projects for research and development	343.8	449.0	413.3	718.7	27.9%	11.9%	654.3	703.0	741.7	1.1%	15.4%
National Research Foundation: Square Kilometre Array: Capital contribution to research	645.2	687.4	666.6	693.9	2.5%	16.6%	709.4	769.8	812.1	5.4%	16.3%
Higher education institutions											
Current	20.1	18.7	10.5	-	-100.0%	0.3%	-	-	-	-	-
National Research Foundation: Human resources development for science and engineering	4.9	3.7	3.0	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Science awareness	9.7	8.1	0.2	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Strategic science platforms for research and development	5.5	6.8	7.2	-	-100.0%	0.1%	-	-	-	-	-

Table 30.12 Research, Development and Support expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Capital	32.8	32.2	27.1		-100.0%	0.6%					
Various institutions: Infrastructure projects for research and development	32.8	32.2	27.1		-100.0%	0.6%					
Non-profit institutions											
Current	29.9	33.6	37.5		-100.0%	0.6%					
Academy of Science of South Africa		23.2	25.1			0.3%					
National Research Foundation: Human resources development for science and engineering	0.1	5.6	6.0		-100.0%	0.1%					
Various institutions: Science awareness	18.4	3.3	3.1		-100.0%	0.2%					
Square Kilometre Array	8.4				-100.0%	0.1%					
Various institutions: Strategic science platforms for research and development	3.0	1.5	3.3		-100.0%						
Capital			11.3			0.1%					
Various institutions: Infrastructure projects for research and development			11.3			0.1%					
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	1.4	40.0	43.0	51.1	230.0%	0.8%	13.8	22.0	23.2	-23.2%	0.6%
National Research Foundation: Human resources development for science and engineering		33.5				0.2%					
National Research Foundation: Human resources development for science and engineering: Economic competitiveness and support package			38.4	51.1		0.6%	13.8	22.0	23.2	-23.2%	0.6%
National Research Foundation: Square Kilometre Array: Research and development	0.7	2.0			-100.0%						
Various institutions: Strategic science platforms for research and development	0.7	4.5	4.6		-100.0%	0.1%					
Capital	389.1	486.2	424.4	223.3	-16.9%	9.4%	236.3	251.7	265.5	5.9%	5.3%
Council for Scientific and Industrial Research: Cyberinfrastructure research and development	204.0	213.5	214.5	223.3	3.0%	5.3%	236.3	251.7	265.5	5.9%	5.3%
Various institutions: Infrastructure projects for research and development	185.1	272.7	209.8		-100.0%	4.1%					

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Socioeconomic Innovation Partnerships

Programme purpose

Enhance the growth and development priority areas of government through targeted science and technology-based innovation interventions, and the development of strategic partnerships with other government departments, industry, research institutions and communities.

Objectives

- Inform and influence how science and technology can be used to achieve inclusive development through knowledge, evidence and learning over the medium term by:
 - publishing 18 knowledge products on innovation for inclusive development
 - maintaining and improving 10 decision support systems
 - generating 27 learning interventions.
- Identify, grow and sustain niche, high potential science, technology and innovation capabilities for sustainable development and the greening of society and the economy by fully funding and co-funding 180 honours, masters and doctoral students, and adding 14 knowledge and innovation products to the intellectual property portfolio over the medium term.

- Identify, grow and sustain niche, high potential science, technology and innovation capabilities that improve the competitiveness of existing industries with growth potential in aerospace, advanced manufacturing, chemicals, advanced metals, mining, ICT and sector innovation funds; and facilitate the development of new targeted industries over the medium term by:
 - fully funding or co-funding 744 masters and doctoral students, and 110 interns
 - adding 94 knowledge and innovation products to the intellectual property portfolio
 - funding 9 instruments in support of increased localisation, competitiveness
 - researching and developing the development-led industry.
- Strengthen provincial and rural innovation and production systems through analysis and catalytic interventions over the medium term by funding or co-funding 12 interventions that strengthen provincial or rural innovation systems.
- Enhance understanding and analysis that support improvements in the functioning and performance of the national system of innovation through executive committee approval by publishing 18 reports and policy briefings on the national system of innovation and innovation policy over the medium term.
- Introduce and manage interventions and incentive programmes that increase the level of private sector investment in scientific or technological research and development by providing pre-approval decisions within 90 days of the date of receipt of applications for the research and development tax incentive over the medium term.

Subprogrammes

- *Sector Innovation and Green Economy* provides policy, strategy and direction for research and the development-led growth of strategic sectors of the economy; and supports the transition to a green economy.
- *Innovation for Inclusive Development* supports the development of science and technology-based innovations for tackling poverty, including the creation of sustainable jobs and human settlements, and the enhanced delivery of basic services.
- *Science and Technology Investment* leads and supports the development of indicators and instruments for monitoring investments in science and technology, as well as the performance of the national system of innovation, and ways of strengthening policy in relation to the national system of innovation.
- *Technology Localisation, Beneficiation and Advanced Manufacturing* funds development programmes for technology and innovation to advance strategic medium-term and long-term sustainable economic growth and sector development priorities, as well as public service delivery.

Expenditure trends and estimates

Table 30.13 Socioeconomic Innovation Partnerships expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Sector Innovation and Green Economy	875.7	873.9	932.0	984.0	4.0%	55.0%	1 036.8	1 095.4	1 155.9	5.5%	58.8%
Innovation for Inclusive Development	340.1	334.5	344.5	356.6	1.6%	20.6%	354.8	376.3	397.2	3.7%	20.4%
Science and Technology Investment	29.9	32.3	22.2	25.3	-5.4%	1.6%	27.3	34.9	37.1	13.7%	1.7%
Technology Localisation, Beneficiation and Advanced Manufacturing	293.5	497.7	465.3	257.8	-4.2%	22.7%	359.3	372.3	393.1	15.1%	19.0%
Total	1 539.2	1 738.3	1 764.0	1 623.6	1.8%	100.0%	1 778.3	1 878.9	1 983.2	6.9%	100.0%
Change to 2017 Budget estimate				-			(4.5)	133.2	140.7		

Table 30.13 Socioeconomic Innovation Partnerships expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	40.9	43.3	46.8	49.1	6.3%	2.7%	52.6	55.2	59.2	6.5%	3.0%
Compensation of employees	34.2	37.1	37.0	39.9	5.3%	2.2%	43.0	46.2	49.7	7.6%	2.5%
Goods and services ¹	6.7	6.2	9.8	9.2	11.0%	0.5%	9.7	9.0	9.5	1.2%	0.5%
<i>of which:</i>											
Advertising	0.0	0.0	0.0	0.2	72.7%	–	0.2	0.2	0.2	5.9%	–
Catering: Departmental activities	0.1	0.1	0.1	0.3	47.8%	–	0.3	0.3	0.3	5.4%	–
Communication	0.3	0.3	0.7	1.0	48.7%	–	1.0	1.1	1.2	6.2%	0.1%
Consultants: Business and advisory services	0.5	0.0	0.4	3.5	93.1%	0.1%	3.7	2.8	3.1	-4.5%	0.2%
Travel and subsistence	–	3.0	2.6	2.8	–	0.1%	3.0	3.1	3.2	4.4%	0.2%
Venues and facilities	–	0.5	0.0	0.8	–	–	0.9	0.9	0.9	2.2%	–
Transfers and subsidies¹	1 498.3	1 695.0	1 717.3	1 574.5	1.7%	97.3%	1 725.6	1 823.7	1 924.0	6.9%	97.0%
Departmental agencies and accounts	391.5	425.0	444.2	502.7	8.7%	26.5%	562.6	597.0	629.9	7.8%	31.6%
Higher education institutions	7.1	14.6	14.6	–	-100.0%	0.5%	–	–	–	–	–
Public corporations and private enterprises	1 064.6	1 199.0	1 207.4	1 071.8	0.2%	68.2%	1 163.0	1 226.6	1 294.1	6.5%	65.5%
Non-profit institutions	35.1	56.3	51.0	–	-100.0%	2.1%	–	–	–	–	–
Households	0.1	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Total	1 539.2	1 738.3	1 764.0	1 623.6	1.8%	100.0%	1 778.3	1 878.9	1 983.2	6.9%	100.0%
Proportion of total programme expenditure to vote expenditure	24.1%	23.4%	23.9%	21.5%	–	–	22.8%	22.8%	22.8%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	391.5	425.0	444.2	502.7	8.7%	26.5%	562.6	597.0	629.9	7.8%	31.6%
Various institutions: Economic competitiveness and support package: Local manufacturing capacity research and technical support	–	–	–	80.0	–	1.2%	80.0	80.0	84.4	1.8%	4.5%
Various institutions: Economic competitiveness and support package: Local systems of innovation for the cold chain technologies project	–	–	–	–	–	–	62.0	62.0	65.4	–	2.6%
Various institutions: Innovative research and development	16.7	13.8	6.9	41.8	35.9%	1.2%	39.9	44.2	46.7	3.7%	2.4%
Human Sciences Research Council	276.0	288.7	290.1	304.7	3.3%	17.4%	303.7	320.1	337.7	3.5%	17.4%
Various institutions: Local manufacturing capacity research and technical support	43.7	42.0	70.7	3.3	-57.7%	2.4%	25.9	28.7	30.3	109.1%	1.2%
Various institutions: Local systems of innovation for the cold chain technologies project	33.0	60.0	64.0	35.8	2.7%	2.9%	10.6	11.8	12.4	-29.7%	1.0%
Various institutions: Resource-based industries research and development	1.0	1.3	1.0	–	-100.0%	–	–	–	–	–	–
National Research Foundation: Research information management system	6.9	12.2	7.2	3.8	-18.0%	0.5%	4.0	8.4	8.9	33.1%	0.3%
Human Science Research Council: Develop and monitor science and technology indicators	9.7	5.4	–	9.4	-0.8%	0.4%	10.0	12.4	13.1	11.5%	0.6%
Various institutions: Environmental innovation	4.6	1.5	4.2	23.9	73.4%	0.5%	26.5	29.4	31.0	9.1%	1.5%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	825.7	820.2	872.0	915.6	3.5%	51.5%	963.2	1 014.9	1 070.7	5.4%	54.6%
Council for Scientific and Industrial Research	825.7	820.2	872.0	915.6	3.5%	51.5%	963.2	1 014.9	1 070.7	5.4%	54.6%
Higher education institutions											
Current	7.1	14.6	14.6	–	-100.0%	0.5%	–	–	–	–	–
Various institutions: Advanced manufacturing technology strategy implementation	2.3	2.9	0.3	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Innovative research and development	0.6	4.5	8.0	–	-100.0%	0.2%	–	–	–	–	–
Various institutions: Local manufacturing capacity research and technical support	0.7	2.4	2.0	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Local systems of innovation for the cold chain technologies project	2.4	3.5	4.3	–	-100.0%	0.2%	–	–	–	–	–
Various institutions: Resource-based industries research and development	1.0	1.3	–	–	-100.0%	–	–	–	–	–	–
Non-profit institutions											
Current	35.0	56.2	50.9	–	-100.0%	2.1%	–	–	–	–	–
Various institutions: Innovative research and development	19.6	8.1	8.9	–	-100.0%	0.6%	–	–	–	–	–
Various institutions: Local systems of innovation for the cold chain technologies project	13.4	36.4	30.3	–	-100.0%	1.2%	–	–	–	–	–
Various institutions: Resource-based industries research and development	1.2	1.7	1.7	–	-100.0%	0.1%	–	–	–	–	–
Various institutions: Environmental innovation	0.7	10.1	10.0	–	-100.0%	0.3%	–	–	–	–	–

Table 30.13 Socioeconomic Innovation Partnerships expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	238.9	336.5	335.4	156.2	-13.2%	16.0%	199.9	211.7	223.4	12.7%	10.9%
Various institutions: Advanced manufacturing technology strategy implementation	25.6	–	43.1	51.2	25.9%	1.8%	53.7	59.5	62.8	7.0%	3.1%
Council for Scientific and Industrial Research	24.2	26.1	21.8	32.0	9.7%	1.6%	34.7	38.5	40.7	8.3%	2.0%
Various institutions: Innovative research and development	20.8	12.3	19.3	–	-100.0%	0.8%	–	–	–	–	–
Various institutions: Local manufacturing capacity research and technical support	68.0	143.1	141.9	–	-100.0%	5.3%	–	–	–	–	–
Council for Scientific and Industrial Research: Mining research and development	–	–	–	27.0	–	0.4%	63.0	60.0	63.3	32.8%	2.9%
Various institutions: Local systems of innovation for the cold chain technologies project	51.4	104.8	54.4	–	-100.0%	3.2%	–	–	–	–	–
Various institutions: Resource-based industries research and development	38.5	45.2	41.1	46.0	6.1%	2.6%	48.4	53.7	56.6	7.1%	2.8%
Various institutions: Environmental innovation	10.3	4.9	13.7	–	-100.0%	0.4%	–	–	–	–	–
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	–	42.2	–	–	–	0.6%	–	–	–	–	–
Various institutions: Advanced manufacturing technology strategy implementation	–	42.2	–	–	–	0.6%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Academy of Science of South Africa** links South Africa with scientific communities at the highest levels in the SADC region, the rest of Africa and internationally; promotes common ground in scientific thinking across all disciplines; encourages and promotes innovative and independent scientific thinking; promotes the development of intellectual capacity in all people; provides effective scientific, evidence-based advice; and facilitates appropriate action in the public interest. The academy's total budget for 2018/19 is R32.2 million.
- The **Council for Scientific and Industrial Research** fosters industrial and scientific research in the national interest through multidisciplinary research and technological innovation. The council's total budget for 2018/19 is R3.2 billion.
- The **Human Sciences Research Council** undertakes, promotes and coordinates research in the human and social sciences. The council's total budget for 2018/19 is R572 million.
- The **National Research Foundation** is an independent statutory agency that promotes and supports research. It also conducts research at, and provides access to, national research facilities. The foundation provides funding and services to the research community through higher education institutions with a view to generating knowledge and promoting high-level research capacity development. The foundation's total budget for 2018/19 is R4.1 billion.
- The **South African National Space Agency** was established in terms of the South African National Space Agency Act (2008) and came into existence in December 2010. The agency aims to be a key contributor to the South African earth observation strategy by providing space-based data platforms in collaboration with other entities that focus on in situ observation measurements such as the South African earth observation network. The agency's total budget for 2018/19 is R217 million.
- The **Technology Innovation Agency** draws its mandate from the Technology Innovation Agency Act (2008) and came into operation in April 2010. The agency was established as an intervention to improve research

and development from higher education institutions, scientific councils, public entities, private companies and commercialisation, thereby increasing technological innovation in the economy. The agency's total budget for 2018/19 is R536.6 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16		2016/17	2018/19	2019/20
R million									
Infrastructure transfers to other spheres, agencies and departments									
Mega projects (total project of at least R1 billion over the project life cycle)									
Square Kilometre Array	Construction of telescopes	Construction	1 649.2	645.2	–	652.8	709.4	769.8	812.1
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)									
Space infrastructure	Construction of satellite	Construction	290.8	40.0	31.4	–	–	9.2	–
Hydrogen strategy	Purchase of equipment	Various	440.7	60.8	63.6	–	71.0	74.9	77.7
National nanotechnology centres	Equipping of centres	Various	310.0	34.7	50.4	–	67.2	70.9	74.5
Cyber infrastructure	Creation of broadband network connectivity and high performance computing	Various	833.2	204.0	213.5	–	236.3	251.7	260.8
Total			3 523.8	984.7	358.9	652.8	1 083.9	1 176.6	1 225.1

Vote 31

Small Business Development

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	124.7	119.1	–	5.6	134.4	143.2
Sector Policy and Research	22.4	22.4	–	0.1	23.5	25.0
Integrated Cooperative Development	111.0	27.7	83.3	0.0	117.7	124.7
Enterprise Development and Entrepreneurship	1 230.3	51.9	1 178.3	0.1	2 298.7	2 426.5
Total expenditure estimates	1 488.5	221.1	1 261.6	5.8	2 574.5	2 719.5
Executive authority	Minister of Small Business Development					
Accounting officer	Director General of Small Business Development					
Website address	www.dsbd.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Promote the development of small businesses and cooperatives that contribute to inclusive economic growth and job creation.

Mandate

The department is tasked with the responsibility of leading an integrated approach to the promotion and development of small businesses and cooperatives through a focus on the economic and legislative drivers that stimulate entrepreneurship to contribute to radical socioeconomic transformation. The realisation of this mandate will lead to increased employment, poverty reduction and reduced inequality.

The department's mandate is guided by a legislative framework that includes:

- the National Small Business Act (1996)
- the National Small Business Amendment Act (2004)
- the Small Business Development Act (1981)
- the Cooperatives Act (2005)
- the Cooperatives Amendment Act (2013).

Selected performance indicators

Table 31.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of cluster cooperatives financially assisted through the cooperative incentive scheme per year	Integrated Cooperative Development	Outcome 4: Decent employment through inclusive growth	431	350	370	270	122 ¹	77 ¹	33 ¹
Number of cluster cooperatives supported through training per year	Integrated Cooperative Development		– ²	350	370	270	122 ¹	77 ¹	33 ¹

Table 31.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of black-owned small, medium and micro enterprises financially assisted through the black business supplier development programme per year	Enterprise Development and Entrepreneurship	Outcome 7: Comprehensive rural development and land reform	1 872	480 ³	600	641	677	715	800
Number of informal business infrastructure funded through the shared economic infrastructure facility per year	Enterprise Development and Entrepreneurship		-2	-2	-2	6	6	10	15
Number of informal enterprises financially assisted through national informal business upliftment scheme per year	Enterprise Development and Entrepreneurship		-2	-2	1 666	1 696	1 000	1 500	2 000
Number of incubators established through enterprise incubation programme per year	Enterprise Development and Entrepreneurship	Outcome 5: A skilled and capable workforce to support an inclusive growth path	-2	-2	1	4	11 ⁴	12	15

1. Target reduced due to change in implementation model. The new model will support cluster cooperatives instead of individual cooperatives.

2. No historical data available.

3. Target reduced to align with available funds.

4. Target increased due to revised programme guideline, which reduced funding per applicant from maximum of R10 million to R4 million.

Expenditure analysis

The National Development Plan identifies the role of small, medium and micro enterprises (SMMEs) and cooperatives in contributing to broad-based socioeconomic development. The plan also articulates the benefits of increased support for incubation, incentive schemes, lower costs of doing business, and minimal regulatory burdens for small enterprises. Outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework supports this vision and is directly aligned with the work of the Department of Small Business Development, which broadly involves creating a conducive environment for small enterprises and cooperatives to thrive. As such, over the medium term, the department intends to focus on: increasing support to small enterprises; developing and supporting cooperatives; and developing, evaluating and reviewing strategies and legislation pertaining to small enterprises and cooperatives.

The department's total expenditure over the MTEF period, including transfers to the Small Enterprise Development Agency, is expected to increase at an average annual rate of 22.6 per cent, from R1.5 billion in 2017/18 to R2.7 billion in 2020/21. This increase is mainly due to a Cabinet approved additional allocation of R2.1 billion over the term for the proposed small enterprise development fund, which is expected to commence in 2019/20. However, Cabinet has approved baseline reductions of R131.1 million to the department's budget over the MTEF period, which will be effected on transfers to the agency (R123 million) and the *Administration* programme (R8.1 million). To mitigate the impact of the reductions, the department and the agency will implement strict cost containment measures on areas that have minimal effect on service delivery.

Increasing support to small enterprises

The Small Enterprise Development Agency is mandated to implement government's small business strategy. The agency's activities are funded through transfers from the department in the *Enterprise Development and Entrepreneurship* programme, which amount to R2.4 billion (36 per cent the department's total budget) over the MTEF period.

In addition to the activities carried out by the agency, the department executes certain support programmes directly. The department has undertaken to launch a small enterprise development fund in 2019/20, which aims to: improve access to finance for enterprises in the early stages of formation, reduce the cost of finance, increase the risk appetite of start-ups, increase funding for SMMEs to scale up, increase the number of small enterprises served, and improve the survival rates of small enterprises. The average annual increase of 25.4 per cent over the MTEF period in allocations to the *Enterprise Development and Entrepreneurship*

programme is due to additional funding of R2.1 billion over the same period approved by Cabinet to operationalise the fund.

The department plans to continue to support black-owned small enterprises through the black business supplier development programme, which offers a cost sharing grant to small enterprises to acquire tools, machinery, equipment and business development training to a maximum of R1 million per applicant. An estimated 2 192 small enterprises are expected to benefit from the programme between 2018/19 and 2020/21 through an allocation of R858.9 million in the *Enterprise Development and Entrepreneurship* programme.

Developing and supporting cooperatives

The department will continue providing financial support to cluster cooperatives through the cooperatives incentive scheme, which provides a maximum of R11 million per applicant for primary cooperatives and R10 million per applicant for secondary cooperatives. The scheme intends to improve the viability and competitiveness of an estimated 232 cluster cooperatives over the MTEF period through the provision of working capital to lower the cost of doing business. Allocations to the scheme are set to increase at an average annual rate of 5.6 per cent, from R78.8 million in 2017/18 to R92.8 million in 2020/21, in the *Cooperatives Programme Design and Support* subprogramme in the *Integrated Cooperative Development* programme.

The department plans to host the annual International Cooperatives Day during the second quarter of each financial year over the medium term. The event will bring together cooperatives from all provinces and the Southern African Development Community to contribute to discussions and share latest methodologies to build the cooperatives movement. These events will provide such organisations with a platform through which they can access procurement and market opportunities in the public and private sectors. The event is budgeted for in the *Cooperative Programme Design and Support* subprogramme in the *Integrated Cooperatives Development* programme.

Developing, evaluating and reviewing strategies and legislation for small enterprises and cooperatives

Over the medium term, the department plans to undertake various activities to align the legislative, policy and regulatory framework with the environment in which small enterprises and cooperatives operate. The department began reviewing the National Small Business Act (1996) in 2016/17 and the Cooperatives Amendment Act (2013) in 2017/18. In reviewing the National Small Business Act (1996), the department plans to develop an appropriate and standardised definition of small businesses. This definition will be contained in the National Small Business Amendment Bill, which is expected to be completed in 2018/19.

Over the MTEF period, the department intends to review the integrated strategy on the promotion of entrepreneurship and small enterprises to make the strategy responsive to current economic conditions and business cycles. The strategy aims to ensure that the task of developing entrepreneurship and promoting small enterprises, as contained in various government policies and strategies, is carried out adequately and effectively, and in an integrated way. Further, the strategy seeks to ensure that support and delivery mechanisms exist across the entire entrepreneurship continuum, from pre-start-up to start-up, business survival, growth and expansion, and business rescue.

The department also intends to continue undertaking research to assist its understanding of the enterprise development environment and challenges faced by small businesses. This research will focus on examining the impediments to doing business in South Africa, and will assist the department and its stakeholders in developing responsive strategies. In turn, these strategies are expected to guide government towards initiating appropriate programmes to establish sustainable and competitive small businesses.

To carry out these and other related activities, the department has provided R71 million over the medium term in the *Sector Policy and Research* programme.

Expenditure trends

Table 31.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Sector Policy and Research														
3. Integrated Cooperative Development														
4. Enterprise Development and Entrepreneurship														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	45.0	45.0	22.4	64.0	81.4	66.4	118.1	114.0	98.9	127.6	121.6	121.6	87.2%	85.5%
Programme 2	11.7	11.7	11.7	12.2	12.2	11.7	26.1	25.8	13.8	22.0	18.0	18.1	76.8%	81.7%
Programme 3	88.8	88.8	88.8	88.4	92.1	89.7	112.0	109.2	92.6	106.8	106.8	106.7	95.4%	95.2%
Programme 4	939.0	939.0	1 002.6	938.5	941.8	931.0	1 069.3	1 069.5	991.7	1 193.4	1 229.3	1 229.2	100.3%	99.4%
Total	1 084.6	1 084.6	1 125.5	1 103.2	1 127.5	1 098.9	1 325.4	1 318.4	1 197.0	1 449.8	1 475.7	1 475.6	98.7%	97.8%
Change to 2017 Budget estimate											25.9			
Economic classification														
Current payments	130.7	130.7	100.9	166.2	166.5	137.5	215.5	208.5	178.7	217.0	204.0	203.9	85.1%	87.5%
Compensation of employees	84.0	84.0	73.8	109.7	111.5	93.1	136.7	129.7	114.0	137.5	132.5	132.4	88.4%	90.3%
Goods and services	46.8	46.8	27.1	56.5	55.0	44.3	78.8	78.8	64.6	79.5	71.5	71.5	79.4%	82.4%
Transfers and subsidies	949.2	949.2	1 023.0	935.8	958.4	958.2	1 105.8	1 105.8	1 015.4	1 230.3	1 266.1	1 266.1	101.0%	99.6%
Departmental agencies and accounts	624.7	624.7	644.4	610.4	610.4	622.8	633.8	633.8	652.9	735.7	767.3	767.3	-	-
Higher education institutions	-	-	-	-	12.5	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	308.2	308.2	362.3	308.8	318.8	318.6	472.0	472.0	362.3	494.6	498.8	498.8	97.4%	96.5%
Non-profit institutions	16.3	16.3	16.3	16.7	16.7	16.7	-	-	0.1	-	-	-	100.3%	100.3%
Households	0.0	0.0	0.0	-	0.1	0.1	-	-	0.1	-	-	-	5 966.7%	284.1%
Payments for capital assets	4.7	4.7	1.6	1.1	2.6	3.2	4.2	4.2	3.0	2.6	5.6	5.6	106.0%	78.1%
Machinery and equipment	4.7	4.7	1.6	1.1	2.6	3.2	4.2	4.2	3.0	2.6	5.6	5.6	105.9%	78.0%
Total	1 084.6	1 084.6	1 125.5	1 103.2	1 127.5	1 098.9	1 325.4	1 318.4	1 197.0	1 449.8	1 475.7	1 475.6	98.7%	97.8%

Expenditure estimates

Table 31.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Sector Policy and Research									
3. Integrated Cooperative Development									
4. Enterprise Development and Entrepreneurship									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Programme 1	121.6	39.3%	6.3%	124.7	134.4	143.2	5.6%	6.3%	
Programme 2	18.1	15.6%	1.1%	22.4	23.5	25.0	11.4%	1.1%	
Programme 3	106.7	6.3%	7.7%	111.0	117.7	124.7	5.3%	5.6%	
Programme 4	1 229.2	9.4%	84.8%	1 230.3	2 298.7	2 426.5	25.4%	87.0%	
Total	1 475.6	10.8%	100.0%	1 488.5	2 574.5	2 719.5	22.6%	100.0%	
Change to 2017 Budget estimate				(41.4)	956.2	1 009.1			
Economic classification									
Current payments	203.9	16.0%	12.7%	221.1	236.2	252.3	7.4%	11.1%	
Compensation of employees	132.4	16.4%	8.4%	140.8	151.8	163.3	7.2%	7.1%	
Goods and services	71.5	15.2%	4.2%	80.3	84.4	89.0	7.6%	3.9%	
Transfers and subsidies	1 266.1	10.1%	87.0%	1 266.6	2 332.2	2 460.9	24.8%	88.7%	
Departmental agencies and accounts	767.3	7.1%	54.9%	769.5	815.9	854.2	3.6%	38.8%	
Public corporations and private enterprises	498.8	17.4%	31.5%	492.1	1 516.4	1 606.7	47.7%	49.8%	
Payments for capital assets	5.6	5.9%	0.3%	5.8	6.0	6.3	4.1%	0.3%	
Machinery and equipment	5.6	5.9%	0.3%	5.8	6.0	6.3	4.1%	0.3%	
Total	1 475.6	10.8%	100.0%	1 488.5	2 574.5	2 719.5	22.6%	100.0%	

Expenditure trends and estimates for significant spending items

Table 31.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Small Enterprise Development Agency	502 283	478 183	496 495	575 766	4.7%	41.9%	570 241	602 174	635 653	3.4%	28.9%
Black business supplier development programme	278 302	224 876	268 009	256 750	-2.7%	21.0%	270 953	286 126	301 863	5.5%	13.5%
Cooperatives incentive scheme	75 000	74 998	63 879	78 750	1.6%	6.0%	83 318	87 984	92 823	5.6%	4.2%
National informal business upliftment scheme	–	–	–	77 806	–	1.6%	73 138	73 914	84 904	3.0%	3.8%
Enterprise incubation programme	–	–	20 400	75 539	–	2.0%	54 737	57 802	60 981	-6.9%	3.0%
Total	855 585	778 057	848 783	1 064 611	3.6%	72.5%	1 052 387	1 108 000	1 176 224	10.6%	53.4%

Goods and services expenditure trends and estimates

Table 31.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total Vote (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total Vote (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	152	509	916	1 135	95.5%	1.3%	1 266	1 281	1 353	6.0%	1.5%
Advertising	737	1 946	2 072	2 365	47.5%	3.4%	1 990	2 055	2 166	-2.9%	2.6%
Minor assets	23	40	279	258	123.9%	0.3%	335	91	96	-28.1%	0.2%
Audit costs: External	–	1 072	3 189	3 375	–	3.7%	3 200	3 413	3 600	2.2%	4.2%
Bursaries: Employees	–	7	172	350	–	0.3%	313	324	339	-1.1%	0.4%
Catering: Departmental activities	679	955	1 971	1 586	32.7%	2.5%	1 540	1 620	1 711	2.6%	2.0%
Communication	892	1 481	1 183	772	-4.7%	2.1%	765	799	849	3.2%	1.0%
Computer services	–	3 897	2 949	6 426	–	6.4%	8 580	9 036	9 533	14.1%	10.3%
Consultants: Business and advisory services	1 460	745	5 913	6 706	66.2%	7.1%	14 130	13 294	14 088	28.1%	14.8%
Legal services	(315)	–	–	131	-174.6%	-0.1%	300	609	664	71.8%	0.5%
Science and technological services	–	–	142	–	–	0.1%	–	–	–	–	–
Contractors	1 402	673	922	1 355	-1.1%	2.1%	1 170	1 161	1 225	-3.3%	1.5%
Agency and support/outsourced services	(2)	–	10	900	-866.3%	0.4%	680	717	757	-5.6%	0.9%
Entertainment	255	–	–	51	-41.5%	0.1%	51	28	30	-16.2%	–
Fleet services (including government motor transport)	166	277	1 025	488	43.3%	0.9%	816	891	1 015	27.6%	1.0%
Inventory: Clothing material and accessories	–	–	–	–	–	–	118	51	54	–	0.1%
Consumable supplies	58	354	175	1 010	159.2%	0.8%	475	346	365	-28.8%	0.7%
Consumables: Stationery, printing and office supplies	1 201	907	2 073	2 568	28.8%	3.3%	1 034	1 080	1 139	-23.7%	1.8%
Operating leases	667	6 839	16 384	15 990	188.3%	19.2%	17 578	20 123	21 025	9.6%	23.0%
Rental and hiring	–	4	62	30	–	–	–	–	–	-100.0%	–
Property payments	–	–	–	–	–	–	–	492	519	–	0.3%
Transport provided: Departmental activity	100	–	6 461	–	-100.0%	3.2%	–	–	–	–	–
Travel and subsistence	15 180	19 309	15 670	20 766	11.0%	34.2%	19 422	21 241	22 402	2.6%	25.8%
Training and development	1 250	3 738	838	1 500	6.3%	3.5%	1 153	56	59	-66.0%	0.9%
Operating payments	1 482	335	944	803	-18.5%	1.7%	717	778	806	0.1%	1.0%
Venues and facilities	1 743	1 233	1 288	2 953	19.2%	3.5%	4 624	4 937	5 208	20.8%	5.4%
Total	27 130	44 320	64 638	71 518	38.1%	100.0%	80 257	84 423	89 003	7.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 31.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	22	63	94	–	-100.0%	–	–	–	–	–	–
Employee social benefits	22	63	69	–	–	–	–	–	–	–	–
Households	–	–	25	–	–	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	644 398	622 835	652 914	767 301	6.0%	63.0%	769 452	815 861	854 167	3.6%	43.8%
Small Enterprise Development Agency	502 283	478 183	496 495	575 766	4.7%	48.2%	580 241	613 174	647 653	4.0%	33.0%
Small Enterprise Development Agency: Technology programme	126 368	132 181	139 187	146 146	5.0%	12.8%	144 622	152 281	160 261	3.1%	8.2%
Small Enterprise Development Agency: Capacity building programme	15 747	12 471	17 232	30 389	24.5%	1.8%	14 589	15 406	16 253	-18.8%	1.0%
Small Enterprise Development Agency: National Gazelles programme	–	–	–	15 000	–	0.4%	30 000	35 000	30 000	26.0%	1.5%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	353 302	299 872	352 288	488 845	11.4%	35.1%	482 146	1 505 826	1 595 571	48.3%	55.6%
Various institutions: Cooperatives incentive scheme	75 000	74 998	63 879	78 750	1.6%	6.9%	83 318	87 984	92 823	5.6%	4.7%
Various institutions: Black business supplier development programme	278 302	224 874	268 009	256 750	-2.7%	24.1%	270 953	286 126	301 863	5.5%	15.2%
Various institutions: National informal business upliftment scheme	–	–	–	77 806	–	1.8%	73 138	73 914	84 904	3.0%	4.2%
Various institutions: Enterprise incubation programme	–	–	20 400	75 539	–	2.3%	54 737	57 802	60 981	-6.9%	3.4%
Enterprise Development Fund	–	–	–	–	–	–	–	1 000 000	1 055 000	–	28.1%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	9 000	18 753	10 000	10 000	3.6%	1.1%	10 000	10 560	11 141	3.7%	0.6%
Gifts and donations	–	2	–	–	–	–	–	–	–	–	–
Industrial Development Corporation: Isivande Women's Fund	–	8 751	–	–	–	0.2%	–	–	–	–	–
Industrial Development Corporation: Craft customised sector programme	9 000	10 000	10 000	10 000	3.6%	0.9%	10 000	10 560	11 141	3.7%	0.6%
Non-profit institutions											
Current	16 320	16 726	100	–	-100.0%	0.8%	–	–	–	–	–
South African Women Entrepreneurs Network	16 320	16 726	–	–	-100.0%	0.8%	–	–	–	–	–
Primesters Marketing	–	–	100	–	–	–	–	–	–	–	–
Total	1 023 042	958 249	1 015 396	1 266 146	7.4%	100.0%	1 261 598	2 332 247	2 460 879	24.8%	100.0%

Personnel information

Table 31.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Sector Policy and Research																			
3. Integrated Cooperative Development																			
4. Enterprise Development and Entrepreneurship																			
	Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment									Number							
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate			Average growth rate (%)	Average: Salary level/Total (%)						
			2016/17	Unit	Cost	2017/18	Unit	Cost	2018/19	Unit	Cost			2019/20	Unit	Cost	2020/21	Unit	Cost
Small Business Development	199	29	228	114.0	0.5	233	132.4	0.6	229	140.8	0.6	229	151.8	0.7	229	163.3	0.7	-0.6%	100.0%
Salary level	199	29	228	114.0	0.5	233	132.4	0.6	229	140.8	0.6	229	151.8	0.7	229	163.3	0.7	-0.6%	100.0%
1 – 6	29	18	47	7.5	0.2	47	8.7	0.2	46	9.3	0.2	45	9.8	0.2	45	10.6	0.2	-1.4%	19.9%
7 – 10	82	8	90	25.9	0.3	90	29.6	0.3	87	30.3	0.3	87	32.4	0.4	87	35.0	0.4	-1.1%	38.2%
11 – 12	44	1	45	30.5	0.7	50	39.2	0.8	50	42.0	0.8	51	46.2	0.9	51	49.8	1.0	0.7%	22.0%
13 – 16	44	2	46	50.1	1.1	46	54.9	1.2	46	59.3	1.3	46	63.4	1.4	46	67.8	1.5	–	20.0%
Programme	199	29	228	114.0	0.5	233	132.4	0.6	229	140.8	0.6	229	151.8	0.7	229	163.3	0.7	-0.6%	100.0%
Programme 1	92	10	102	52.2	0.5	108	65.1	0.6	105	67.6	0.6	105	72.7	0.7	105	78.3	0.7	-0.9%	46.0%
Programme 2	17	2	19	10.3	0.5	18	10.9	0.6	16	10.8	0.7	14	10.8	0.8	14	11.6	0.8	-8.0%	6.7%
Programme 3	41	1	42	23.6	0.6	40	22.5	0.6	36	19.8	0.5	37	21.5	0.6	37	23.2	0.6	-2.6%	16.3%
Programme 4	49	16	65	28.0	0.4	67	33.9	0.5	72	42.6	0.6	73	46.7	0.6	73	50.2	0.7	2.9%	31.0%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 31.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	–	121	88	210	210	–	100.0%	60	70	80	-27.5%	100.0%
Sales of goods and services produced by department	–	121	88	210	69	–	66.3%	60	70	80	5.1%	66.4%
Sales by market establishments	–	121	88	210	55	–	63.0%	60	70	80	13.3%	63.1%
of which:												
Rental: parking	–	121	88	210	55	–	63.0%	60	70	80	13.3%	63.1%
Administrative fees	–	–	–	–	1	–	0.2%	–	–	–	-100.0%	0.2%
of which:												
Parking	–	–	–	–	1	–	0.2%	–	–	–	-100.0%	0.2%
Other sales	–	–	–	–	13	–	3.1%	–	–	–	-100.0%	3.1%
of which:												
Commission on insurance and garnishes	–	–	–	–	13	–	3.1%	–	–	–	-100.0%	3.1%
Transactions in financial assets and liabilities	–	–	–	–	141	–	33.7%	–	–	–	-100.0%	33.6%
Total	–	121	88	210	210	–	100.0%	60	70	80	-27.5%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 31.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	22.4	29.9	29.7	33.1	13.9%	37.2%	29.2	30.7	32.9	-0.2%	24.0%
Departmental Management	–	15.2	14.5	19.3	–	15.9%	20.0	21.0	22.5	5.2%	15.8%
Corporate Services	–	21.3	33.5	47.0	–	32.9%	51.2	56.2	60.3	8.7%	41.0%
Financial Management	–	–	14.9	15.2	–	9.7%	17.5	19.3	19.9	9.4%	13.7%
Communications	–	–	6.3	7.1	–	4.3%	6.9	7.2	7.6	2.5%	5.5%
Total	22.4	66.4	98.9	121.6	75.8%	100.0%	124.7	134.4	143.2	5.6%	100.0%
Change to 2017				(0.1)			(0.4)	(3.5)	(2.9)		
Budget estimate											
Economic classification											
Current payments	21.3	63.5	96.0	116.1	76.1%	95.9%	119.1	128.7	137.1	5.7%	95.6%
Compensation of employees	11.4	34.6	52.2	65.1	78.7%	52.8%	67.6	72.7	78.3	6.3%	54.1%
Goods and services ¹	9.9	28.9	43.8	50.9	72.9%	43.1%	51.5	55.9	58.9	4.9%	41.5%
of which:											
Advertising	0.7	1.9	2.1	2.4	51.1%	2.3%	2.0	2.0	2.1	-3.3%	1.6%
Audit costs: External	–	1.1	3.2	3.4	–	2.5%	3.2	3.4	3.6	2.2%	2.6%
Computer services	–	3.9	2.9	6.4	–	4.3%	8.6	9.0	9.5	14.1%	6.4%
Consultants: Business and advisory services	0.0	0.7	1.3	1.5	398.7%	1.2%	1.5	1.6	1.7	4.9%	1.2%
Operating leases	0.2	6.8	16.0	16.0	366.0%	12.6%	17.6	20.1	21.0	9.6%	14.3%
Travel and subsistence	6.4	10.6	3.6	9.5	13.7%	9.7%	10.1	11.7	12.4	9.3%	8.3%
Payments for capital assets	1.1	3.0	2.9	5.6	70.9%	4.0%	5.6	5.8	6.1	3.0%	4.4%
Machinery and equipment	1.1	3.0	2.9	5.6	70.9%	4.0%	5.6	5.8	6.1	3.0%	4.4%
Total	22.4	66.4	98.9	121.6	75.8%	100.0%	124.7	134.4	143.2	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	2.0%	6.0%	8.3%	8.2%	–	–	8.4%	5.2%	5.3%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Sector Policy And Research

Programme purpose

Develop and review policies and legislation, conduct research, promote sound intergovernmental relations, and monitor and evaluate programmes to ensure the development and growth of sustainable small, medium and micro enterprises and cooperatives that contribute to the creation of employment and economic growth.

Objectives

- Create or promote an environment conducive for the establishment, development and growth of SMMEs and cooperatives on an ongoing basis by:
 - developing relevant legislative and policy frameworks, and enforcing their implementation
 - conducting comprehensive research on key areas of support for SMMEs and cooperatives
 - aligning and coordinating intergovernmental policy on SMMEs and cooperatives
 - negotiating and lobbying at regional and international SMME and cooperative forums
 - monitoring and reviewing programmes for SMMEs and cooperatives.

Subprogrammes

- *Research* provides knowledge management services to direct thought leadership in the sector, and guides evidence-based policy making and programme design.
- *Policy and Legislation* develops and reviews policies and legislation to create and promote sustainable growth for small businesses and cooperatives, and advances coordination and cooperation among the different spheres of government.
- *International Relations* promotes sector interests in the global marketplace through negotiations and lobbying at different regional and international forums, and the development of strategies and position papers.
- *Monitoring and Evaluation* provides monitoring and evaluation services to gauge performance and identify factors that improve service delivery outcomes.

Expenditure trends and estimates

Table 31.10 Sector Policy and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Research	11.7	11.7	13.6	7.2	-14.8%	80.1%	7.5	7.6	8.5	5.5%	34.7%
Policy and Legislation	–	–	–	–	–	–	4.9	4.9	4.9	–	16.6%
International Relations	–	–	–	4.1	–	7.4%	2.9	3.2	3.3	-6.8%	15.2%
Monitoring and Evaluation	–	–	0.2	6.7	–	12.4%	7.2	7.8	8.3	7.5%	33.6%
Total	11.7	11.7	13.8	18.0	15.4%	100.0%	22.4	23.5	25.0	11.6%	100.0%
Change to 2017 Budget estimate				(0.0)			(0.3)	0.1	–		
Economic classification											
Current payments	11.6	11.7	13.8	18.0	15.6%	99.8%	22.4	23.5	25.0	11.5%	99.8%
Compensation of employees	9.8	9.9	10.3	10.8	3.3%	73.7%	10.8	10.8	11.6	2.5%	49.5%
Goods and services ¹	1.9	1.8	3.6	7.2	57.1%	26.0%	11.6	12.7	13.3	22.9%	50.3%
of which:											
Administrative fees	0.0	–	0.1	0.1	23.3%	0.3%	0.1	0.1	0.1	15.7%	0.4%
Catering: Departmental activities	0.0	0.0	0.2	0.1	59.9%	0.6%	0.1	0.1	0.1	17.5%	0.6%
Consultants: Business and advisory services	–	–	1.7	3.2	–	8.8%	7.1	7.8	8.2	37.3%	29.6%
Consumables: Stationery, printing and office supplies	0.5	0.2	0.1	0.1	-40.0%	1.6%	0.1	0.1	0.1	11.9%	0.5%
Travel and subsistence	1.2	1.2	1.1	3.5	43.5%	12.5%	3.1	3.2	3.4	-0.9%	14.7%
Venues and facilities	–	0.3	0.2	0.2	–	1.2%	1.1	1.3	1.3	98.3%	4.3%

Table 31.10 Sector Policy and Research expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Payments for capital assets	0.0	0.0	0.0	–	-100.0%	0.2%	0.1	0.1	0.1	–	0.2%
Machinery and equipment	0.0	0.0	0.0	–	-100.0%	0.2%	0.1	0.1	0.1	–	0.2%
Total	11.7	11.7	13.8	18.0	15.4%	100.0%	22.4	23.5	25.0	11.6%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	1.1%	1.2%	1.2%	–	–	1.5%	0.9%	0.9%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Integrated Cooperative Development

Programme purpose

Create and maintain a sound ecosystem that enhances the establishment, growth and sustainability of cooperatives that create jobs and contribute to economic growth.

Objectives

- Establish an environment that promotes the establishment, growth and sustainability of cooperatives on an ongoing basis by:
 - undertaking an integrated approach to the planning, monitoring and evaluation of the cooperatives sector to inform policy decision-making
 - overseeing and coordinating the design and implementation of targeted financial and non-financial support programmes for new and existing cooperatives
 - facilitating partnerships with the private sector, state-owned entities and the public sector to support cooperatives.

Subprogrammes

- *Cooperative Development* manages and facilitates the creation of new cooperatives and the growth of existing cooperatives in order to improve their competitiveness.
- *Cooperative Programme Design and Support* reviews existing programmes, and designs new programmes based on review outcomes and changes in economic conditions and the cooperatives development environment.
- *Supplier Development and Market Access Support* manages strategic partnerships with the private sector, state-owned entities and the public sector with the aim of developing cooperatives to become suppliers of goods and services, and facilitates their readiness to access market opportunities.

Expenditure trends and estimates

Table 31.11 Integrated Cooperative Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Cooperatives Development	3.4	3.9	6.8	8.0	33.0%	5.9%	10.7	11.9	12.7	16.7%	9.4%
Cooperatives Programme Design and Support	85.4	85.8	76.1	90.5	2.0%	89.4%	94.4	99.7	105.4	5.2%	84.8%
Supplier Development and Market Access Support	–	–	9.6	8.3	–	4.7%	5.9	6.2	6.6	-7.4%	5.8%
Total	88.8	89.7	92.6	106.8	6.3%	100.0%	111.0	117.7	124.7	5.3%	100.0%
Change to 2017 Budget estimate				0.1			(0.8)	0.2	–		

Table 31.12 Integrated Cooperative Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
Current payments	13.8	14.7	28.7	28.0	26.6%	22.6%	27.7	29.7	31.8	4.3%	25.5%
Compensation of employees	11.6	13.4	23.6	22.5	24.6%	18.8%	19.8	21.5	23.2	0.9%	18.9%
Goods and services ¹	2.2	1.3	5.1	5.5	36.3%	3.7%	7.9	8.2	8.6	16.2%	6.6%
<i>of which:</i>											
Administrative fees	–	–	0.1	0.2	–	0.1%	0.1	0.1	0.2	-3.1%	0.1%
Catering: Departmental activities	0.0	0.0	0.3	0.2	170.4%	0.1%	0.2	0.2	0.2	9.2%	0.2%
Consultants: Business and advisory services	–	–	–	0.0	–	–	2.2	2.3	2.4	300.9%	1.5%
Contractors	–	–	–	0.0	–	–	0.4	0.4	0.4	327.3%	0.2%
Travel and subsistence	1.8	1.2	3.7	3.0	20.1%	2.5%	1.8	1.8	1.9	-14.2%	1.9%
Venues and facilities	0.1	–	0.1	1.9	188.8%	0.5%	3.1	3.2	3.4	22.1%	2.5%
Transfers and subsidies¹	75.0	75.0	63.9	78.8	1.6%	77.4%	83.3	88.0	92.8	5.6%	74.5%
Public corporations and private enterprises	75.0	75.0	63.9	78.8	1.6%	77.4%	83.3	88.0	92.8	5.6%	74.5%
Total	88.8	89.7	92.6	106.8	6.3%	100.0%	111.0	117.7	124.7	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	7.9%	8.2%	7.7%	7.2%	–	–	7.5%	4.6%	4.6%	–	–
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	75.0	75.0	63.9	78.8	1.6%	77.4%	83.3	88.0	92.8	5.6%	74.5%
Various institutions: Cooperatives incentive scheme	75.0	75.0	63.9	78.8	1.6%	77.4%	83.3	88.0	92.8	5.6%	74.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Enterprise Development and Entrepreneurship

Programme purpose

Create an enabling ecosystem that enhances entrepreneurship and the establishment, growth and sustainability of small, medium and micro enterprises.

Objectives

- Create an environment that promotes the establishment, growth and sustainability of SMMEs by:
 - undertaking an integrated approach to the planning, monitoring and evaluation of the SMME development sector to inform policy decision-making on an ongoing basis
 - overseeing and coordinating the design and implementation of targeted financial and non-financial support programmes to support new and existing SMMEs on an ongoing basis
 - coordinating and facilitating sustainable partnerships with the private sector, state-owned entities and the public sector to support SMME development on an ongoing basis
 - implementing institutional governance systems and overseeing entities under the department's portfolio on an ongoing basis.

Subprogrammes

- *Enterprise and Supplier Development* manages and facilitates the establishment of new and productive enterprises, and the sustainability and growth of existing enterprises.
- *SMME Programme Design and Support* reviews existing programmes, and designs new programmes based on review outcomes and changes in economic conditions and the SMME development environment.
- *SMME Competitiveness* manages and facilitates strategic partnerships that seek to enhance the work of the department in the provision of market access for SMMEs in the supply value chains of corporations, state-owned enterprises and government departments. The subprogramme also works with municipalities to improve local economic development.
- *Entrepreneurship* provides leadership and oversight on the conceptualisation, design and implementation

of the entrepreneurship development framework, and instruments and programmes in support of enterprise development.

Expenditure trends and estimates

Table 31.13 Enterprise Development and Entrepreneurship expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Enterprise and Supplier Development	681.2	652.8	675.9	794.2	5.2%	67.5%	787.1	836.0	875.4	3.3%	45.8%
SMMEs Programme Design and Support	288.7	235.6	282.5	268.5	-2.4%	25.9%	291.0	1 307.3	1 379.6	72.5%	45.2%
SMME Competitiveness	32.7	42.6	12.8	91.0	40.7%	4.3%	89.4	91.1	103.5	4.4%	5.2%
Entrepreneurship	–	–	20.4	75.5	–	2.3%	62.8	64.3	68.0	-3.4%	3.8%
Total	1 002.6	931.0	991.7	1 229.3	7.0%	100.0%	1 230.3	2 298.7	2 426.5	25.4%	100.0%
Change to 2017 Budget estimate				25.9			(40.0)	959.4	1 012.0		
Economic classification											
Current payments	54.2	47.6	40.1	41.9	-8.2%	4.4%	51.9	54.3	58.4	11.7%	2.9%
Compensation of employees	40.9	35.3	28.0	34.0	-6.0%	3.3%	42.6	46.7	50.2	13.9%	2.4%
Goods and services ¹	13.2	12.3	12.2	7.9	-15.9%	1.1%	9.2	7.6	8.1	1.0%	0.5%
of which:											
Administrative fees	0.1	0.1	0.2	0.1	-7.2%	–	0.3	0.4	0.4	58.3%	–
Catering: Departmental activities	0.5	0.7	0.3	0.2	-24.8%	–	0.5	0.5	0.5	31.4%	–
Consultants: Business and advisory services	1.4	–	2.9	2.0	11.4%	0.2%	3.3	1.5	1.7	-5.5%	0.1%
Consumables: Stationery, printing and office supplies	0.5	0.0	0.2	0.2	-33.2%	–	0.3	0.3	0.3	30.0%	–
Travel and subsistence	5.8	6.3	7.3	4.8	-6.1%	0.6%	4.5	4.5	4.7	-0.4%	0.3%
Venues and facilities	1.1	0.8	0.8	0.5	-26.4%	0.1%	0.1	0.2	0.2	-29.3%	–
Transfers and subsidies¹	948.0	883.2	951.5	1 187.4	7.8%	95.6%	1 178.3	2 244.3	2 368.1	25.9%	97.1%
Departmental agencies and accounts	644.4	622.8	652.9	767.3	6.0%	64.7%	769.5	815.9	854.2	3.6%	44.6%
Public corporations and private enterprises	287.3	243.6	298.4	420.1	13.5%	30.1%	408.8	1 428.4	1 513.9	53.3%	52.5%
Non-profit institutions	16.3	16.7	0.1	–	-100.0%	0.8%	–	–	–	–	–
Households	–	0.0	0.1	–	–	–	–	–	–	–	–
Payments for capital assets	0.5	0.2	0.1	–	-100.0%	–	0.1	0.1	0.1	–	–
Machinery and equipment	0.5	0.2	0.1	–	-100.0%	–	0.1	0.1	0.1	–	–
Total	1 002.6	931.0	991.7	1 229.3	7.0%	100.0%	1 230.3	2 298.7	2 426.5	25.4%	100.0%
Proportion of total programme expenditure to vote expenditure	89.1%	84.7%	82.8%	83.3%	–	–	82.7%	89.3%	89.2%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	644.4	622.8	652.9	767.3	6.0%	64.7%	769.5	815.9	854.2	3.6%	44.6%
Small Enterprise Development Agency	502.3	478.2	496.5	575.8	4.7%	49.4%	580.2	613.2	647.7	4.0%	33.6%
Small Enterprise Development Agency: Technology programme	126.4	132.2	139.2	146.1	5.0%	13.1%	144.6	152.3	160.3	3.1%	8.4%
Small Enterprise Development Agency: Capacity building programme	15.7	12.5	17.2	30.4	24.5%	1.8%	14.6	15.4	16.3	-18.8%	1.1%
Small Enterprise Development Agency: National Gazelles programme	–	–	–	15.0	–	0.4%	30.0	35.0	30.0	26.0%	1.5%
Non-profit institutions	16.3	16.7	–	–	-100.0%	0.8%	–	–	–	–	–
South African Women Entrepreneurs Network	16.3	16.7	–	–	-100.0%	0.8%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	9.0	18.8	10.0	10.0	3.6%	1.1%	10.0	10.6	11.1	3.7%	0.6%
Industrial Development Corporation: Isivande Women's Fund	–	8.8	–	–	–	0.2%	–	–	–	–	–
Industrial Development Corporation: Craft customised sector programme	9.0	10.0	10.0	10.0	3.6%	0.9%	10.0	10.6	11.1	3.7%	0.6%
Private enterprises											
Other transfers to private enterprises											
Current	278.3	224.9	288.4	410.1	13.8%	28.9%	398.8	1 417.8	1 502.7	54.2%	51.9%
Various institutions: Black business supplier development programme	278.3	224.9	268.0	256.8	-2.7%	24.7%	271.0	286.1	301.9	5.5%	15.5%
Various institutions: National informal business upliftment scheme	–	–	–	77.8	–	1.9%	73.1	73.9	84.9	3.0%	4.3%
Various institutions: Enterprise incubation programme	–	–	20.4	75.5	–	2.3%	54.7	57.8	61.0	-6.9%	3.5%
Enterprise Development Fund	–	–	–	–	–	–	–	1 000.0	1 055.0	–	28.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity

Comprehensive coverage of the following entity is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Small Enterprise Development Agency** was established in 2004 in terms of the National Small Business Amendment Act (2004). It is mandated to implement government's small business strategy, design and implement a standard and common national delivery network for small enterprise development, and integrate government funded small enterprise support agencies across all tiers of government. The agency's total budget for 2018/19 is R774.5 million.

Vote 32

Telecommunications and Postal Services

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	218.3	206.5	0.0	11.8	243.7	261.6
International Affairs and Trade	52.0	23.2	28.5	0.4	58.4	56.4
Policy, Research and Capacity Development	86.0	85.6	–	0.3	89.2	96.1
ICT Enterprise Development and Public Entities Oversight	250.4	21.3	228.6	0.5	266.0	280.9
ICT Infrastructure Support	316.6	66.6	241.8	8.2	367.2	390.6
Total expenditure estimates	923.4	403.3	498.9	21.3	1 024.4	1 085.6

Executive authority: Minister of Telecommunications and Postal Services
 Accounting officer: Director General of Telecommunications and Postal Services
 Website address: www.dtps.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Develop ICT policies and legislation that create favourable conditions for accelerated and shared sustainable economic growth that positively impacts on the wellbeing of all South Africans.

Mandate

The mandate of the Department of Telecommunications and Postal Services is to develop ICT policies that will contribute to an inclusive information society. The department has a responsibility to modernise the economy and economic infrastructure through: facilitating the rollout of ICT infrastructure, applications and services; enabling the rollout of postal and banking services; developing e-strategies to roll out e-government and e-sectoral services; promoting cybersecurity and the security of networks; and promoting universal service and electronic communications in underserved areas.

The department also sets guidelines for the determinations of its regulatory authority, the Independent Communications Authority of South Africa, and oversees and strengthens the capacity of state-owned companies within its portfolio.

The department derives its legislative mandate from the Electronic Communications Act (2005) and the Electronic Communications and Transactions Act (2002).

Selected performance indicators

Table 32.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of ICT position papers developed for international engagements per year	International Affairs and Trade	Outcome 6: An efficient, competitive and responsive economic infrastructure network	5	5	2	4	4	4	4
Number of identified government institutions connected as part of the national broadband plan: digital development (phase 1) per year	ICT Infrastructure Support		–1	–1	–1	100	0 ²	750 ²	45 ²
Number of identified connected government institutions maintained as part of the national broadband plan: digital development (phase 1) per year	ICT Infrastructure Support		–3	–3	–3	–3	–3	–3	750

1. No historical data available.
2. No new rollouts anticipated in 2018/19, and fewer rollouts in 2019/20 and 2020/21 due to reductions to the budget.
3. No historical data available as maintenance is scheduled to begin only in 2020/21.

Expenditure analysis

Chapter 4 of the National Development Plan (NDP) recognises that ICT is a key enabler of inclusive economic growth that is critical to addressing inequality in South Africa. Outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework gives expression to this aspect of the NDP's vision. The work of the Department of Telecommunications and Postal Services is closely aligned with this outcome. Over the medium term, the department will focus on implementing the recommendations of the 2016 White Paper on National Integrated ICT Policy; to create a state ICT infrastructure company and a state ICT services company, implementing the South Africa Connect broadband policy, and restructuring the organisation to better align with its mandate following the department's split from the Department of Communications in 2014/15.

The department's total budget is expected to decrease over the MTEF period, from R5.2 billion in 2017/18 to R1.1 billion in 2020/21. This is due to a once-off allocation of R3.7 billion in 2017/18 to the *ICT Enterprise Development and Public Entities Oversight* programme for the recapitalisation of the South African Post Office; and Cabinet approved budget reductions over the medium term of R1.7 billion to the South Africa Connect broadband project, and R764 million to the Universal Service and Access Fund for the broadcasting digital migration project.

2016 White Paper on National Integrated ICT Policy

Over the medium term, the department plans to continue with the phased implementation of the 2016 White Paper on National Integrated ICT Policy, which will entail changes to existing legislation and the development of new legislation. The department has identified that the Electronic Communications Act (2005) and the State Information Technology Agency Act (1998) require revision; and that ICT commission and tribunal, and ICT state infrastructure bills need to be developed to make provisions for the department's long-term strategic intent. To give effect to these activities, spending in the *Policy, Research and Capacity Development* programme is expected to amount to R271.2 million over the medium term, increasing at an average annual rate of 4 per cent.

The department plans to establish a state IT company and a state ICT infrastructure company by 2020, which will involve merging different functions of the State Information Technology Agency, Sentech and Broadband Infraco. The department has submitted proposals for the establishment of these companies to Cabinet for approval and plans to draft their proposed mandates in 2017/18. Draft legislation will be developed for these companies in 2018/19 for submission to Parliament in 2019/20. To fund these activities, allocations to the *ICT Enterprise Development and Public Entities Oversight* programme are expected to amount to R797.4 million over the medium term.

Implementing the South Africa Connect broadband policy

Following delays in the implementation of phase 1 of the South Africa Connect broadband project, the department's entities, the State Information Technology Agency and Broadband Infraco, are set to roll out broadband to an estimated 795 facilities over the medium term. The target for the rollout was revised downwards, in line with the Cabinet approved reductions. R557.6 million has been allocated to the *Broadband* subprogramme in the *ICT Infrastructure Support* programme to implement the project over the MTEF period.

Funds are set to be reprioritised to Sentech in 2018/19 for costs related to dual illumination, which entails running analogue and digital broadcast signals at the same time. The increase in this transfer was realised through a reduction of R143.9 million in the allocation to the South Africa Connect broadband project, and R60 million to Sentech's allocation for the migration of digital signals in the *ICT Infrastructure Support* programme.

Over the MTEF period, the department aims to develop a new organisational structure to ensure alignment with its mandate. Spending on compensation of employees accounts for a projected 11.5 per cent (R725.2 million) of the department's total budget over the medium term. The number of personnel in the department is expected to decrease to 270 over the same period.

Expenditure trends

Table 32.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. International Affairs and Trade														
3. Policy, Research and Capacity Development														
4. ICT Enterprise Development and Public Entities Oversight														
5. ICT Infrastructure Support														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	216.4	230.4	225.3	173.7	180.3	221.9	193.3	207.9	211.6	194.2	198.1	198.1	110.2%	104.9%
Programme 2	36.8	36.8	42.5	43.4	43.4	41.5	44.7	45.7	46.9	47.8	50.9	50.9	105.3%	102.9%
Programme 3	98.0	121.0	72.9	105.6	105.6	74.0	95.6	88.8	78.5	90.4	85.5	85.5	79.8%	77.5%
Programme 4	719.2	742.4	241.6	447.9	447.9	482.6	884.6	878.8	874.3	243.4	3 944.1	3 944.1	241.5%	92.2%
Programme 5	523.0	1 106.0	985.8	642.8	628.0	480.1	1 199.2	1 196.3	864.4	1 038.4	895.7	895.7	94.8%	84.3%
Total	1 593.4	2 236.7	1 568.1	1 413.3	1 405.3	1 300.1	2 417.4	2 417.4	2 075.7	1 614.2	5 174.4	5 174.4	143.8%	90.1%
Change to 2017 Budget estimate											3 560.2			
Economic classification														
Current payments	503.4	524.7	398.9	679.7	671.6	412.1	708.3	698.6	358.9	795.5	655.6	655.6	67.9%	71.6%
Compensation of employees	204.6	204.6	175.5	191.8	198.5	181.7	213.7	213.7	205.2	214.7	221.2	221.2	95.0%	93.5%
Goods and services	298.8	320.1	223.4	487.9	473.1	230.4	494.6	484.9	153.6	580.8	434.4	434.4	56.0%	60.8%
Transfers and subsidies	1 084.5	1 704.5	1 158.5	728.6	728.6	882.0	1 054.1	1 054.1	1 057.5	806.7	806.7	806.7	106.3%	90.9%
Departmental agencies and accounts	771.4	1 322.4	945.4	597.4	597.4	532.6	790.8	790.8	790.8	295.2	295.2	295.2	-	-
Foreign governments and international organisations	16.2	16.2	23.7	22.2	22.2	24.6	23.4	23.4	26.1	25.5	25.5	25.5	114.6%	114.6%
Public corporations and private enterprises	297.0	366.0	188.8	109.0	109.0	324.1	240.0	240.0	240.1	486.0	486.0	486.0	109.5%	103.2%
Non-profit institutions	-	-	0.1	-	-	-	-	-	0.0	-	-	-	-	-
Households	-	-	0.4	-	-	0.7	-	-	0.5	-	-	-	-	-
Payments for capital assets	5.5	7.5	10.3	5.1	5.1	5.5	5.0	14.6	9.3	12.0	12.0	12.0	135.0%	94.6%
Machinery and equipment	5.5	5.5	10.1	5.1	5.1	3.4	4.6	7.7	5.1	10.6	9.1	9.1	107.6%	101.2%
Software and other intangible assets	-	2.0	0.2	-	-	2.1	0.4	6.9	4.2	1.4	3.0	3.0	536.6%	79.4%
Payments for financial assets	-	-	0.4	-	-	0.4	650.0	650.0	650.0	-	3 700.0	3 700.0	669.4%	100.0%
Total	1 593.4	2 236.7	1 568.1	1 413.3	1 405.3	1 300.1	2 417.4	2 417.4	2 075.7	1 614.2	5 174.4	5 174.4	143.8%	90.1%

Expenditure estimates

Table 32.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. International Affairs and Trade								
3. Policy, Research and Capacity Development								
4. ICT Enterprise Development and Public Entities Oversight								
5. ICT Infrastructure Support								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21
Programme 1	198.1	-4.9%	8.5%	218.3	243.7	261.6	9.7%	11.2%
Programme 2	50.9	11.4%	1.8%	52.0	58.4	56.4	3.5%	2.7%
Programme 3	85.5	-10.9%	3.1%	86.0	89.2	96.1	4.0%	4.3%
Programme 4	3 944.1	74.5%	54.8%	250.4	266.0	280.9	-58.5%	57.8%
Programme 5	895.7	-6.8%	31.9%	316.6	367.2	390.6	-24.2%	24.0%
Total	5 174.4	32.3%	100.0%	923.4	1 024.4	1 085.6	-40.6%	100.0%
Change to 2017 Budget estimate				(804.1)	(804.4)	(848.6)		

Table 32.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average	Average:	Medium-term expenditure estimate			Average	Average:
		growth rate (%)	Expenditure/ Total (%)	2018/19	2019/20	2020/21	growth rate (%)	Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19 2019/20 2020/21			2017/18 - 2020/21	
Current payments	655.6	7.7%	18.0%	403.3	621.3	663.2	0.4%	28.6%
Compensation of employees	221.2	2.6%	7.7%	224.3	241.4	259.5	5.5%	11.5%
Goods and services	434.4	10.7%	10.3%	179.0	379.9	403.7	-2.4%	17.0%
Transfers and subsidies	806.7	-22.1%	38.6%	498.9	389.7	408.7	-20.3%	25.6%
Departmental agencies and accounts	295.2	-39.3%	25.3%	266.5	295.4	311.4	1.8%	14.2%
Foreign governments and international organisations	25.5	16.5%	1.0%	28.5	31.0	30.5	6.1%	1.4%
Public corporations and private enterprises	486.0	9.9%	12.2%	203.9	63.3	66.8	-48.4%	10.0%
Payments for capital assets	12.0	17.2%	0.4%	21.3	13.3	13.7	4.5%	0.7%
Machinery and equipment	9.1	18.3%	0.3%	10.1	8.4	8.5	-2.1%	0.4%
Software and other intangible assets	3.0	13.9%	0.1%	11.1	5.0	5.2	20.8%	0.3%
Payments for financial assets	3 700.0	-	43.0%	-	-	-	-100.0%	45.1%
Total	5 174.4	32.3%	100.0%	923.4	1 024.4	1 085.6	-40.6%	100.0%

Expenditure trends and estimates for significant spending items

Table 32.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Broadband	49 969	83 540	26 935	323 015	86.3%	4.8%	58 691	241 087	257 839	-7.2%	10.7%
Total	49 969	83 540	26 935	323 015	86.3%	4.8%	58 691	241 087	257 839	-7.2%	10.7%

Goods and services expenditure trends and estimates

Table 32.5 Vote Goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	1 492	1 627	1 445	1 346	-3.4%	0.6%	1 622	1 731	1 845	11.1%	0.5%
Advertising	1 468	3 198	3 312	2 368	17.3%	1.0%	3 702	3 508	3 938	18.5%	1.0%
Minor assets	266	479	114	1 269	68.3%	0.2%	1 448	1 936	2 066	17.6%	0.5%
Audit costs: External	14 591	28 067	6 499	3 857	-35.8%	5.1%	5 089	5 900	6 259	17.5%	1.5%
Bursaries: Employees	636	513	817	2 276	53.0%	0.4%	2 126	1 417	1 973	-4.7%	0.6%
Catering: Departmental activities	1 120	1 969	1 794	1 726	15.5%	0.6%	2 299	2 253	2 714	16.3%	0.6%
Communication	5 190	5 182	5 714	5 566	2.4%	2.1%	7 229	7 873	8 004	12.9%	2.1%
Computer services	9 466	5 117	5 726	11 287	6.0%	3.0%	7 176	10 800	11 660	1.1%	2.9%
Consultants: Business and advisory services	49 055	75 146	8 872	301 404	83.2%	41.7%	19 516	204 301	219 221	-10.1%	53.3%
Legal services	8 603	6 155	7 454	4 100	-21.9%	2.5%	5 000	6 655	7 104	20.1%	1.6%
Contractors	2 336	2 060	2 803	3 264	11.8%	1.0%	6 050	7 004	6 372	25.0%	1.6%
Agency and support/outsourced services	23 233	144	24	2 337	-53.5%	2.5%	6 802	6 295	6 582	41.2%	1.6%
Entertainment	297	494	23	326	3.2%	0.1%	269	290	304	-2.3%	0.1%
Fleet services (including government motor transport)	1 471	999	1 194	661	-23.4%	0.4%	1 550	871	908	11.2%	0.3%
Inventory: Clothing material and accessories	119	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	5	-	-	21	61.3%	-	-	-	-	-100.0%	-
Inventory: Materials and supplies	10	12	20	27	39.2%	-	30	27	29	2.4%	-
Inventory: Other supplies	-	-	-	23	-	-	-	1	1	-64.8%	-
Consumable supplies	136	208	225	204	14.5%	0.1%	424	480	524	37.0%	0.1%
Consumables: Stationery, printing and office supplies	5 534	5 186	6 197	6 603	6.1%	2.3%	6 159	7 216	7 740	5.4%	2.0%
Operating leases	46 395	43 180	41 922	29 852	-13.7%	15.5%	39 770	43 260	46 806	16.2%	11.4%
Rental and hiring	740	1 364	489	655	-4.0%	0.3%	1 340	1 416	1 562	33.6%	0.4%
Property payments	11 703	10 152	12 064	13 733	5.5%	4.6%	10 320	14 875	15 656	4.5%	3.9%
Transport provided: Departmental activity	-	-	-	140	-	-	-	-	-	-100.0%	-
Travel and subsistence	27 910	33 140	31 547	23 692	-5.3%	11.2%	33 696	36 037	34 863	13.7%	9.2%
Training and development	6 840	2 433	9 955	9 261	10.6%	2.7%	8 961	7 470	8 610	-2.4%	2.5%
Operating payments	2 399	1 325	912	995	-25.4%	0.5%	3 242	3 958	4 423	64.4%	0.9%
Venues and facilities	2 402	2 277	4 483	7 448	45.8%	1.6%	5 136	4 357	4 504	-15.4%	1.5%
Total	223 417	230 427	153 605	434 441	24.8%	100.0%	178 956	379 931	403 668	-2.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 32.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21		
Households												
Social benefits												
Current	–	438	318	–	–	–	–	–	–	–	–	–
Households	–	438	318	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	945 422	532 574	790 789	295 181	-32.2%	65.7%	266 496	295 420	311 418	1.8%	55.5%	
Information Systems, Electronics and Telecommunication Technologies	1 199	–	–	–	-100.0%	–	–	–	–	–	–	–
Education and Training Authority	–	4	4	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	37 859	36 601	77 200	85 785	31.3%	6.1%	90 761	95 844	101 15	5.6%	17.8%	
National Electronic Media Institute of South Africa	65 376	262 429	69 045	75 684	5.0%	12.1%	80 074	84 558	89 209	5.6%	15.7%	
Universal Service and Access Agency of South Africa	49 988	52 380	55 156	54 614	3.0%	5.4%	57 781	61 017	64 373	5.6%	11.3%	
Universal Service and Access Fund: Broadcasting digital migration	791 000	181 160	589 384	79 098	-53.6%	42.0%	37 880	54 001	56 721	-10.5%	10.8%	
Households												
Other transfers to households												
Current	421	291	158	–	-100.0%	–	–	–	–	–	–	–
Households	421	291	158	–	-100.0%	–	–	–	–	–	–	–
Public corporations and private enterprises												
Other transfers to private enterprises												
Current	13	–	5	–	-100.0%	–	–	–	–	–	–	–
Public corporations and private enterprises	13	–	5	–	-100.0%	–	–	–	–	–	–	–
Public corporations and private enterprises												
Other transfers to public corporations												
Current	50 014	115 104	240 045	240 000	68.7%	16.5%	–	–	–	-100.0%	11.4%	
Public corporations and private enterprises	14	12	45	–	-100.0%	–	–	–	–	–	–	–
South African Post Office	50 000	115 092	–	–	-100.0%	4.2%	–	–	–	–	–	–
South African Post Office: Broadcasting digital migration	–	–	240 000	240 000	–	12.3%	–	–	–	-100.0%	11.4%	
Capital	138 807	209 000	–	246 000	21.0%	15.2%	203 900	63 300	66 782	-35.2%	27.6%	
Household	2	–	–	–	-100.0%	–	–	–	–	–	–	–
Sentech	69 805	–	–	–	-100.0%	1.8%	–	–	–	–	–	–
Sentech: Dual illumination costs relating to the digital migration project	69 000	209 000	–	193 000	40.9%	12.1%	203 900	–	–	-100.0%	18.9%	
Sentech: Migration of digital signals	–	–	–	53 000	–	1.4%	–	63 300	66 782	8.0%	8.7%	
Non-profit institutions												
Current	110	–	25	–	-100.0%	–	–	–	–	–	–	–
Non-profit institutions	110	–	25	–	-100.0%	–	–	–	–	–	–	–
Provinces and municipalities												
Municipal agencies and funds												
Current	9	–	–	–	-100.0%	–	15	17	19	–	–	
Provinces and municipalities	9	–	–	–	-100.0%	–	15	17	19	–	–	
Provinces and municipalities												
Provincial agencies and funds												
Current	–	13	17	–	–	–	–	–	–	–	–	–
Provinces and municipalities	–	13	17	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations												
Current	23 724	24 629	26 136	25 532	2.5%	2.6%	28 482	31 008	30 476	6.1%	5.5%	
Universal Postal Union	5 314	5 446	5 960	5 228	-0.5%	0.6%	6 311	6 841	6 258	6.2%	1.2%	
International Telecommunications Union	16 204	16 545	17 581	16 312	0.2%	1.7%	18 252	19 496	19 421	6.0%	3.5%	
African Telecommunications Union	927	940	1 044	1 091	5.6%	0.1%	1 047	1 219	1 286	5.6%	0.2%	
Pan-African Postal Union	861	1 071	1 033	1 003	5.2%	0.1%	1 061	1 120	1 182	5.6%	0.2%	
Organisation for Economic Cooperation and Development	–	185	166	482	–	–	200	603	569	5.7%	0.1%	
Commonwealth Telecommunications Organisation	418	442	352	416	-0.2%	–	440	529	491	5.7%	0.1%	
Dona Foundation	–	–	–	1 000	–	–	1 171	1 200	1 269	8.3%	0.2%	
Total	1 158 520	882 049	1 057 493	806 713	-11.4%	100.0%	498 893	389 745	408 695	-20.3%	100.0%	

Personnel information

Table 32.7 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)							
		2016/17		2017/18		2018/19		2019/20		2020/21			2017/18 - 2020/21						
		Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost	Number	Unit Cost cost	Number				Unit Cost cost					
Telecommunications and Postal Services																			
Salary level	303	17	308	205.2	0.7	308	221.2	0.7	271	224.3	0.8	270	241.4	0.9	270	259.5	1.0	-4.3%	100.0%
1 – 6	23	–	23	6.8	0.3	21	6.9	0.3	24	8.3	0.3	23	8.6	0.4	24	9.6	0.4	4.6%	8.2%
7 – 10	105	–	106	46.0	0.4	103	48.9	0.5	93	50.5	0.5	94	54.3	0.6	94	59.3	0.6	-3.0%	34.3%
11 – 12	68	–	64	45.2	0.7	66	49.3	0.7	58	53.4	0.9	56	56.5	1.0	56	60.2	1.1	-5.3%	21.1%
13 – 16	103	–	99	100.5	1.0	100	108.3	1.1	91	104.8	1.2	93	114.2	1.2	93	122.1	1.3	-2.4%	33.7%
Other	4	17	16	6.7	0.4	18	7.8	0.4	5	7.4	1.5	4	7.8	2.0	3	8.3	2.8	-45.0%	2.7%
Programme	303	17	308	205.2	0.7	308	221.2	0.7	271	224.3	0.8	270	241.4	0.9	270	259.5	1.0	-4.3%	100.0%
Programme 1	150	17	158	94.8	0.6	157	103.8	0.7	135	108.8	0.8	134	116.6	0.9	134	125.6	0.9	-5.1%	50.0%
Programme 2	20	–	18	12.7	0.7	20	16.2	0.8	18	13.7	0.8	19	16.1	0.8	19	17.3	0.9	-1.7%	6.8%
Programme 3	73	–	75	52.6	0.7	72	52.9	0.7	63	52.6	0.8	65	58.8	0.9	65	63.1	1.0	-3.4%	23.7%
Programme 4	25	–	25	19.8	0.8	25	22.1	0.9	17	16.0	0.9	16	16.4	1.0	16	17.5	1.1	-13.8%	6.6%
Programme 5	35	–	32	25.3	0.8	34	26.2	0.8	38	33.3	0.9	36	33.5	0.9	36	35.9	1.0	1.9%	12.9%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 32.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate		Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)	
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21			2017/18 - 2020/21
R thousand													
Departmental receipts	1 670 224	26 804 435	831 411	654 413	654 413	-26.8%	100.0%	600 379	600 391	600 404	-2.8%	100.0%	
Sales of goods and services produced by department	57	52	51	366	366	85.9%	–	52	53	55	-46.8%	–	
Sales by market establishments of which:	–	–	–	234	234	–	–	–	–	–	-100.0%	–	
Market establishment: Non-residential buildings	–	–	–	154	154	–	–	–	–	–	-100.0%	–	
List item	–	–	–	80	80	–	–	–	–	–	-100.0%	–	
Administrative fees of which:	6	5	4	1	1	-45.0%	–	5	5	6	81.7%	–	
Cryptography fees	6	5	4	1	1	-45.0%	–	5	5	6	81.7%	–	
Other sales of which:	51	47	47	131	131	37.0%	–	47	48	49	-27.9%	–	
Commission on insurance	51	47	47	131	131	37.0%	–	47	48	49	-27.9%	–	
Transfers received	728	–	–	244	244	-30.5%	–	–	–	–	-100.0%	–	
Interest, dividends and rent on land	1 667 734	1 335 925	831 077	653 263	653 263	-26.8%	15.0%	600 100	600 110	600 120	-2.8%	99.9%	
Interest	1 013	446	264	51 240	51 240	269.8%	0.2%	100	110	120	-86.7%	2.1%	
Dividends of which:	1 666 721	1 335 479	830 813	602 023	602 023	-28.8%	14.8%	600 000	600 000	600 000	-0.1%	97.8%	
Vodacom shares	1 666 721	828 216	–	–	–	-100.0%	8.3%	–	–	–	–	–	
Telkom shares	–	507 263	830 813	602 023	602 023	–	6.5%	600 000	600 000	600 000	-0.1%	97.8%	
Sales of capital assets	–	–	–	300	300	–	–	–	–	–	-100.0%	–	
Transactions in financial assets and liabilities	1 705	25 468	458	283	240	240	-48.0%	85.0%	227	228	229	-1.6%	–
Total	1 670 224	26 804 435	831 411	654 413	654 413	-26.8%	100.0%	600 379	600 391	600 404	-2.8%	100.0%	

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 32.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	4.1	4.2	4.2	4.0	-0.4%	1.9%	4.2	4.5	4.9	6.6%	1.9%
Departmental Management	65.8	73.3	52.1	38.9	-16.1%	26.8%	42.8	48.7	52.4	10.5%	19.8%
Internal Audit	5.7	5.2	3.9	7.5	9.5%	2.6%	7.2	8.0	8.4	3.9%	3.4%
Corporate Services	70.2	62.6	70.5	74.6	2.1%	32.4%	77.5	86.3	92.7	7.5%	35.9%
Financial Management	73.6	70.4	75.7	69.5	-1.9%	33.7%	77.5	85.9	92.3	9.9%	35.3%
Office Accommodation	6.0	6.1	5.2	3.6	-15.7%	2.4%	9.2	10.3	10.9	44.7%	3.7%
Total	225.3	221.9	211.6	198.1	-4.2%	100.0%	218.3	243.7	261.6	9.7%	100.0%
Change to 2017				3.9			8.1	17.1	15.0		
Budget estimate											
Economic classification											
Current payments	214.3	217.2	204.1	190.6	-3.8%	96.4%	206.5	232.4	249.8	9.4%	95.4%
Compensation of employees	85.4	86.2	94.8	103.8	6.7%	43.2%	108.8	116.6	125.6	6.6%	49.3%
Goods and services ¹	129.0	131.0	109.3	86.8	-12.4%	53.2%	97.8	115.9	124.2	12.7%	46.1%
of which:											
Audit costs: External	14.6	28.1	6.5	3.8	-36.1%	6.2%	5.1	5.9	6.2	17.7%	2.3%
Computer services	9.5	5.0	5.5	8.4	-3.9%	3.3%	5.3	9.0	9.8	5.2%	3.5%
Legal services	8.6	6.2	7.5	4.1	-21.9%	3.1%	5.0	6.7	7.1	20.1%	2.5%
Operating leases	45.4	42.4	41.0	28.7	-14.1%	18.4%	37.7	41.0	44.4	15.6%	16.5%
Property payments	11.7	10.1	11.7	12.6	2.5%	5.4%	10.3	14.8	15.6	7.5%	5.8%
Travel and subsistence	16.9	16.9	17.2	8.5	-20.3%	6.9%	10.7	15.0	16.4	24.3%	5.5%
Transfers and subsidies¹	1.7	0.3	0.3	-	-100.0%	0.3%	0.0	0.0	0.0	-	-
Provinces and municipalities	0.0	0.0	0.0	-	-100.0%	-	0.0	0.0	0.0	-	-
Departmental agencies and accounts	1.2	0.0	0.0	-	-100.0%	0.1%	-	-	-	-	-
Non-profit institutions	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Households	0.3	0.2	0.3	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	8.9	3.9	7.1	7.6	-5.3%	3.2%	11.8	11.2	11.7	15.7%	4.6%
Machinery and equipment	8.7	1.9	3.3	5.6	-13.8%	2.3%	7.3	6.4	6.7	6.4%	2.8%
Software and other intangible assets	0.2	2.1	3.8	2.0	114.2%	0.9%	4.5	4.8	5.0	35.9%	1.8%
Payments for financial assets	0.4	0.4	0.0	-	-100.0%	0.1%	-	-	-	-	-
Total	225.3	221.9	211.6	198.1	-4.2%	100.0%	218.3	243.7	261.6	9.7%	100.0%
Proportion of total programme expenditure to vote expenditure	14.4%	17.1%	10.2%	3.8%	-	-	23.6%	23.8%	24.1%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: International Affairs and Trade

Programme purpose

Ensure alignment between South Africa's foreign policy and international activities in the field of ICT.

Objectives

- Advance South Africa's ICT interests in regional and international forums to attain partnerships for economic growth and development by March 2019, by developing and advancing the country's positions on:
 - the fostering of partnerships with the Brazil-Russia-India-China-South Africa (BRICS) group of countries on the establishment of the Institute for Future Networks, which seeks to expand ICT infrastructure and the digital economy
 - the high cost of roaming in the Southern African Development Community (SADC), and the fourth industrial revolution
 - the Digital Economy and Developmental Agenda
 - the reformation of the postal sector.
- Host the BRICS ICT ministerial meeting by March 2019.
- Host the International Telecommunications Union Telecom World conference by March 2019.

Subprogrammes

- *International Affairs* coordinates the functions and responsibilities of the department to meet South Africa's international ICT obligations.
- *ICT Trade/Partnership* develops and advances the country's interests in international trade forums through participation in the World Trade Organisation's ICT-related initiatives, and other international trade agreements such as the South Africa-European Union trade agreement and bilateral agreements with counterpart countries.

Expenditure trends and estimates

Table 32.10 International Affairs and Trade expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
International Affairs	13.1	10.5	13.4	13.7	1.5%	27.9%	14.6	18.4	19.0	11.4%	30.2%
ICT Trade/Partnership	29.4	31.0	33.5	37.2	8.2%	72.1%	37.4	40.0	37.4	0.2%	69.8%
Total	42.5	41.5	46.9	50.9	6.2%	100.0%	52.0	58.4	56.4	3.5%	100.0%
Change to 2017 Budget estimate				3.1			(1.4)	0.1	(6.8)		
Economic classification											
Current payments	18.7	16.5	20.3	25.0	10.1%	44.3%	23.2	26.9	25.7	0.9%	46.3%
Compensation of employees	12.6	10.6	12.7	16.2	8.7%	28.6%	13.7	16.1	17.3	2.2%	29.0%
Goods and services ¹	6.2	5.9	7.5	8.9	13.0%	15.7%	9.4	10.8	8.4	-1.8%	17.2%
of which:											
Minor assets	0.0	0.1	0.0	0.1	67.4%	0.1%	0.2	0.3	0.3	70.4%	0.4%
Communication	0.4	0.3	0.3	0.5	6.2%	0.8%	0.7	0.9	0.7	10.5%	1.3%
Contractors	0.0	-	0.1	1.7	324.7%	1.0%	0.2	0.4	0.2	-52.3%	1.2%
Travel and subsistence	3.8	5.0	4.3	3.8	-0.1%	9.3%	5.1	5.2	3.1	-6.6%	7.9%
Operating payments	0.1	-	0.0	-	-100.0%	0.1%	1.8	1.9	2.0	-	2.6%
Venues and facilities	0.2	0.2	1.4	0.8	59.0%	1.5%	0.7	0.9	0.9	0.6%	1.5%
Transfers and subsidies¹	23.8	24.7	26.3	25.5	2.4%	55.1%	28.5	31.0	30.5	6.1%	53.0%
Foreign governments and international organisations	23.7	24.6	26.1	25.5	2.5%	55.0%	28.5	31.0	30.5	6.1%	53.0%
Households	0.0	0.0	0.1	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	-	0.4	0.4	0.4	-379.2%	0.6%	0.4	0.4	0.2	-13.1%	0.7%
Machinery and equipment	-	0.4	0.4	0.4	-379.2%	0.6%	0.4	0.4	0.2	-13.1%	0.7%
Total	42.5	41.5	46.9	50.9	6.2%	100.0%	52.0	58.4	56.4	3.5%	100.0%
Proportion of total programme expenditure to vote expenditure	2.7%	3.2%	2.3%	1.0%	-	-	5.6%	5.7%	5.2%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	23.7	24.6	26.1	25.5	2.5%	55.0%	28.5	31.0	30.5	6.1%	53.0%
Universal Postal Union	5.3	5.4	6.0	5.2	-0.5%	12.1%	6.3	6.8	6.3	6.2%	11.3%
International Telecommunications Union	16.2	16.5	17.6	16.3	0.2%	36.6%	18.3	19.5	19.4	6.0%	33.7%
African Telecommunications Union	0.9	0.9	1.0	1.1	5.6%	2.2%	1.0	1.2	1.3	5.6%	2.1%
Pan-African Postal Union	0.9	1.1	1.0	1.0	5.2%	2.2%	1.1	1.1	1.2	5.6%	2.0%
Organisation for Economic Cooperation and Development	-	0.2	0.2	0.5	-	0.5%	0.2	0.6	0.6	5.7%	0.9%
Commonwealth Telecommunications Organisation	0.4	0.4	0.4	0.4	-0.2%	0.9%	0.4	0.5	0.5	5.7%	0.9%
Dona Foundation	-	-	-	1.0	-	0.5%	1.2	1.2	1.3	8.3%	2.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Policy, Research and Capacity Development

Programme purpose

Develop ICT policies and legislation that support the development of an ICT sector that creates favourable conditions for accelerated and shared economic growth. Develop strategies that increase the adoption and use of ICT by the majority of the South African population to bridge the digital divide.

Objectives

- Improve access to and the affordability of ICT by facilitating the development and implementation of ICT policy and legislation and the ICT small, medium and micro enterprise (SMME) development strategy, focusing on identified priority areas, by March 2019.
- Implement a national e-strategy that will give priority to e-government services by March 2019, by:
 - developing and implementing the national digital skills strategy
 - facilitating and coordinating the development of the national e-services portal and providing e-services from selected government departments.

Subprogrammes

- *ICT Policy Development* drafts legislation, regulations, policy and guidelines that govern the telecommunications, postal and IT sectors to ensure broad-based economic development.
- *Economic and Market Analysis* conducts economic analyses of the telecommunications, postal and IT sectors to determine trends and make growth projections. This subprogramme also undertakes market research to explore areas that require policy intervention; and is responsible for reducing of the cost of communication.
- *Research* is responsible for understanding the ICT landscape and delivering a national ICT strategy.
- *Information Society Development* supports the effective and efficient functioning of the information society, and the development of institutional mechanisms. These include the interministerial committee on information society and development, the information society and development intergovernmental relations forum, the forum of South African directors general for information society and development, and the intergovernmental relations forum technical committee.
- *Capacity Development* provides direction for the advancement of e-skills graduates and society in general to function effectively in the emerging information society.

Expenditure trends and estimates

Table 32.11 Policy, Research and Capacity Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
ICT Policy Development	15.0	14.4	12.5	12.4	-6.2%	17.4%	14.1	15.3	16.5	10.1%	16.3%
Economic and Market Analysis	6.2	4.4	3.5	4.7	-8.9%	6.0%	4.5	4.8	5.2	3.8%	5.4%
Research	4.0	4.2	6.9	7.9	25.1%	7.4%	7.1	7.2	7.6	-1.1%	8.3%
Information Society Development	35.1	41.4	46.1	51.8	13.8%	56.1%	50.9	52.3	56.9	3.2%	59.4%
Capacity Development	12.6	9.6	9.5	8.8	-11.2%	13.0%	9.3	9.5	9.9	3.8%	10.5%
Total	72.9	74.0	78.5	85.5	5.5%	100.0%	86.0	89.2	96.1	4.0%	100.0%
Change to 2017 Budget estimate				(4.8)			(9.2)	(12.5)	(6.8)		
Economic classification											
Current payments	72.2	73.4	77.8	84.9	5.5%	99.2%	85.6	88.5	95.4	4.0%	99.3%
Compensation of employees	45.3	49.4	52.6	52.9	5.3%	64.4%	52.6	58.8	63.1	6.1%	63.8%
Goods and services ¹	26.9	24.0	25.2	32.0	5.9%	34.8%	33.0	29.6	32.3	0.3%	35.6%
of which:											
Communication	1.3	1.3	1.4	2.3	20.3%	2.0%	2.7	2.8	3.1	10.8%	3.0%
Consultants: Business and advisory services	13.2	10.1	5.5	11.8	-3.7%	13.1%	7.7	6.4	7.5	-14.1%	9.3%
Agency and support/outsourced services	–	0.0	–	1.8	–	0.6%	0.5	0.6	1.8	-0.5%	1.3%
Consumables: Stationery, printing and office supplies	1.0	0.6	1.4	1.3	9.8%	1.4%	1.8	1.9	2.1	16.4%	2.0%
Travel and subsistence	3.6	6.2	4.6	4.6	8.4%	6.1%	8.6	7.0	6.2	9.9%	7.4%
Training and development	3.6	1.3	7.8	6.8	23.3%	6.2%	6.6	6.6	6.7	-0.3%	7.4%
Transfers and subsidies¹	0.0	0.3	0.0	–	-100.0%	0.1%	–	–	–	–	–
Households	0.0	0.3	0.0	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	0.6	0.3	0.6	0.6	0.2%	0.7%	0.3	0.7	0.7	2.6%	0.7%
Machinery and equipment	0.6	0.3	0.6	0.6	0.2%	0.7%	0.3	0.7	0.7	2.6%	0.7%
Software and other intangible assets	–	–	–	–	–	–	0.1	–	–	–	–
Total	72.9	74.0	78.5	85.5	5.5%	100.0%	86.0	89.2	96.1	4.0%	100.0%
Proportion of total programme expenditure to vote expenditure	4.6%	5.7%	3.8%	1.7%	–	–	9.3%	8.7%	8.9%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: ICT Enterprise Development and Public Entities Oversight

Programme purpose

Oversee and manage government's shareholding interest in the ICT public entities and state-owned companies. Facilitate growth and development of small, medium and micro enterprises in the ICT sector.

Objectives

- Improve the performance of state-owned companies through proactive and stringent oversight by:
 - implementing the recommendations of the state-owned companies rationalisation report by March 2020
 - facilitating the licensing application of Postbank by March 2019
 - developing the draft legislation for the state IT company for submission to Parliament by March 2020
 - developing the draft legislation for the state ICT infrastructure company for submission to Parliament by March 2020
 - monitoring and evaluating the service delivery performance and compliance of state-owned companies against strategic plans and relevant prescripts on a quarterly basis.

Subprogrammes

- *Public Entity Oversight* provides oversight on state-owned entities and companies by managing government's shareholder interests in them. This includes facilitating their corporate plans and ensuring that planning cycles are aligned and comply with guidelines.
- *Small, Medium and Micro Enterprise Development* facilitates the growth and development of, and hosts an e-commerce platform for, SMMEs in the ICT sector.

Expenditure trends and estimates

Table 32.12 ICT Enterprise Development and Public Entities Oversight expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Public Entity Oversight	239.5	480.1	869.8	3 939.3	154.3%	99.8%	245.3	260.6	275.1	-58.8%	99.6%
Small, Medium and Micro Enterprise Development	2.1	2.5	4.4	4.8	32.2%	0.2%	5.1	5.4	5.8	6.6%	0.4%
Total	241.6	482.6	874.3	3 944.1	153.7%	100.0%	250.4	266.0	280.9	-58.5%	100.0%
Change to 2017 Budget estimate				3 693.0			(6.5)	(5.9)	(16.2)		
Economic classification											
Current payments	37.8	15.6	22.3	27.6	-10.0%	1.9%	21.3	24.1	25.7	-2.4%	2.1%
Compensation of employees	12.4	12.8	19.8	22.1	21.3%	1.2%	16.0	16.4	17.5	-7.4%	1.5%
Goods and services ¹	25.4	2.8	2.5	5.5	-40.1%	0.7%	5.4	7.7	8.1	14.1%	0.6%
of which:											
Advertising	0.2	0.3	0.0	0.1	-13.2%	–	0.3	0.3	0.3	35.7%	–
Communication	0.3	0.3	0.4	0.5	28.8%	–	0.6	0.7	0.7	8.3%	0.1%
Consultants: Business and advisory services	1.0	0.8	0.2	2.1	30.4%	0.1%	0.2	3.3	4.0	22.9%	0.2%
Agency and support/outsourced services	23.2	–	–	0.0	-91.6%	0.4%	2.0	1.2	0.0	6.7%	0.1%
Travel and subsistence	0.3	0.6	1.0	1.0	47.3%	0.1%	1.6	1.5	1.6	18.1%	0.1%
Venues and facilities	0.0	0.2	0.0	0.2	118.7%	–	0.3	0.3	0.3	24.1%	–
Transfers and subsidies¹	203.2	466.6	201.4	216.1	2.1%	19.6%	228.6	241.4	254.7	5.6%	19.8%
Departmental agencies and accounts	153.2	351.4	201.4	216.1	12.1%	16.6%	228.6	241.4	254.7	5.6%	19.8%
Public corporations and private enterprises	50.0	115.1	–	–	-100.0%	3.0%	–	–	–	–	–
Households	–	0.1	–	–	–	–	–	–	–	–	–

Table 32.12 ICT Enterprise Development and Public Entities Oversight expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
R million											
Payments for capital assets	0.5	0.4	0.6	0.4	-7.3%	-	0.5	0.5	0.5	7.2%	-
Machinery and equipment	0.5	0.4	0.6	0.4	-7.3%	-	0.5	0.5	0.5	7.2%	-
Payments for financial assets	-	-	650.0	3 700.0	-	78.5%	-	-	-	-100.0%	78.0%
Total	241.6	482.6	874.3	3 944.1	153.7%	100.0%	250.4	266.0	280.9	-58.5%	100.0%
Proportion of total programme expenditure to vote expenditure	15.4%	37.1%	42.1%	76.2%	-	-	27.1%	26.0%	25.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	153.2	351.4	201.4	216.1	12.1%	16.6%	228.6	241.4	254.7	5.6%	19.8%
National Electronic Media	37.9	36.6	77.2	85.8	31.3%	4.3%	90.8	95.8	101.1	5.6%	7.9%
Institute of South Africa											
Universal Service and Access Agency of South Africa	65.4	262.4	69.0	75.7	5.0%	8.5%	80.1	84.6	89.2	5.6%	6.9%
Universal Service and Access Fund	50.0	52.4	55.2	54.6	3.0%	3.8%	57.8	61.0	64.4	5.6%	5.0%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	50.0	115.1	-	-	-100.0%	3.0%	-	-	-	-	-
South African Post Office	50.0	115.1	-	-	-100.0%	3.0%	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: ICT infrastructure Support

Programme purpose

Promote investment in robust, reliable, secure and affordable ICT infrastructure that supports the provision of a multiplicity of applications and services.

Objectives

- Coordinate broadband connectivity through contributing to the achievement of 100 per cent population coverage by March 2020, by:
 - managing the rollout of phase 1 of the broadband connectivity implementation plan towards connecting an additional 795 identified sites, while maintaining 750 connected sites
 - monitoring and evaluating increased service offerings and operations of the Cybersecurity Hub in support of legislative mandates and certification.
- Develop and implement ICT policy and legislation aimed at improving access to and the affordability of ICT by completing technical and regulatory studies required to inform South Africa's position at the 2019 world radiocommunication conference by March 2020.

Subprogrammes

- *Broadband* is responsible for developing and facilitating the implementation of the broadband policy, strategy and implementation plan, and ensuring that goals for broadband are achieved.
- *Digital Terrestrial Television* is responsible for supporting the conversion from analogue to digital television transmission technology, with the ultimate goal of making the frequency spectrum available for next-generation mobile broadband and other applications.
- *ICT Support* is responsible for the management and protection of South Africa's ICT environment.

Expenditure trends and estimates

Table 32.13 ICT Infrastructure Support expenditure trends and estimates by subprogramme and economic classification

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
Broadband	50.0	83.5	26.9	323.0	86.3%	15.0%	58.7	241.1	257.8	-7.2%	44.7%
Digital Terrestrial Television	929.8	390.2	829.4	565.1	-15.3%	84.1%	241.8	117.3	123.5	-39.8%	53.2%
ICT Support	6.0	6.3	8.1	7.6	8.1%	0.9%	16.2	8.8	9.3	6.9%	2.1%
Total	985.8	480.1	864.4	895.7	-3.1%	100.0%	316.6	367.2	390.6	-24.2%	100.0%
Change to 2017 Budget estimate				(135.0)			(795.1)	(803.2)	(833.9)		
Economic classification											
Current payments	55.8	89.4	34.4	327.6	80.4%	15.7%	66.6	249.4	266.6	-6.6%	46.2%
Compensation of employees	19.8	22.7	25.3	26.2	9.7%	2.9%	33.3	33.5	35.9	11.1%	6.5%
Goods and services ¹	35.9	66.7	9.1	301.4	103.2%	12.8%	33.4	215.9	230.7	-8.5%	39.7%
<i>of which:</i>											
Computer services	0.0	0.1	0.2	2.9	1324.7%	0.1%	1.7	1.7	1.8	-14.9%	0.4%
Consultants: Business and advisory services	31.2	59.9	0.8	283.8	108.7%	11.6%	9.9	192.0	205.6	-10.2%	35.1%
Contractors	-	0.0	-	-	-	-	2.8	3.0	3.2	-	0.5%
Agency and support/outsourced services	-	-	-	0.5	-	-	3.7	3.9	4.1	101.7%	0.6%
Travel and subsistence	3.2	4.6	4.4	5.7	20.7%	0.6%	7.6	7.3	7.5	9.8%	1.4%
Venues and facilities	0.2	0.2	0.1	3.4	163.5%	0.1%	1.9	2.0	2.2	-14.1%	0.5%
Transfers and subsidies¹	929.8	390.2	829.5	565.1	-15.3%	84.1%	241.8	117.3	123.5	-39.8%	53.2%
Departmental agencies and accounts	791.0	181.2	589.4	79.1	-53.6%	50.9%	37.9	54.0	56.7	-10.5%	11.6%
Public corporations and private enterprises	138.8	209.0	240.0	486.0	51.8%	33.3%	203.9	63.3	66.8	-48.4%	41.6%
Households	0.0	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	0.2	0.5	0.6	3.0	157.6%	0.1%	8.2	0.5	0.5	-44.6%	0.6%
Machinery and equipment	0.2	0.5	0.2	2.0	126.7%	0.1%	1.7	0.3	0.3	-45.5%	0.2%
Software and other intangible assets	-	-	0.4	1.0	-	-	6.6	0.2	0.2	-42.8%	0.4%
Total	985.8	480.1	864.4	895.7	-3.1%	100.0%	316.6	367.2	390.6	-24.2%	100.0%
Proportion of total programme expenditure to vote expenditure	62.9%	36.9%	41.6%	17.3%	-	-	34.3%	35.8%	36.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	791.0	181.2	589.4	79.1	-53.6%	50.9%	37.9	54.0	56.7	-10.5%	11.6%
Universal Service and Access Fund: Broadcasting digital migration	791.0	181.2	589.4	79.1	-53.6%	50.9%	37.9	54.0	56.7	-10.5%	11.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	-	240.0	240.0	-	14.9%	-	-	-	-100.0%	12.2%
South African Post Office: Broadcasting digital migration	-	-	240.0	240.0	-	14.9%	-	-	-	-100.0%	12.2%
Capital	138.8	209.0	-	246.0	21.0%	18.4%	203.9	63.3	66.8	-35.2%	29.4%
Sentech	69.8	-	-	-	-100.0%	2.2%	-	-	-	-	-
Sentech: Dual illumination costs relating to the digital migration project	69.0	209.0	-	193.0	40.9%	14.6%	203.9	-	-	-100.0%	20.1%
Sentech: Migration of digital signals	-	-	-	53.0	-	1.6%	-	63.3	66.8	8.0%	9.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

South African Post Office

Mandate

The South African Post Office is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). It is a government business enterprise established to provide postal and related services to the public, and derives its mandate from the Postal Services Act (1998), the South African Post Office SOC Ltd Act (2011) and the South African Postbank Limited Act (2010). The Postal Services Act (1998) grants the post office an exclusive mandate to conduct postal services. This act makes provision for the regulation of postal services and operational functions of the postal company, including universal service obligations and the financial services activities of Postbank.

Selected performance indicators

Table 32.14 South African Post Office performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total number of points of presence	Mail, retail and e-business	Entity mandate	2 448	2 368	2 357	2 215	2 215	2 215	2 215
Number of new addresses rolled out per year as part of the address expansion programme	Mail, retail and e-business	Entity mandate	500 109	500 000	500 000	3 500 000 ¹	250 000	250 000	250 000

1. Increase due to increased budget and targets brought forward to 2017/18 due to the Constitutional Court ruling ordering the Electoral Commission of South Africa to correct defects on the voters' roll.

Expenditure analysis

Over the medium term, the focus of the South African Post Office will be on providing universal access to postal and related services; finalising the corporatisation of Postbank; delivering on its distribution role in implementing the broadcasting digital migration project; and implementing its turnaround strategy, which includes addressing inefficiencies, and stabilising and modernising its services. The strategy focuses on new businesses and business models that are based on courier services, financial services and the internet economy. In an effort to stabilise its financial standing, R3.7 billion was allocated to the Post Office in 2017/18 for the repayment of bank loans. This decreased total expenditure by reducing interest payments. As a result of this and the turnaround plan, the financial position of the entity is expected to improve over the medium term, with surpluses of R273 million projected for 2019/20 and R496 million for 2020/21.

Expenditure over the MTEF period is expected to increase at an average annual rate of 1 per cent, from R6.8 billion in 2017/18 to R7 billion in 2020/21. The main cost drivers are spending on compensation of employees, accounting for a projected 56.4 per cent of total expenditure over the medium term, and transport, IT and property costs. Expenditure on compensation of employees is projected to amount to R11.8 billion over the medium term, while the total number of employees is expected to decrease from 21 132 in 2016/17 to 18 661 over the same period due to the planned restructuring of the organisation. Transport and IT costs are set to increase as steps are taken to support revenue growth in courier services through partnerships and new e-commerce opportunities. These measures are expected to make operations more efficient, enabling the South African Post Office to increase its market share while allowing it to explore partnerships with online retailers.

The entity plans to have rolled out 3.5 million community addresses in 2017/18 due to a Constitutional Court ruling in 2016 ordering the Electoral Commission of South Africa to correct defects on the voters' roll. A further 750 000 community addresses are set to be rolled out over the medium term to allow communities without street or postal addresses to receive mail and have verifiable addresses. A planned 2 215 points of presence, including post offices, mobile units and retail postal agencies, are to be maintained annually to meet government's social mandate to provide postal services to areas that were historically neglected. To meet these obligations, spending in the entity's retail and mail operations programme is set to amount to R4.8 billion in 2020/21.

¹ This section has been compiled with the latest available information from the entities concerned.

The Post Office aims to meet the Reserve Bank's requirements for licensing Postbank and finalise the transition of Postbank into a commercial bank by March 2019. Postbank is expected to provide communities in rural areas access to affordable financial services. Expenditure in the Postbank programme is expected to increase from R301.9 million in 2016/17 to R573.2 million in 2020/21.

The entity derives its revenue through the provision of postal and courier services, and from income earned through interest and fees for financial transactions. Occasionally, transfers from government are made to the entity for specific purposes. In the 2017 Budget, R480 million was allocated to the entity for the distribution of set-top boxes and antennae, and to manage the distribution value chain for the broadcasting digital migration programme. Revenue is expected to increase at an average annual rate of 2.9 per cent, from R6.9 billion in 2017/18 to R7.5 billion in 2020/21, as the office expects to provide more services to government and explore opportunities in courier services and the e-commerce sector.

Programmes/Objectives/Activities

Table 32.15 South African Post Office expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	2 080.5	2 131.2	2 202.2	2 263.0	2.8%	31.9%	1 651.8	1 652.3	1 627.0	-10.4%	26.5%
Logistics	427.2	262.6	113.0	41.2	-54.1%	3.1%	41.3	43.7	46.1	3.8%	0.6%
Postbank	180.3	169.6	301.9	558.2	45.7%	4.4%	514.5	543.3	573.2	0.9%	8.1%
Mail, Retail and E-Business	4 259.8	4 020.1	4 275.5	3 958.4	-2.4%	60.6%	4 292.8	4 533.2	4 782.6	6.5%	64.8%
Total	6 947.9	6 583.5	6 892.6	6 820.7	-0.6%	100.0%	6 500.5	6 772.5	7 028.9	1.0%	100.0%

Statements of historical financial performance and position

Table 32.16 South African Post Office statements of historical financial performance and position

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17	2017/18		
R million									
Revenue									
Non-tax revenue	6 859.1	5 391.1	6 720.0	5 356.8	6 596.8	5 674.4	7 907.3	6 667.3	82.2%
Sale of goods and services other than capital assets	6 324.0	5 123.8	5 618.6	4 730.8	6 397.5	4 601.4	7 603.7	6 493.7	80.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	6 324.0	5 123.8	5 618.6	4 730.8	6 397.5	4 601.4	7 603.7	6 493.7	80.8%
<i>Postal services and courier services</i>	5 314.9	4 022.5	4 475.7	3 654.9	4 751.0	3 327.2	5 302.1	4 742.1	79.4%
<i>Financial services (Retail and Postbank)</i>	712.3	666.3	656.6	585.8	1 131.3	683.9	1 621.0	1 071.0	73.0%
<i>Postbank interest revenue</i>	296.7	435.0	486.3	490.0	515.2	590.3	680.6	680.6	111.0%
Other non-tax revenue	535.1	267.3	1 101.4	626.0	199.3	1 073.0	303.7	173.7	100.0%
Transfers received	-	135.3	64.9	115.1	240.0	240.0	240.0	240.0	134.1%
Total revenue	6 859.1	5 526.4	6 800.0	5 471.9	6 836.8	5 914.4	8 147.3	6 907.3	83.2%
Expenses									
Current expenses	7 222.0	6 388.9	6 902.5	6 583.4	7 984.7	6 873.0	7 633.2	6 820.7	89.7%
Compensation of employees	4 045.6	3 634.1	4 152.8	3 476.2	3 914.2	3 563.7	3 738.9	3 488.2	89.3%
Goods and services	2 905.3	2 528.0	2 505.9	2 775.4	3 561.2	2 775.1	3 259.8	2 699.2	88.1%
Depreciation	199.1	148.9	151.8	165.2	204.5	141.4	152.0	150.7	85.7%
Interest, dividends and rent on land	71.9	77.9	92.0	166.7	304.8	392.8	482.5	482.7	117.8%
Total expenses	7 222.3	6 947.9	6 902.5	6 583.5	7 984.7	6 892.6	7 633.2	6 820.7	91.6%
Surplus/(Deficit)	(363.0)	(1 421.0)	(102.0)	(1 112.0)	(1 148.0)	(978.0)	514.0	87.0	
Statement of financial position									
Carrying value of assets	1 345.9	1 316.4	2 050.1	1 190.6	1 962.6	2 877.3	1 525.9	2 831.7	119.3%
<i>of which:</i>									
<i>Acquisition of assets</i>	(263.8)	(121.9)	(530.2)	(45.8)	(900.0)	(54.4)	(513.1)	(58.3)	12.7%
Investments	5 580.8	4 486.4	4 589.3	5 510.3	5 502.4	5 966.5	5 877.0	6 064.5	102.2%
Inventory	48.8	67.8	69.8	54.8	74.8	70.0	61.6	69.3	102.7%
Receivables and prepayments	584.4	372.5	522.3	428.2	574.6	413.8	621.5	400.2	70.1%
Cash and cash equivalents	2 876.8	3 413.9	4 342.0	2 885.0	2 790.9	4 055.5	3 928.9	4 536.8	106.8%
Taxation	379.9	35.4	735.9	0.7	-	-	-	-	3.2%
Total assets	10 816.6	9 692.4	12 309.5	10 069.7	10 905.2	13 383.1	12 014.9	13 902.5	102.2%
Accumulated surplus/(deficit)	937.2	(69.8)	(1.2)	(1 203.2)	(2 274.5)	(2 227.8)	(1 704.0)	(3 561.7)	232.1%
Capital and reserves	1 450.9	758.7	1 806.6	961.3	1 578.1	3 256.7	1 580.0	6 956.7	186.0%
Borrowings	-	78.7	1 200.0	1 237.7	3 850.2	3 701.0	3 700.0	1 400.0	73.3%
Finance lease	80.6	3.7	4.5	6.1	-	11.2	6.9	10.1	33.9%
Deferred income	340.9	269.0	346.6	258.6	266.1	266.1	296.1	240.9	82.8%
Trade and other payables	6 812.3	7 028.1	7 264.9	7 183.7	5 825.2	6 754.4	6 339.0	7 145.6	107.1%
Taxation	0.9	-	-	-	-	-	-	-	-
Provisions	1 193.8	1 623.9	1 688.2	1 625.4	1 660.1	1 621.4	1 796.9	1 710.8	103.8%
Total equity and liabilities	10 816.6	9 692.4	12 309.5	10 069.7	10 905.2	13 383.1	12 014.9	13 902.5	102.2%

Statements of estimates of financial performance and position

Table 32.17 South African Post Office statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate								
2017/18	2014/15 - 2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	2017/18 - 2020/21
R million								
Revenue								
Non-tax revenue	6 667.3	7.3%	97.0%	5 994.9	7 045.3	7 525.1	4.1%	99.1%
Sale of goods and services other than capital assets	6 493.7	8.2%	87.7%	5 873.7	6 919.5	7 391.6	4.4%	97.1%
<i>of which:</i>								
<i>Sales by market establishment</i>	6 493.7	8.2%	87.7%	5 873.7	6 919.5	7 391.6	4.4%	97.1%
<i>Postal services and courier services</i>	4 742.1	5.6%	66.1%	4 052.5	4 856.9	5 483.5	5.0%	69.5%
<i>Financial services (Retail and Postbank)</i>	1 071.0	17.1%	12.5%	1 224.0	1 453.5	1 286.8	6.3%	18.4%
<i>Postbank interest revenue</i>	680.6	16.1%	9.2%	597.2	609.1	621.3	-3.0%	9.2%
Other non-tax revenue	173.7	-13.4%	9.2%	121.2	125.9	133.5	-8.4%	2.0%
Transfers received	240.0	21.1%	3.0%	-	-	-	-100.0%	0.9%
Total revenue	6 907.3	7.7%	100.0%	5 994.9	7 045.3	7 525.1	2.9%	100.0%
Expenses								
Current expenses	6 820.7	2.2%	97.9%	6 500.5	6 772.5	7 028.9	1.0%	100.0%
Compensation of employees	3 488.2	-1.4%	52.0%	3 788.2	3 907.7	4 122.7	5.7%	56.4%
Goods and services	2 699.2	2.2%	39.6%	2 204.1	2 328.2	2 340.1	-4.6%	35.3%
Depreciation	150.7	0.4%	2.2%	159.5	168.4	177.7	5.7%	2.4%
Interest, dividends and rent on land	482.7	83.6%	4.1%	348.6	368.1	388.4	-7.0%	5.8%
Total expenses	6 820.7	-0.6%	100.0%	6 500.5	6 772.5	7 028.9	1.0%	100.0%
Surplus/(Deficit)	87.0			(506.0)	273.0	496.0		
Statement of financial position								
Carrying value of assets	2 831.7	29.1%	16.8%	3 793.1	3 669.9	3 574.2	8.1%	23.1%
<i>of which:</i>								
<i>Acquisition of assets</i>	(58.3)	-21.8%	-0.6%	(1 196.4)	(224.4)	(214.4)	54.4%	-2.9%
Investments	6 064.5	10.6%	47.3%	6 409.2	6 891.8	7 358.7	6.7%	44.4%
Inventory	69.3	0.7%	0.6%	68.6	67.9	67.2	-1.0%	0.5%
Receivables and prepayments	400.2	2.4%	3.5%	487.3	573.4	632.9	16.5%	3.5%
Cash and cash equivalents	4 536.8	9.9%	31.7%	3 670.1	4 120.5	4 857.1	2.3%	28.6%
Total assets	13 902.5	12.8%	100.0%	14 428.4	15 323.5	16 490.1	5.9%	100.0%
Accumulated surplus/(deficit)	(3 561.7)	271.0%	-13.7%	(4 067.2)	(3 794.4)	(3 298.1)	-2.5%	-24.6%
Capital and reserves	6 956.7	109.3%	22.9%	6 956.7	6 956.7	6 956.7	-	46.5%
Borrowings	1 400.0	161.0%	12.7%	2 400.0	2 400.0	2 400.0	19.7%	14.2%
Finance lease	10.1	39.4%	0.1%	9.1	-	-	-100.0%	0.0%
Deferred income	240.9	-3.6%	2.3%	261.9	312.6	352.2	13.5%	1.9%
Trade and other payables	7 145.6	0.6%	61.4%	7 041.5	7 498.9	7 997.9	3.8%	49.4%
Provisions	1 710.8	1.8%	14.3%	1 826.3	1 949.7	2 081.4	6.8%	12.6%
Total equity and liabilities	13 902.5	12.8%	100.0%	14 428.4	15 323.5	16 490.1	5.9%	100.0%

Personnel information

Table 32.18 South African Post Office personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17	2017/18	2017/18	2018/19	2019/20		2020/21		2017/18 - 2020/21									
		Number	Unit cost	Number	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
South African Post Office		21 132	3 563.7	0.2	19 327	3 488.2	0.2	18 661	3 788.2	0.2	18 661	3 907.7	0.2	18 661	4 122.7	0.2	5.7%	100.0%	
Salary level	19 327	19 327																	
1 - 6	16 775	16 775	16 902	2 228.9	0.1	16 775	2 539.1	0.2	14 643	2 288.6	0.2	14 643	2 345.9	0.2	14 643	2 474.9	0.2	-0.8%	80.6%
7 - 10	2 405	2 405	4 067	1 183.1	0.3	2 405	808.7	0.3	3 727	1 235.4	0.3	3 727	1 283.7	0.3	3 727	1 354.3	0.4	18.8%	18.1%
11 - 12	122	122	120	97.3	0.8	122	103.9	0.9	180	132.4	0.7	180	139.0	0.8	180	146.7	0.8	12.2%	0.9%
13 - 16	21	21	41	47.7	1.2	21	25.3	1.2	107	118.3	1.1	107	125.0	1.2	107	131.8	1.2	73.3%	0.5%
17 - 22	4	4	2	6.7	3.3	4	11.3	2.8	4	13.5	3.4	4	14.2	3.6	4	15.0	3.7	10.0%	0.0%

1. Rand million.

State Information Technology Agency

Mandate

The State Information Technology Agency is governed by the State Information Technology Agency Act (1998), as amended, and is listed as a schedule 3A public entity in the Public Finance Management Act (1999). The act mandates the agency to consolidate and coordinate government's IT resources to achieve cost savings through economies of scale, increased delivery capabilities and enhanced interoperability of systems. It also separates the agency's services into mandatory services, which are services that it must provide; and non-mandatory

services, which are services that it may provide. Mandatory services include the provision and maintenance of transversal information systems, and data processing or associated services for transversal systems.

Selected performance indicators

Table 32.19 State Information Technology Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of e-government services implemented per year	Business operations	Entity mandate	- ¹	24	28	20	50	80	100
Percentage of projects timeously, successfully and satisfactorily delivered within budget per year	Business operations	Entity mandate	80% (583/728)	85% (809/955)	90% (851/941)	85%	90%	95%	95%

1. No historical data available.

Expenditure analysis

The State Information Technology Agency's focus over the medium term will be on revising its business model, improving governance and compliance, and increasing its revenue. The agency will contribute to the NDP by providing ICT services to departments and entities across all spheres of government.

The agency's revised business model will be benchmarked to industry standards, and is aimed at improving efficiency within the agency through the creation of new services and solutions, as well as improving internal controls for procurement and supply chain management. Some of the agency's key planned projects include using cloud technology to transform its data centres and modernise service delivery, and developing a procurement system to help the provincial departments of health manage the flow of medication between suppliers and facilities.

To provide acceptable levels of bandwidth capacity and complete 95 per cent of projects timeously and within budget each year over the MTEF period, expenditure on the acquisition of assets is expected to amount to R1.4 billion. Total expenditure is projected to increase from R6.3 billion in 2017/18 to R7.9 billion in 2020/21. Expenditure on compensation of employees is expected to increase in line with inflation as the number of personnel in the agency remains constant at 3 220 over the medium term.

The agency derives revenue mainly through the provision of ICT infrastructure and services to customers. Revenue is projected to increase from R6.4 billion in 2017/18 to R7.9 billion in 2020/21. The agency will also continue to develop strategies for revenue growth by creating more value for customers and by aiming to provide increased ICT services to all levels of government.

Programmes/Objectives/Activities

Table 32.20 State Information Technology Agency expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	1 323.7	1 132.5	1 088.7	1 218.1	-2.7%	20.5%	1 176.7	1 767.5	1 869.5	15.3%	21.0%
Business operations	4 145.8	4 710.3	4 661.9	5 034.2	6.7%	79.5%	5 748.7	5 658.0	6 001.5	6.0%	79.0%
Total	5 469.5	5 842.8	5 750.6	6 252.3	4.6%	100.0%	6 925.5	7 425.6	7 871.0	8.0%	100.0%

Statement of historical financial performance**Table 32.21 State Information Technology Agency statements of historical financial performance**

Statement of financial performance										Average: Outcome/ Budget (%)
R million	Audited		Audited		Audited		Budget estimate	Revised estimate	2014/15 - 2017/18	
	Budget	outcome	Budget	outcome	Budget	outcome				
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2017/18		
Revenue										
Non-tax revenue	5 267.8	5 574.3	5 676.9	5 685.5	6 464.0	5 911.4	6 851.7	6 441.5	97.3%	
Sale of goods and services other than capital assets	5 182.5	5 539.9	5 592.3	5 458.6	6 395.4	5 680.8	6 779.2	6 360.7	96.2%	
<i>of which:</i>										
<i>Sales by market establishment</i>	5 182.5	5 539.9	5 592.3	5 458.6	6 395.4	5 680.8	6 779.2	6 360.7	96.2%	
Other non-tax revenue	85.3	34.5	84.5	226.9	68.5	230.6	72.5	80.9	184.3%	
Total revenue	5 267.8	5 574.3	5 676.9	5 685.5	6 464.0	5 911.4	6 851.7	6 441.5	97.3%	
Expenses										
Current expenses	4 987.1	5 391.0	6 127.4	5 792.1	6 290.7	5 666.4	6 541.9	6 184.6	96.2%	
Compensation of employees	1 463.1	1 983.2	2 354.6	1 743.8	2 245.5	1 673.8	2 070.5	1 774.2	88.2%	
Goods and services	3 262.5	3 146.2	3 532.6	3 836.4	3 780.6	3 595.4	4 180.9	4 191.4	100.1%	
Depreciation	261.5	261.5	240.2	167.8	264.6	347.5	290.5	219.0	94.2%	
Interest, dividends and rent on land	–	–	–	44.0	–	49.7	–	–	–	
Total expenses	5 065.6	5 469.5	6 165.1	5 842.8	6 328.6	5 750.6	6 609.7	6 252.3	96.5%	
Surplus/(Deficit)	202.0	105.0	(488.0)	(157.0)	135.0	161.0	242.0	189.0		

Statement of estimates of financial performance**Table 32.22 State Information Technology Agency statements of estimates of financial performance**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
Revenue									
Non-tax revenue	6 441.5	4.9%	100.0%	6 925.5	7 425.6	7 871.0	6.9%	100.0%	
Sale of goods and services other than capital assets	6 360.7	4.7%	97.6%	6 839.8	7 344.9	7 775.0	6.9%	98.8%	
<i>of which:</i>									
<i>Sales by market establishment</i>	6 360.7	4.7%	97.6%	6 839.8	7 344.9	7 775.0	6.9%	98.8%	
Other non-tax revenue	80.9	32.9%	2.4%	85.7	80.7	96.1	5.9%	1.2%	
Total revenue	6 441.5	4.9%	100.0%	6 925.5	7 425.6	7 871.0	6.9%	100.0%	
Expenses									
Current expenses	6 184.6	4.7%	98.8%	6 853.7	7 349.4	7 791.7	8.0%	99.0%	
Compensation of employees	1 774.2	-3.6%	30.9%	1 880.7	1 993.5	2 113.1	6.0%	27.3%	
Goods and services	4 191.4	10.0%	63.2%	4 759.7	5 130.6	5 439.6	9.1%	68.5%	
Depreciation	219.0	-5.8%	4.3%	213.3	225.3	239.0	3.0%	3.2%	
Total expenses	6 252.3	4.6%	100.0%	6 925.5	7 425.6	7 871.0	8.0%	100.0%	
Surplus/(Deficit)	189.0			–	–	–			

Personnel information**Table 32.23 State Information Technology Agency personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018			Number and cost ¹ of personnel posts filled / planned for on funded establishment										Number						
Number of funded posts	Number of posts on approved establishment	Number of posts on approved establishment	Actual		Revised estimate		Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)						
			2016/17	2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21										
State Information Technology Agency	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Salary level	3 220	3 220	3 216	1 673.8	0.5	3 220	1 774.2	0.6	3 220	1 880.7	0.6	3 220	1 993.5	0.6	3 220	2 113.1	0.7	6.0%	100.0%
1 – 6	229	229	229	33.3	0.1	229	35.3	0.2	229	37.4	0.2	229	39.7	0.2	229	42.1	0.2	6.0%	7.1%
7 – 10	2 037	2 037	2 033	784.2	0.4	2 037	831.3	0.4	2 037	881.2	0.4	2 037	934.0	0.5	2 037	990.1	0.5	6.0%	63.3%
11 – 12	591	591	591	457.8	0.8	591	485.2	0.8	591	514.4	0.9	591	545.2	0.9	591	577.9	1.0	6.0%	18.4%
13 – 16	355	355	355	375.2	1.1	355	397.8	1.1	355	421.6	1.2	355	446.9	1.3	355	473.7	1.3	6.0%	11.0%
17 – 22	8	8	8	23.2	2.9	8	24.6	3.1	8	26.1	3.3	8	27.7	3.5	8	29.3	3.7	6.0%	0.2%

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- **Broadband Infraco's** legislative mandate, set out in the Broadband Infraco Act (2007), is to provide ICT infrastructure and broadband capacity in South Africa. The main objectives in terms of the act are to expand the availability and affordability of access to electronic communications, including but not limited to, underdeveloped and underserved areas; ensure that the bandwidth requirements for specific projects of national interests are met; and enable the state to provide affordable access to electronic communications networks and services. The company's total budget for 2018/19 is R565.7 million.
- The **National Electronic Media Institute of South Africa** was established as a non-profit organisation for education in terms of the Companies Act (1973) and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). The institute's ongoing activities include offering national certificates and short courses in the areas of television production, animation and radio production. The institute's programmes are structured to enhance the market readiness of students in a wide range of broadcasting disciplines. The institute's total budget for 2018/19 is R94.4 million.
- **Sentech** was established as a state-owned enterprise to provide common carrier broadcasting signal distribution services to licensed broadcasters in South Africa, and is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). In 2002, the company's mandate was expanded to provide international voice services, and common carrier multimedia services in accordance with government's imperative to liberalise the telecommunications sector. The company's total budget for 2018/19 is R1.3 billion.
- The **Universal Service and Access Agency of South Africa** was established in terms of section 80 of the Electronic Communications Act (2005) as a statutory body and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). Its sole mandate is to promote universal service and access to electronic communications services, electronic communications network services and broadcasting services. The agency's total budget for 2018/19 is R80.1 million.
- The **Universal Service and Access Fund** was established in terms of section 89(1) of the Electronic Communications Act (2005). The fund's sole mandate is to make payments for subsidies towards the provision of ICT equipment and services, and construct and extend electronic communication and broadcasting networks for needy persons in underserved areas. The fund is managed by the Universal Service and Access Agency of South Africa, and is financed by contributions from all telecommunications licensees except community broadcasting service licensees. The fund's total budget for 2018/19 is R95.7 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16		2016/17	2017/18	2018/19
Departmental infrastructure									
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)									
Sentech: Migration of digital signals	Efficient use of spectrum; achievement of broadcast digital dividend; achievement of multiple channel possibilities, and generation of new content	Design	113.0	-	-	53.0	-	63.3	66.8
Total			113.0	-	-	53.0	-	63.3	66.8

Vote 33

Tourism

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	271.4	266.3	0.2	4.9	290.8	311.6
Tourism Research, Policy and International Relations	1 282.0	66.9	1 214.5	0.5	1 350.5	1 424.8
Destination Development	401.8	102.0	81.4	218.3	446.2	470.2
Tourism Sector Support Services	306.7	120.7	185.7	0.3	316.8	336.0
Total expenditure estimates	2 261.8	555.9	1 481.8	224.1	2 404.3	2 542.6
Executive authority	Minister of Tourism					
Accounting officer	Director General of Tourism					
Website address	www.tourism.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Promote and support the growth and development of an equitable, competitive and sustainable tourism sector, enhancing its contribution to national priorities.

Mandate

The mandate of the Department of Tourism, as outlined in the Tourism Act (2014), is to promote the growth and development of the tourism sector; promote quality tourism products and services; provide for the effective domestic and international marketing of South Africa as a tourist destination; enhance cooperation and coordination between all spheres of government in developing and managing tourism; and promote the practice of responsible tourism for the benefit of South Africa and for the enjoyment of all its residents and foreign visitors.

In recognition of tourism as a national priority with the potential to contribute significantly to economic development, the 1996 White Paper on the Development and Promotion of Tourism in South Africa provides for the promotion of domestic and international tourism. The national tourism sector strategy provides a blueprint for the sector to meet the growth targets contained in the National Development Plan (NDP).

Selected performance indicators

Table 33.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of platforms facilitated to improve tourism sector stakeholder engagement and national tourism sector strategy implementation per year	Tourism Research, Policy and International Relations	Outcome 11: Create a better South Africa, a better Africa and a better world	2	2	1	1	1	1	1
Number of full-time equivalent jobs created through the Working for Tourism programme per year	Destination Development	Outcome 4: Decent employment through inclusive growth	3 037	3 059	1 734	3 085	4 813	4 331	4 331
Number of enterprise development programmes implemented per year	Tourism Sector Support Services	Outcome 7: Comprehensive rural development and land reform	466	250	100	400	400	500	500

Table 33.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of incentivised programmes implemented per year	Tourism Sector Support Services	Outcome 4: Decent employment through inclusive growth	-1	-1	3	4	4	5	5
Number of capacity building programmes implemented per year	Tourism Sector Support Services	Outcome 4: Decent employment through inclusive growth	-1	3	8	9	9	9	9

1. No historical data available.

Expenditure analysis

The NDP recognises tourism as one of the main drivers of employment and economic growth, and envisages the promotion of South Africa as a major tourist and business events destination. Outcome 4 (decent employment through inclusive growth) and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework make reference to specific targets towards the realisation of this vision.

In 2016, the tourism sector directly employed 700 000 people, and tourist arrivals to South Africa continue to grow every year. As such, the Department of Tourism contributes to the NDP's vision by reducing inequality, improving living standards, and supporting a dignified existence for all South Africans. Over the medium term, the department intends focusing on marketing South Africa as a tourist destination, supporting initiatives that encourage transformation in the sector, improving tourism facilities, and creating job opportunities in rural areas.

The department relies on South African Tourism to market the country, and is set to transfer 52.7 per cent (R3.8 billion) of its budget to the entity for this purpose over the MTEF period. Cabinet has approved additional funding of R35 million in 2019/20 and R36.9 million in 2020/21 through the economic competitiveness and support package in the *Tourism Incentive Programme* subprogramme. This funding is intended to increase economic growth and job creation through the provision of support for market access and tourism grading, the implementation of energy efficient initiatives, and transformation initiatives that encourage capital investment by black businesspeople. The leveraged investment capital will be used to support 1 400 small, medium and micro enterprises (SMMEs) in the rural tourism sector over the MTEF period through the enterprise development programme, with the aim of transforming the sector and increasing its geographic footprint.

Over the medium term, 14.9 per cent (R1.1 billion) of the department's total budget is allocated to the *Working for Tourism* subprogramme through the expanded public works programme. This is budgeted for in the *Destination Development* programme. Working for Tourism facilitates the development of tourism infrastructure that leads to job creation, particularly for SMMEs, and accredited training and skills development facilities and programmes targeted at food safety, as well as young sommeliers and chefs. These initiatives are expected to create an estimated 13 475 full-time equivalent jobs by 2020/21.

To remain within government's expenditure ceiling for compensation of employees, the department aims to reduce its number of personnel from 519 in 2017/18 to 471 in 2020/21. Operational expenditure, including compensation of employees, accounts for an estimated 27.5 per cent (R2 billion) of the department's budget over the MTEF period.

Expenditure trends

Table 33.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Tourism Research, Policy and International Relations														
3. Destination Development														
4. Tourism Sector Support Services														
Programme														
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	221.8	224.6	219.8	231.8	233.7	222.8	237.5	237.5	227.1	219.1	234.1	234.1	99.3%	97.2%
Programme 2	951.4	953.0	938.2	1 055.9	1 056.7	1 034.4	1 107.4	1 108.4	1 102.8	1 208.7	1 203.1	1 203.1	99.0%	99.0%
Programme 3	425.6	341.2	306.3	279.1	280.0	277.3	417.1	418.3	400.3	444.0	431.9	431.9	90.4%	96.2%
Programme 4	63.3	64.5	93.3	233.4	223.9	242.8	247.6	245.4	189.4	268.4	271.1	271.1	98.0%	99.0%
Total	1 662.1	1 583.3	1 557.6	1 800.2	1 794.2	1 777.4	2 009.5	2 009.5	1 919.6	2 140.2	2 140.2	2 140.2	97.1%	98.2%
Change to 2017 Budget estimate														
Economic classification														
Current payments	380.3	373.7	460.8	403.0	559.0	452.6	671.1	615.6	584.7	635.9	648.9	648.9	102.7%	97.7%
Compensation of employees	233.3	229.3	231.5	246.1	250.1	252.9	265.5	269.5	266.1	271.9	284.9	284.9	101.8%	100.2%
Goods and services	147.0	144.4	229.3	156.9	309.0	199.7	405.5	346.1	318.6	364.1	364.1	364.1	103.6%	95.5%
Transfers and subsidies	1 272.6	1 199.2	1 083.7	1 391.1	1 229.0	1 230.8	1 226.1	1 167.3	1 169.7	1 392.0	1 379.0	1 379.0	92.1%	97.8%
Departmental agencies and accounts	881.9	886.3	886.3	983.9	983.9	1 045.6	1 029.4	1 029.4	1 040.0	1 139.1	1 139.1	1 139.1	-	-
Higher education institutions	-	-	-	3.8	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	5.9	5.9	8.6	6.0	6.0	5.8	6.3	6.3	6.4	6.6	6.6	6.6	110.2%	110.2%
Public corporations and private enterprises	-	-	-	-	93.6	72.9	109.0	79.2	75.3	88.3	88.3	88.3	119.9%	90.6%
Non-profit institutions	24.0	25.2	26.5	14.8	14.8	24.2	16.0	16.0	0.2	0.5	0.5	0.5	92.9%	90.9%
Households	360.8	281.9	162.5	382.7	130.8	82.3	65.3	36.4	47.8	157.5	144.5	144.5	45.2%	73.6%
Payments for capital assets	9.3	10.4	12.8	6.1	6.1	93.4	112.4	226.6	164.5	112.2	112.2	112.2	159.6%	107.8%
Buildings and other fixed structures	-	-	-	-	-	87.2	104.7	218.8	159.0	107.5	107.5	107.5	166.7%	108.4%
Machinery and equipment	9.1	10.2	10.7	5.8	5.8	6.2	7.3	7.3	5.4	4.7	4.7	4.7	100.3%	96.3%
Software and other intangible assets	0.1	0.1	2.1	0.3	0.3	0.0	0.4	0.4	0.2	-	-	-	264.1%	264.1%
Payments for financial assets	-	-	0.3	-	-	0.6	-	-	0.8	-	-	-	-	-
Total	1 662.1	1 583.3	1 557.6	1 800.2	1 794.2	1 777.4	2 009.5	2 009.5	1 919.6	2 140.2	2 140.2	2 140.2	97.1%	98.2%

Expenditure estimates

Table 33.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Tourism Research, Policy and International Relations									
3. Destination Development									
4. Tourism Sector Support Services									
Programme									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2017/18	2014/15 - 2017/18	(%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	(%)	
Programme 1	234.1	1.4%	12.2%	271.4	290.8	311.6	10.0%	11.9%	
Programme 2	1 203.1	8.1%	57.9%	1 282.0	1 350.5	1 424.8	5.8%	56.3%	
Programme 3	431.9	8.2%	19.1%	401.8	446.2	470.2	2.9%	18.7%	
Programme 4	271.1	61.4%	10.8%	306.7	316.8	336.0	7.4%	13.2%	
Total	2 140.2	10.6%	100.0%	2 261.8	2 404.3	2 542.6	5.9%	100.0%	
Change to 2017 Budget estimate				(26.3)	7.2	7.6			

Table 33.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Current payments	648.9	20.2%	29.0%	555.9	699.0	741.0	4.5%	28.3%
Compensation of employees	284.9	7.5%	14.0%	310.4	334.4	360.3	8.1%	13.8%
Goods and services	364.1	36.1%	15.0%	245.6	364.6	380.7	1.5%	14.5%
Transfers and subsidies	1 379.0	4.8%	65.8%	1 481.8	1 500.1	1 581.2	4.7%	63.6%
Departmental agencies and accounts	1 139.1	8.7%	55.6%	1 232.5	1 297.4	1 367.7	6.3%	53.9%
Foreign governments and international organisations	6.6	4.2%	0.4%	2.5	2.2	2.3	-29.6%	0.1%
Public corporations and private enterprises	88.3	-	3.2%	161.5	163.9	172.6	25.0%	6.3%
Non-profit institutions	0.5	-72.9%	0.7%	0.5	0.4	0.4	-4.5%	0.0%
Households	144.5	-20.0%	5.9%	84.9	36.2	38.2	-35.8%	3.2%
Payments for capital assets	112.2	121.1%	5.2%	224.1	205.2	220.4	25.2%	8.1%
Buildings and other fixed structures	107.5	-	4.8%	218.6	199.9	214.8	26.0%	7.9%
Machinery and equipment	4.7	-22.9%	0.4%	5.3	5.1	5.4	4.8%	0.2%
Software and other intangible assets	-	-100.0%	0.0%	0.2	0.2	0.2	-	0.0%
Total	2 140.2	10.6%	100.0%	2 261.8	2 404.3	2 542.6	5.9%	100.0%

Expenditure trends and estimates for significant spending items

Table 33.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
South African Tourism	880 009	977 712	1 024 847	1 134 288	8.8%	54.3%	1 208 048	1 271 539	1 340 491	5.7%	53.0%
Working for Tourism	280 236	249 013	365 984	329 513	5.5%	16.6%	334 786	352 919	372 129	4.1%	14.9%
Total	1 160 245	1 226 725	1 390 831	1 463 801	14.3%	70.9%	1 542 834	1 624 458	1 712 620	9.8%	67.9%

Goods and services expenditure trends and estimates

Table 33.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Administrative fees	191	240	160	225	5.6%	0.1%	512	531	558	35.4%	0.1%
Advertising	2 854	2 673	2 303	3 554	7.6%	1.0%	3 075	3 294	3 471	-0.8%	1.0%
Minor assets	558	269	619	322	-16.7%	0.2%	2 389	2 272	2 392	95.1%	0.5%
Audit costs: External	4 210	4 985	6 257	5 000	5.9%	1.8%	6 029	7 731	9 632	24.4%	2.1%
Bursaries: Employees	1 063	1 171	1 734	2 719	36.8%	0.6%	2 836	3 051	3 216	5.8%	0.9%
Catering: Departmental activities	1 709	1 868	3 247	2 498	13.5%	0.8%	3 008	3 390	3 574	12.7%	0.9%
Communication	5 036	5 194	5 161	6 033	6.2%	1.9%	6 862	7 527	7 938	9.6%	2.1%
Computer services	14 334	19 109	18 251	22 020	15.4%	6.6%	25 453	25 270	26 639	6.6%	7.3%
Consultants: Business and advisory services	3 357	19 490	20 799	69 017	173.9%	10.1%	65 593	180 847	185 477	39.0%	37.0%
Legal services	493	520	607	-	-100.0%	0.1%	415	265	280	-	0.1%
Contractors	2 653	4 530	4 932	76 403	206.5%	8.0%	5 320	5 938	6 298	-56.5%	6.9%
Agency and support/outsourced services	3 130	1 124	2 029	1 100	-29.4%	0.7%	302	153	161	-47.3%	0.1%
Entertainment	55	45	42	-	-100.0%	-	107	130	139	-	-
Fleet services (including government motor transport)	1 221	895	937	-	-100.0%	0.3%	2 138	2 354	2 481	-	0.5%
Consumable supplies	2 275	2 083	1 611	2 465	2.7%	0.8%	3 229	3 224	3 400	11.3%	0.9%
Consumables: Stationery, printing and office supplies	4 097	3 958	2 972	6 722	17.9%	1.6%	5 967	6 106	6 437	-1.4%	1.9%
Operating leases	32 139	34 390	33 874	29 594	-2.7%	11.7%	33 515	36 550	38 531	9.2%	10.2%
Rental and hiring	120	229	212	256	28.7%	0.1%	12	15	16	-60.3%	-
Property payments	2 459	3 335	3 146	-	-100.0%	0.8%	5 067	5 573	5 875	-	1.2%
Transport provided: Departmental activity	-	-	65	-	-	-	-	-	-	-	-
Travel and subsistence	31 169	33 062	32 293	44 465	12.6%	12.7%	41 177	46 374	48 891	3.2%	13.4%
Training and development	106 173	51 247	165 667	76 411	-10.4%	35.9%	12 255	3 546	3 737	-63.4%	7.1%
Operating payments	5 081	4 747	3 385	6 886	10.7%	1.8%	4 557	4 655	4 908	-10.7%	1.6%
Venues and facilities	4 905	4 548	8 251	8 387	19.6%	2.3%	15 742	15 806	16 661	25.7%	4.2%
Total	229 282	199 712	318 554	364 077	16.7%	100.0%	245 560	364 602	380 712	1.5%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 33.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	886 257	1 045 570	1 040 012	1 139 097	8.7%	84.5%	1 232 475	1 297 411	1 367 674	6.3%	84.8%
Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority	230	176	185	197	-5.0%	-	179	157	165	-5.7%	-
Public Service Sector Education and Training Authority	388	-	-	-	-100.0%	-	-	-	-	-	-
South African Tourism	880 009	977 712	1 024 847	1 134 288	8.8%	82.6%	1 208 048	1 271 539	1 340 491	5.7%	83.4%
Tourism incentive programme	-	61 689	10 588	-	-	1.5%	20 000	22 000	23 101	-	1.1%
National tourism careers expo	3 630	3 993	4 392	4 612	8.3%	0.3%	4 248	3 715	3 917	-5.3%	0.3%
Tourism accelerated apprenticeship programme	2 000	2 000	-	-	-100.0%	0.1%	-	-	-	-	-
Households											
Other transfers to households											
Current	160 440	80 025	47 347	144 519	-3.4%	8.9%	84 852	36 183	38 171	-35.8%	5.1%
Employee social benefits	-	403	-	-	-	-	-	-	-	-	-
Bursaries for non-employees	3 720	3 800	4 791	4 212	4.2%	0.3%	3 979	3 480	3 669	-4.5%	0.3%
Expanded public works programme	120 528	66 027	42 556	91 165	-8.9%	6.6%	50 000	100	107	-89.5%	2.4%
Expanded public works programme incentive	20 831	9 745	-	49 142	33.1%	1.6%	30 873	32 603	34 395	-11.2%	2.5%
Tourism incentive programme	15 361	50	-	-	-100.0%	0.3%	-	-	-	-	-
Households											
Social benefits											
Current	2 031	2 264	433	-	-100.0%	0.1%	-	-	-	-	-
Employee social benefits	2 031	2 264	433	-	-100.0%	0.1%	-	-	-	-	-
Non-profit institutions											
Current	26 450	24 200	200	500	-73.4%	1.1%	472	413	435	-4.5%	-
Strategic Partners in Tourism	25 000	-	-	-	-100.0%	0.5%	-	-	-	-	-
Tourism incentive programme	-	10 000	-	-	-	0.2%	-	-	-	-	-
Federated Hospitality Association of South Africa	200	200	200	500	35.7%	-	472	413	435	-4.5%	-
Various institutions: SMME development	-	13 500	-	-	-	0.3%	-	-	-	-	-
Tourism interpretive signage	1 250	500	-	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	8 552	5 810	6 368	6 638	-8.1%	0.6%	2 508	2 194	2 313	-29.6%	0.2%
Regional Tourism Organisation of South Africa	6 266	3 712	3 529	3 983	-14.0%	0.4%	-	-	-	-100.0%	0.1%
United Nations World Tourism Organisation	2 286	2 098	2 839	2 655	5.1%	0.2%	2 508	2 194	2 313	-4.5%	0.2%
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	-	72 915	75 312	88 279	-	4.9%	161 501	163 903	172 619	25.0%	9.9%
Southern African Tourism Services Association	-	725	-	-	-	-	-	-	-	-	-
N12 Treasure Route Association	-	300	600	600	-	-	567	-	-	-100.0%	-
Tourism incentive programme	-	71 890	74 712	87 679	-	4.8%	160 934	163 903	172 619	25.3%	9.8%
Total	1 083 730	1 230 784	1 169 672	1 379 033	8.4%	100.0%	1 481 808	1 500 104	1 581 212	4.7%	100.0%

Personnel information

Table 33.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																		
1. Administration																		
2. Tourism Research, Policy and International Relations																		
3. Destination Development																		
4. Tourism Sector Support Services																		
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21	
Tourism		519	266.1	0.5	519	284.9	0.5	484	310.4	0.6	477	334.4	0.7	471	360.3	0.8	-3.2%	100.0%
Salary level		519	266.1	0.5	519	284.9	0.5	484	310.4	0.6	477	334.4	0.7	471	360.3	0.8	-3.2%	100.0%
1 – 6		131	29.2	0.2	131	31.1	0.2	102	31.7	0.3	100	34.0	0.3	98	36.3	0.4	-9.2%	22.1%
7 – 10		208	87.3	0.4	208	94.8	0.5	206	105.3	0.5	204	114.0	0.6	202	123.2	0.6	-1.0%	42.0%
11 – 12		113	82.8	0.7	113	87.5	0.8	112	96.8	0.9	109	102.8	0.9	108	111.2	1.0	-1.5%	22.7%
13 – 16		65	62.9	1.0	65	67.3	1.0	62	71.8	1.2	62	78.4	1.3	61	84.0	1.4	-2.1%	12.8%
Other		2	4.0	2.0	2	4.1	2.1	2	4.7	2.4	2	5.1	2.6	2	5.6	2.8	-	0.4%
Programme		519	266.1	0.5	519	284.9	0.5	484	310.4	0.6	477	334.4	0.7	471	360.3	0.8	-3.2%	100.0%
Programme 1		262	125.8	0.5	262	131.5	0.5	254	147.9	0.6	250	158.9	0.6	247	171.1	0.7	-1.9%	51.9%
Programme 2		72	51.7	0.7	72	38.5	0.5	62	45.5	0.7	61	49.0	0.8	60	52.7	0.9	-5.9%	13.1%
Programme 3		73	56.8	0.8	73	47.1	0.6	67	48.3	0.7	66	51.9	0.8	65	55.6	0.9	-3.8%	13.9%
Programme 4		112	31.9	0.3	112	67.7	0.6	101	68.6	0.7	100	74.6	0.7	99	80.9	0.8	-4.0%	21.1%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
 2. Rand million.

Departmental receipts

Table 33.8 Departmental receipts by economic classification

	Audited outcome				Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21		
R thousand													
Departmental receipts	3 504	6 770	5 321	1 756	1 756	-20.6%	100.0%	1 934	1 934	1 939	3.4%	100.0%	
Sales of goods and services produced by department	163	165	157	162	162	-0.2%	3.7%	163	163	165	0.6%	8.6%	
Sales by market establishments	84	77	72	82	82	-0.8%	1.8%	82	82	83	0.4%	4.4%	
of which:													
Rent collected from the letting of open and covered parking	84	77	72	82	82	-0.8%	1.8%	82	82	83	0.4%	4.4%	
Administrative fees	-	-	1	-	-	-	-	-	-	-	-	-	
of which:													
Appeals Fees	-	-	1	-	-	-	-	-	-	-	-	-	
Other sales	79	88	84	80	80	0.4%	1.9%	81	81	82	0.8%	4.3%	
of which:													
Commission received on deduction of insurance and other premiums from employees salaries	79	88	84	80	80	0.4%	1.9%	81	81	82	0.8%	4.3%	
Sales of scrap, waste, arms and other used current goods	-	-	6	-	-	-	-	-	-	-	-	-	
of which:													
Sales of scrap	-	-	6	-	-	-	-	-	-	-	-	-	
Interest, dividends and rent on land	10	559	146	120	120	128.9%	4.8%	100	100	101	-5.6%	5.6%	
Interest	10	559	146	120	120	128.9%	4.8%	100	100	101	-5.6%	5.6%	
Sales of capital assets	24	84	39	40	40	18.6%	1.1%	40	40	41	0.8%	2.1%	
Transactions in financial assets and liabilities	3 307	5 962	4 973	1 434	1 434	-24.3%	90.3%	1 631	1 631	1 632	4.4%	83.7%	
Total	3 504	6 770	5 321	1 756	1 756	-20.6%	100.0%	1 934	1 934	1 939	3.4%	100.0%	

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 33.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	30.8	26.0	26.8	25.2	-6.6%	12.0%	23.6	25.3	27.2	2.7%	9.1%
Management	14.5	13.4	17.1	3.1	-40.1%	5.3%	2.7	2.9	3.1	-0.1%	1.1%
Corporate Management	116.3	120.8	120.5	146.1	7.9%	55.7%	172.7	183.5	195.7	10.2%	63.0%
Financial Management	23.7	25.4	25.6	30.1	8.3%	11.6%	35.0	38.2	42.4	12.1%	13.1%
Office Accommodation	34.4	37.3	37.0	29.6	-4.9%	15.3%	37.5	41.0	43.2	13.4%	13.7%
Total	219.8	222.8	227.1	234.1	2.1%	100.0%	271.4	290.8	311.6	10.0%	100.0%
Change to 2017 Budget estimate				15.0			38.8	58.2	79.0		
Economic classification	207.0	216.8	221.8	232.1	3.9%	97.1%	266.3	286.3	306.9	9.8%	98.5%
Current payments											
Compensation of employees	115.1	119.3	125.8	131.5	4.5%	54.4%	147.9	158.9	171.1	9.2%	55.0%
Goods and services ¹	91.9	97.5	96.0	100.6	3.0%	42.7%	118.4	127.4	135.7	10.5%	43.5%
<i>of which:</i>											
<i>Audit costs: External</i>	4.2	5.0	5.2	5.0	5.9%	2.2%	6.0	7.7	9.6	24.4%	2.6%
<i>Computer services</i>	14.3	18.2	14.7	22.0	15.5%	7.7%	22.3	24.0	25.3	4.7%	8.4%
<i>Operating leases</i>	32.1	34.4	33.9	29.6	-2.7%	14.4%	33.3	36.3	38.3	8.9%	12.4%
<i>Property payments</i>	2.4	3.3	3.1	-	-100.0%	1.0%	5.1	5.6	5.9	-	1.5%
<i>Travel and subsistence</i>	15.1	13.4	12.0	15.6	1.1%	6.2%	15.5	16.1	17.0	2.9%	5.8%
<i>Venues and facilities</i>	1.2	1.7	1.8	5.4	64.1%	1.1%	7.7	8.2	8.6	16.9%	2.7%
Transfers and subsidies¹	2.5	2.2	1.2	0.2	-57.3%	0.7%	0.2	0.2	0.2	-5.7%	0.1%
Departmental agencies and accounts	0.6	0.2	0.2	0.2	-31.7%	0.1%	0.2	0.2	0.2	-5.7%	0.1%
Households	1.9	2.1	1.0	-	-100.0%	0.6%	-	-	-	-	-
Payments for capital assets	10.1	3.6	3.6	1.8	-43.6%	2.1%	4.9	4.4	4.6	37.0%	1.4%
Buildings and other fixed structures	-	-	-	-	-	-	0.7	-	-	-	0.1%
Machinery and equipment	8.0	3.6	3.4	1.8	-39.1%	1.9%	4.1	4.2	4.5	35.2%	1.3%
Software and other intangible assets	2.1	0.0	0.2	-	-100.0%	0.3%	0.2	0.2	0.2	-	-
Payments for financial assets	0.2	0.1	0.5	-	-100.0%	0.1%	-	-	-	-	-
Total	219.8	222.8	227.1	234.1	2.1%	100.0%	271.4	290.8	311.6	10.0%	100.0%
Proportion of total programme expenditure to vote expenditure	14.1%	12.5%	11.8%	10.9%	-	-	12.0%	12.1%	12.3%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Tourism Research, Policy and International Relations

Programme purpose

Enhance the strategic policy environment, monitor the tourism sector's performance and enable stakeholder relations.

Objectives

- Provide knowledge services to inform policy, planning and decision-making by:
 - developing the national tourism sector strategy report on the state of tourism, the implementation report, evaluation reports on the tourism guide training programme and the tourism incentive programme on the grading of accommodation establishments over the medium term
 - maintaining mobile applications for tour guides and visitor information centres by March 2019
 - developing the national tourism information and monitoring system, and a database for black-owned tourism products and services.

- Enhance regional tourism integration by:
 - hosting the sharing best practices workshop in 2019 targeted at African countries that have tourism agreements with South Africa
 - hosting of two tourism initiatives during South Africa's chairship of the Indian Ocean Rim Association.
- Enhance understanding and awareness of the value of tourism and its opportunities by hosting the annual public lecture, and meetings of the national tourism research committee over the medium term.

Subprogrammes

- *Tourism Research, Policy and International Relations Management* provides strategic direction, comprehensive administration and operational support services, research, and information and knowledge management. This subprogramme also manages policy development and evaluation, and promotes sector transformation and responsible tourism.
- *Research and Knowledge Management* oversees tourism research, knowledge management and impact evaluation of the sector.
- *Policy Planning and Strategy* oversees and guides policy and strategy development for the tourism sector, and ensures efficient and effective stakeholder relations management.
- *South African Tourism* stimulates sustainable international and domestic demand for South African tourism experiences, and regulates the standard of tourism facilities and services.
- *International Relations and Cooperation* drives South Africa's interests through international relations and cooperation.

Expenditure trends and estimates

Table 33.10 Tourism Research, Policy and International Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Tourism Research, Policy and International Relations Management	4.0	2.7	6.6	7.4	22.4%	0.5%	8.7	9.4	10.1	11.0%	0.7%
Research and Knowledge Management	22.1	27.2	31.2	26.0	5.5%	2.5%	26.3	27.7	29.8	4.6%	2.1%
Policy Planning and Strategy	12.9	11.6	19.1	11.3	-4.3%	1.3%	11.7	12.7	13.7	6.7%	0.9%
South African Tourism	880.0	977.7	1 024.8	1 134.3	8.8%	93.9%	1 208.0	1 271.5	1 340.5	5.7%	94.2%
International Relations and Cooperation	19.1	15.3	21.1	24.1	8.0%	1.9%	27.3	29.1	30.6	8.3%	2.1%
Total	938.2	1 034.4	1 102.8	1 203.1	8.6%	100.0%	1 282.0	1 350.5	1 424.8	5.8%	100.0%
Change to 2017 Budget estimate				(5.6)			(9.8)	58.7	133.0		
Economic classification											
Current payments	44.9	46.1	66.9	57.2	8.4%	5.0%	66.9	72.8	77.8	10.8%	5.2%
Compensation of employees	33.4	33.4	51.7	38.5	4.9%	3.7%	45.5	49.0	52.7	11.0%	3.5%
Goods and services ¹	11.6	12.7	15.2	18.6	17.3%	1.4%	21.5	23.8	25.1	10.4%	1.7%
of which:											
Computer services	0.0	0.8	2.1	–	-100.0%	0.1%	1.2	1.3	1.4	–	0.1%
Consultants: Business and advisory services	1.4	1.4	1.1	9.8	89.5%	0.3%	5.3	5.6	5.9	-15.3%	0.5%
Consumables: Stationery, printing and office supplies	0.3	0.4	0.4	0.5	13.1%	–	0.7	0.7	0.8	15.6%	0.1%
Travel and subsistence	3.2	3.5	4.1	3.4	1.9%	0.3%	5.9	7.2	7.5	30.9%	0.5%
Operating payments	1.8	2.2	1.1	2.9	17.4%	0.2%	2.2	2.3	2.5	-5.2%	0.2%
Venues and facilities	1.9	0.6	1.6	1.0	-19.8%	0.1%	2.5	3.0	3.1	46.3%	0.2%
Transfers and subsidies¹	892.3	987.5	1 035.3	1 145.1	8.7%	94.9%	1 214.5	1 277.2	1 346.5	5.5%	94.7%
Departmental agencies and accounts	880.0	977.7	1 024.8	1 134.3	8.8%	93.9%	1 208.0	1 271.5	1 340.5	5.7%	94.2%
Foreign governments and international organisations	8.6	5.8	6.4	6.6	-8.1%	0.6%	2.5	2.2	2.3	-29.6%	0.3%
Households	3.7	3.9	4.1	4.2	4.0%	0.4%	4.0	3.5	3.7	-4.5%	0.3%

Table 33.10 Tourism Research, Policy and International Relations expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Payments for capital assets	0.9	0.8	0.6	0.8	-3.4%	0.1%	0.5	0.5	0.5	-14.2%	-
Machinery and equipment	0.9	0.8	0.6	0.8	-2.3%	0.1%	0.5	0.5	0.5	-14.2%	-
Software and other intangible assets	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.1	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	938.2	1 034.4	1 102.8	1 203.1	8.6%	100.0%	1 282.0	1 350.5	1 424.8	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	60.2%	58.2%	57.4%	56.2%	-	-	56.7%	56.2%	56.0%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	880.0	977.7	1 024.8	1 134.3	8.8%	93.9%	1 208.0	1 271.5	1 340.5	5.7%	94.2%
South African Tourism	880.0	977.7	1 024.8	1 134.3	8.8%	93.9%	1 208.0	1 271.5	1 340.5	5.7%	94.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Destination Development

Programme purpose

Facilitate and coordinate tourism destination development.

Objectives

- Diversify and enhance tourism offerings by:
 - reporting on the implementation of 6 destination enhancement projects (Shangoni Gate, Phalaborwa Wildlife Activity Hub, Blyde River Canyon, Hilltop Camp, Gariep Dam Nature Reserve and Dwesa-Cwebe Nature Reserve) in 2018/19
 - developing 2 tourism precinct plans by March 2019
 - supporting 6 projects over the medium term that contribute to the maintenance or improvement of routes to tourism destinations
 - hosting 2 workshops in each of the 9 provinces to institutionalise the manual as a planning tool by March 2019
 - implementing the blue flag programme at 25 South African beaches by March 2019
 - developing 3 master plans for prioritised tourism nodes (Sutherland to Carnarvon, Hondeklipbaai to Port Nolloth and Port St Johns to Coffee Bay).
- Create employment opportunities by implementing tourism projects (Lotlamoreng Dam, Phiphidi Waterfall, Platfontein Game Farm, National Youth Chefs, 1 sommelier training course, youth hospitality training and 1 food safety programme) through the expanded public works programme, resulting in 13 475 full-time equivalent jobs over the medium term.

Subprogrammes

- *Destination Development Management* provides strategic leadership and administrative support to the programme's activities.
- *Tourism Enhancement* increases the competitiveness of South Africa's tourism industry.
- *Destination Planning and Investment Coordination* ensures that tourism infrastructure supports the current and future growth of the sector.
- *Working for Tourism* facilitates the development of tourism infrastructure projects under the expanded public works programme through labour intensive methods that target the unemployed, youth, women, disabled people and SMMEs.

Expenditure trends and estimates

Table 33.11 Destination Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15	2017/18	2018/19	2019/20	2020/21	2017/18 -	2020/21
Destination Development	3.6	4.1	4.4	46.4	134.9%	4.1%	20.3	46.8	48.2	1.2%	9.2%
Management											
Tourism Enhancement	13.2	15.0	25.3	19.3	13.3%	5.1%	19.0	21.5	23.1	6.2%	4.7%
Destination Planning and Investment Coordination	9.2	9.2	4.6	36.6	58.3%	4.2%	27.7	24.9	26.8	-9.9%	6.6%
Working for Tourism	280.2	249.0	366.0	329.5	5.5%	86.5%	334.8	352.9	372.1	4.1%	79.4%
Total	306.3	277.3	400.3	431.9	12.1%	100.0%	401.8	446.2	470.2	2.9%	100.0%
Change to 2017 Budget estimate				(12.1)			(61.4)	(17.0)	7.1		
Economic classification											
Current payments	163.7	111.7	235.2	182.4	3.7%	49.0%	102.0	213.3	220.7	6.6%	41.1%
Compensation of employees	49.4	51.7	56.8	47.1	-1.6%	14.5%	48.3	51.9	55.6	5.6%	11.6%
Goods and services ¹	114.3	60.0	178.4	135.3	5.8%	34.5%	53.7	161.5	165.1	6.9%	29.5%
of which:											
Consultants: Business and advisory services	1.6	0.7	3.6	40.2	192.3%	3.3%	27.8	141.9	144.4	53.1%	20.2%
Consumables: Stationery, printing and office supplies	0.6	0.5	0.4	1.2	22.8%	0.2%	1.4	1.5	1.5	9.4%	0.3%
Travel and subsistence	6.7	8.2	9.7	10.8	17.3%	2.5%	9.7	12.3	12.9	6.3%	2.6%
Training and development	103.0	46.7	156.9	75.4	-9.9%	27.0%	7.5	0.6	0.7	-79.4%	4.8%
Operating payments	0.5	0.6	0.1	1.7	46.4%	0.2%	0.8	0.9	1.0	-16.1%	0.3%
Venues and facilities	0.2	0.8	3.0	1.0	75.2%	0.3%	1.8	1.2	1.2	7.7%	0.3%
Transfers and subsidies¹	141.4	77.2	43.3	140.9	-0.1%	28.4%	81.4	32.7	34.5	-37.4%	16.5%
Public corporations and private enterprises	-	1.0	0.6	0.6	-	0.2%	0.6	-	-	-100.0%	0.1%
Households	141.4	76.2	42.7	140.3	-0.3%	28.3%	80.9	32.7	34.5	-37.3%	16.5%
Payments for capital assets	1.1	88.4	121.6	108.5	355.4%	22.6%	218.3	200.1	215.1	25.6%	42.4%
Buildings and other fixed structures	-	87.2	121.0	107.5	-	22.3%	217.9	199.9	214.8	26.0%	42.3%
Machinery and equipment	1.1	1.2	0.6	1.1	-3.0%	0.3%	0.4	0.2	0.3	-37.7%	0.1%
Payments for financial assets	0.0	0.0	0.2	-	-100.0%	-	-	-	-	-	-
Total	306.3	277.3	400.3	431.9	12.1%	100.0%	401.8	446.2	470.2	2.9%	100.0%
Proportion of total programme expenditure to vote expenditure	19.7%	15.6%	20.9%	20.2%	-	-	17.8%	18.6%	18.5%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	141.4	75.8	42.6	140.3	-0.2%	28.3%	80.9	32.7	34.5	-37.3%	16.5%
Expanded public works programme	120.5	66.0	42.6	91.2	-8.9%	22.6%	50.0	0.1	0.1	-89.5%	8.1%
Expanded public works programme incentive	20.8	9.7	-	49.1	33.1%	5.6%	30.9	32.6	34.4	-11.2%	8.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Tourism Sector Support Services

Programme purpose

Enhance transformation of the sector, increase skills levels and support its development to ensure that South Africa is a competitive tourism destination.

Objectives

- Accelerate the transformation of the tourism sector over the medium term by:
 - monitoring the implementation of the amended tourism broad-based black economic empowerment sector codes
 - facilitating 5 social tourism initiatives that promote open access to selected government-owned attractions.
- Facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation by March 2019 by:

- supporting the development of 400 enterprises
- launching a tourism incubation programme to implement the enterprise development programme
- implementing the tourism incentive programme (market access support, tourism grading, energy efficiency, universal accessibility and sector transformation).
- Facilitate tourism capacity building programmes by March 2019 by:
 - training 577 chefs, 300 in the blue flag training programme, 1 200 tourism monitors, 500 food safety inspectors and 60 learners in the resource efficiency training programme
 - establishing a coordinating body for tourism human resource development
 - implementing the local government tourism induction programme, focusing on rural areas with tourism potential in 10 district municipalities
 - placing 20 black female managers of tourism enterprises at institutions of higher learning for management training.

Subprogrammes

- *Tourism Sector Support Services Management* provides administrative support to the programme's activities.
- *Tourism Sector Human Resource Development* facilitates the efficient management and implementation of human resource development initiatives for the tourism sector.
- *Enterprise Development and Transformation* facilitates inclusive participation and sustainability in the tourism sector.
- *Tourism Visitor Services* ensures information integrity and facilitates accurate information for travelling.
- *Tourism Incentive Programme* creates direct linkages between South African inbound tour operators and international tourism companies by assisting South African tour operators to exhibit their products at trade shows across the world.

Expenditure trends and estimates

Table 33.12 Tourism Sector Support Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Tourism Sector Support Services Management	7.9	9.2	9.0	8.4	2.1%	4.3%	12.7	10.4	11.1	9.6%	3.5%
Tourism Human Resource Development	17.4	18.1	19.5	27.5	16.6%	10.3%	22.6	23.6	25.5	-2.5%	8.1%
Enterprise Development and Transformation	39.5	33.4	12.2	44.4	3.9%	16.2%	49.7	55.1	58.5	9.7%	16.9%
Tourism Visitor Services	10.5	16.2	15.6	22.8	29.6%	8.2%	22.9	22.8	24.8	2.7%	7.6%
Tourism Incentive Programmes	18.0	166.0	133.2	168.0	110.4%	60.9%	198.8	204.9	216.2	8.8%	64.0%
Total	93.3	242.8	189.4	271.1	42.7%	100.0%	306.7	316.8	336.0	7.4%	100.0%
Change to 2017 Budget estimate				2.7			6.2	16.3	35.5		

Table 33.12 Tourism Sector Support Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	45.1	77.9	60.8	177.3	57.8%	45.3%	120.7	126.5	135.7	-8.5%	45.5%
Compensation of employees	33.6	48.5	31.9	67.7	26.3%	22.8%	68.6	74.6	80.9	6.1%	23.7%
Goods and services ¹	11.5	29.5	28.9	109.6	112.2%	22.5%	52.0	52.0	54.8	-20.6%	21.8%
of which:											
Catering: Departmental activities	0.7	0.8	1.1	0.8	5.7%	0.4%	1.8	1.9	2.0	33.9%	0.5%
Communication	0.3	0.4	0.3	0.5	24.9%	0.2%	1.1	1.1	1.2	30.1%	0.3%
Consultants: Business and advisory services	0.1	15.9	13.4	17.4	598.5%	5.9%	31.3	32.0	33.7	24.7%	9.3%
Consumables: Stationery, printing and office supplies	0.4	0.6	0.2	1.3	43.9%	0.3%	0.8	0.8	0.9	-13.4%	0.3%
Travel and subsistence	6.2	8.0	6.5	14.7	33.3%	4.4%	10.0	10.8	11.4	-8.2%	3.8%
Venues and facilities	1.6	1.5	1.9	1.0	-13.8%	0.7%	3.7	3.5	3.7	54.2%	1.0%
Transfers and subsidies¹	47.5	163.9	89.9	92.8	25.0%	49.5%	185.7	190.0	200.1	29.2%	54.3%
Departmental agencies and accounts	5.6	67.7	15.0	4.6	-6.4%	11.7%	24.2	25.7	27.0	80.3%	6.6%
Public corporations and private enterprises	-	71.9	74.7	87.7	-	29.4%	160.9	163.9	172.6	25.3%	47.6%
Non-profit institutions	26.5	24.2	0.2	0.5	-73.4%	6.4%	0.5	0.4	0.4	-4.5%	0.1%
Households	15.4	0.1	0.0	-	-100.0%	1.9%	-	-	-	-	-
Payments for capital assets	0.7	0.6	38.7	1.1	13.1%	5.2%	0.3	0.2	0.2	-41.8%	0.1%
Buildings and other fixed structures	-	-	38.0	-	-	4.8%	-	-	-	-	-
Machinery and equipment	0.7	0.6	0.7	1.1	13.1%	0.4%	0.3	0.2	0.2	-43.0%	0.1%
Payments for financial assets	0.0	0.4	0.1	-	-100.0%	0.1%	-	-	-	-	-
Total	93.3	242.8	189.4	271.1	42.7%	100.0%	306.7	316.8	336.0	7.4%	100.0%
Proportion of total programme expenditure to vote expenditure	6.0%	13.7%	9.9%	12.7%	-	-	13.6%	13.2%	13.2%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	15.4	0.1	-	-	-100.0%	1.9%	-	-	-	-	-
Tourism incentive programme	15.4	0.1	-	-	-100.0%	1.9%	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5.6	67.7	15.0	4.6	-6.4%	11.7%	24.2	25.7	27.0	80.3%	6.6%
Tourism incentive programme	-	61.7	10.6	-	-	9.1%	20.0	22.0	23.1	-	5.3%
National tourism careers expo	3.6	4.0	4.4	4.6	8.3%	2.1%	4.2	3.7	3.9	-5.3%	1.3%
Tourism accelerated apprenticeship programme	2.0	2.0	-	-	-100.0%	0.5%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	-	71.9	74.7	87.7	-	29.4%	160.9	163.9	172.6	25.3%	47.6%
Tourism incentive programme	-	71.9	74.7	87.7	-	29.4%	160.9	163.9	172.6	25.3%	47.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity¹

South African Tourism

Mandate

The Tourism Act (2014) mandates South African Tourism to market South Africa internationally and domestically as a preferred tourism and business events destination, ensure that tourist facilities and services are of the highest standard, and monitor and evaluate the performance of the tourism sector.

Selected performance indicators

Table 33.13 South African Tourism performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past		Current	Projections			
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of international tourist arrivals per year	Leisure tourism marketing	Outcome 4: Decent employment through inclusive growth	– ¹	8 903 773	9 945 373	11 000 000	12 000 000	13 000 000	13 000 000
Total tourist foreign direct spend per year	Leisure tourism marketing		– ¹	R68.1bn	R75.5bn	R80.3bn	R86.5bn	R89.7bn	R109bn
Number of domestic holiday trips per year	Leisure tourism marketing		– ¹	2 700 000	2 950 000	2 906 000	3 106 000	3 306 000	3 506 000
Total domestic direct spend per year	Leisure tourism marketing		– ¹	R23.6bn	R26.5bn	R24.8bn	R26.7bn	R28.5bn	R30.3bn
Number of international delegates hosted in South Africa per year	Business events		– ¹	– ¹	73 866	81 678	86 006	90 564	90 564
Number of graded accommodation establishments per year	Improve visitor experience in line with the brand promise		5 369	5 230	5 650	5 932	6 229	6 540	6 867
Number of business events hosted in South Africa per year	Contribute to inclusive economic growth by increasing the number of international business events in South Africa		52	87	125	145	153	161	161

1. No historical data available.

Expenditure analysis

The NDP envisages the promotion of South Africa as a major tourist and business events destination to boost tourist numbers, and enable the sector to contribute directly to poverty reduction and economic growth, especially through job creation. The priorities articulated in government's 2014-2019 medium-term strategic framework, particularly outcome 4 (decent employment through inclusive growth), are embodied in South African Tourism's strategic plan and the targets set by the tourism industry.

Over the medium term, the entity intends focusing on marketing South Africa as a tourism destination of choice, and increasing the contribution of the sector to the South African economy by increasing the number of tourist arrivals from a projected 11 million in 2017/18 to 13 million in 2020/21. This is expected to lead to an increase in tourism revenue from R91.7 billion in 2017/18 to R139.3 billion in 2020/21. Accordingly, the entity's budget is expected to increase at an average annual rate of 3 per cent, from R1.5 billion in 2017/18 to R1.6 billion in 2020/21.

The entity plans to transfer R713.8 million to all international offices to expand media and trade events tailored to specific markets, media campaigns, customer relations management and joint marketing agreements with private sector operators to collaborate on the marketing of tourism packages. Through collaborative efforts with stakeholders, South African Tourism plans to implement domestic, regional and international marketing strategies that are informed by research, data and knowledge sharing.

The entity will continue to market South Africa as a destination for business events and provide support for bids to host such events in its efforts to increase the number of business events hosted from 153 to a projected 161 over the MTEF period. In 2016, South Africa hosted 125 international and regional meetings and conferences, which attracted almost 74 000 delegates. These events represented 538 combined conference days and generated an estimated R1.1 billion. The entity plans to spend R129.3 million in 2018/19 to increase

¹ This section has been compiled with the latest available information from the entity concerned.

the number of delegates attending business events in South Africa to 90 564 in 2020/21. Revenue generated from international delegates attending conferences and business events is estimated to reach R74.6 billion by 2020/21. Cabinet has approved additional allocations of R30 million in 2018/19, R40 million in 2019/20 and R42 million in 2020/21 to increase South Africa's competitiveness in attracting business events, and provide increased support for bids to host these events.

The number of domestic trips taken in South Africa increased from 2.7 million in 2015/16 to 3 million in 2016/17 despite persistently high levels of unemployment and weak economic growth. This is a good sign that the entity's marketing efforts are gaining traction. To entrench a culture of travel among South Africans, the entity plans to spend R110 million on media campaigns, and R47.1 million on joint marketing agreements and consumer activations.

Programmes/Objectives/Activities

Table 34.14 South African Tourism expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	98.7	93.1	102.1	140.0	12.4%	8.5%	132.3	136.7	142.5	0.6%	9.2%
Business Enablement	48.0	63.1	99.9	81.3	19.2%	5.7%	85.9	90.7	95.7	5.6%	5.9%
Leisure Tourism Marketing	837.8	1 001.0	847.0	1 045.7	7.7%	73.5%	1 026.3	1 079.0	1 143.0	3.0%	71.4%
Business Events	67.0	57.7	154.6	119.0	21.1%	7.8%	129.3	139.3	142.5	6.2%	8.8%
Visitor Experience	56.5	45.2	54.0	76.6	10.7%	4.6%	65.8	69.5	73.3	-1.5%	4.7%
Total	1 108.0	1 260.2	1 257.6	1 462.6	9.7%	100.0%	1 439.6	1 515.2	1 596.9	3.0%	100.0%

Statements of historical financial performance and position

Table 34.15 South African Tourism statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	83.9	147.0	91.8	174.9	94.4	132.1	104.7	203.7	175.5%
Other non-tax revenue	83.9	147.0	91.8	174.9	94.4	132.1	104.7	203.7	175.5%
Transfers received	958.3	991.6	1 081.7	1 100.9	1 124.3	1 162.4	1 258.9	1 258.9	102.0%
Total revenue	1 042.2	1 138.6	1 173.6	1 275.8	1 218.7	1 294.5	1 363.6	1 462.6	107.8%
Expenses									
Current expenses	1 042.2	1 108.0	1 173.6	1 260.2	1 212.9	1 257.6	1 363.6	1 462.6	106.2%
Compensation of employees	109.0	179.6	191.8	166.7	179.6	186.3	204.3	204.3	107.6%
Goods and services	933.2	920.7	966.5	1 080.6	1 016.9	1 059.7	1 147.0	1 246.0	106.0%
Depreciation	—	7.7	15.2	12.8	16.5	11.6	12.3	12.3	101.3%
Total expenses	1 042.2	1 108.0	1 173.6	1 260.2	1 212.9	1 257.6	1 363.6	1 462.6	106.2%
Surplus/(Deficit)	—	31.0	—	16.0	6.0	37.0	—	—	
Statement of financial position									
Carrying value of assets	78.0	57.3	60.0	107.6	114.3	101.3	107.1	107.1	103.9%
Loans	0.1	0.0	—	—	—	0.0	—	—	20.7%
Receivables and prepayments	24.6	31.7	33.6	44.3	47.0	20.7	21.9	21.9	93.3%
Cash and cash equivalents	236.9	374.1	395.8	459.4	487.8	551.3	582.7	582.7	115.5%
Total assets	339.7	463.1	489.3	611.2	649.1	673.3	711.7	711.7	112.3%
Accumulated surplus/(deficit)	3.3	123.7	130.8	139.3	147.9	238.2	251.8	251.8	141.0%
Capital and reserves	25.4	26.5	28.1	70.5	74.9	70.6	74.6	74.6	119.4%
Finance lease	—	0.4	0.4	0.3	0.4	0.2	0.2	0.2	117.0%
Trade and other payables	256.4	267.4	282.2	347.8	369.3	320.7	328.6	328.6	102.3%
Provisions	43.0	45.2	47.8	53.3	56.6	43.6	46.1	46.1	97.2%
Derivatives financial instruments	2.5	—	—	—	—	—	—	—	—
Total equity and liabilities	330.6	463.1	489.3	611.2	649.1	673.3	701.3	701.3	112.8%

Statements of estimates of financial performance and position

Table 34.16 South African Tourism statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
Revised estimate	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R million								
Revenue								
Non-tax revenue	203.7	11.5%	12.7%	100.7	106.3	112.2	-18.0%	8.7%
Other non-tax revenue	203.7	11.5%	12.7%	100.7	106.3	112.2	-18.0%	8.7%
Transfers received	1 258.9	8.3%	87.3%	1 338.9	1 408.9	1 484.7	5.7%	91.3%
Total revenue	1 462.6	8.7%	100.0%	1 439.6	1 515.2	1 596.9	3.0%	100.0%
Expenses								
Current expenses	1 462.6	9.7%	100.0%	1 439.6	1 515.2	1 596.9	3.0%	100.0%
Compensation of employees	204.3	4.4%	14.6%	216.1	228.4	241.1	5.7%	14.8%
Goods and services	1 246.0	10.6%	84.6%	1 210.5	1 273.1	1 341.3	2.5%	84.3%
Depreciation	12.3	16.8%	0.9%	13.0	13.8	14.5	5.6%	0.9%
Total expenses	1 462.6	9.7%	100.0%	1 439.6	1 515.2	1 596.9	3.0%	100.0%
Surplus/(Deficit)	-			-	-	-		
Statement of financial position								
Carrying value of assets	107.1	23.2%	15.0%	113.2	119.6	126.1	5.6%	15.1%
Receivables and prepayments	21.9	-11.6%	5.1%	23.1	24.4	25.8	5.6%	3.1%
Cash and cash equivalents	582.7	15.9%	79.9%	615.9	650.4	686.2	5.6%	81.9%
Total assets	711.7	15.4%	100.0%	752.3	794.4	838.1	5.6%	100.0%
Accumulated surplus/(deficit)	251.8	26.7%	30.2%	-	-	-	-100.0%	9.0%
Capital and reserves	74.6	41.2%	9.6%	78.9	83.3	87.9	5.6%	23.1%
Finance lease	0.2	-14.9%	0.0%	0.2	0.2	0.2	3.7%	0.1%
Trade and other payables	328.6	7.1%	52.3%	347.3	366.8	38.7	-51.0%	53.6%
Provisions	46.1	0.6%	7.9%	48.7	51.4	54.3	5.6%	14.3%
Total equity and liabilities	701.3	14.8%	100.0%	475.1	501.7	181.2	-36.6%	100.0%

Personnel information

Table 34.17 South African Tourism personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost	
South African Tourism		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	202				202	204.3	1.0	202	216.1	1.1	202	228.4	1.1	202	241.1	1.2	5.7%	100.0%	
1-6	9	9	20	53.4	2.7	9	20.5	2.3	9	21.7	2.4	9	22.9	2.5	9	24.2	2.7	5.7%	4.5%
7-10	86	86	66	30.0	0.5	86	41.6	0.5	86	44.0	0.5	86	46.5	0.5	86	49.1	0.6	5.7%	42.6%
11-12	39	39	30	24.3	0.8	39	33.4	0.9	39	35.4	0.9	39	37.4	1.0	39	39.5	1.0	5.7%	19.3%
13-16	67	67	51	75.9	1.5	67	106.0	1.6	67	112.1	1.7	67	118.5	1.8	67	125.1	1.9	5.7%	33.2%
17-22	1	1	1	2.5	2.5	1	2.8	2.8	1	2.9	2.9	1	3.1	3.1	1	3.3	3.3	5.7%	0.5%

1. Rand million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16		2016/17	2018/19	2019/20
Departmental infrastructure									
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)									
Working for Tourism	Upgrading of and additions to tourism attractions and venues	Tender	928.3	–	87.2	121.0	217.9	199.9	214.8
Small projects (total project cost of less than R250 million over the project life cycle)									
Tourism incentive programme	Upgrading of and additions to tourism attractions and venues	Tender	38.0	–	–	38.0	–	–	–
Domestic tourism product development	Creation of new tourist attractions	Design	–	–	–	20.0	–	–	–
Tourism House maintenance and upgrades	Office upgrades and maintenance	Design	–	–	–	–	0.7	–	–
Total			966.3	–	87.2	159.0	218.6	199.9	214.8

Vote 34

Trade and Industry

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	760.6	743.2	–	17.5	801.4	840.0
International Trade and Economic Development	124.9	97.5	26.7	0.8	133.9	138.0
Special Economic Zones and Economic Transformation	165.4	92.9	72.1	0.5	174.8	182.1
Industrial Development	1 622.6	133.8	1 487.9	0.9	1 675.2	1 766.6
Consumer and Corporate Regulation	314.6	78.4	236.1	0.2	332.6	350.0
Incentive Development and Administration	6 009.0	181.3	5 820.4	7.3	6 484.6	6 889.7
Trade and Investment South Africa	411.6	223.1	186.3	2.2	433.4	440.0
Investment South Africa	53.8	53.4	–	0.4	57.2	61.4
Total expenditure estimates	9 462.6	1 603.5	7 829.4	29.7	10 093.1	10 667.7

Executive authority Minister of Trade and Industry
 Accounting officer Director General of Trade and Industry
 Website address www.thedti.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Lead and facilitate access to sustainable economic activity and employment for all South Africans through an understanding of the economy, knowledge of economic opportunities and potential, and anticipation of future economic trends. Catalyse economic transformation and development, and provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for economic citizens. Contribute to achieving government's vision of an adaptive and restructured economy, characterised by accelerated economic growth, employment creation and greater equity.

Mandate

The mandate of the Department of Trade and Industry is derived from a wide legislative framework that includes:

- the Companies Act (2008)
- the Manufacturing Development Act (1993)
- the Broad-Based Black Economic Empowerment Act (2003)
- the Consumer Protection Act (2008).

Selected performance indicators

Table 34.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of quarterly reports on industrial policy action plan prepared for the minister's review meetings per year	Industrial Development	Outcome 4: Decent employment through inclusive growth	4	3 ¹	3 ¹	4	4	4	4
Number of designation ² requests submitted for the minister's approval per year	Industrial Development		4	2	4	2	2 ³	2 ³	2 ³

Table 34.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Value of projected investment to be leveraged from approved projects per year ⁴	Incentive Development and Administration	Outcome 4: Decent employment through inclusive growth	R20.4bn	R14.4bn	R13bn	R15bn	R15bn	R25bn	R20bn
Number of new jobs supported from approved enterprises per year	Incentive Development and Administration		12 568	6 850	11 659	3 000	10 000 ⁵	12 500 ⁵	12 500 ⁵
Number of jobs retained from approved enterprises per year	Incentive Development and Administration		33 551	28 000	38 192	20 000	20 000	25 000 ⁵	25 000 ⁵
Number of strategic infrastructure projects approved for special economic zones/industrial parks per year	Incentive Development and Administration		29	9	15	- ⁶	- ⁶	- ⁶	- ⁶
Value of projected export revenue from approved projects per year	Incentive Development and Administration		R16.3bn	R5.7bn	R800m	- ⁶	- ⁶	- ⁶	- ⁶
Number of enterprises/projects approved for financial support across all incentives per year	Incentive Development and Administration		- ⁷	- ⁷	- ⁷	800	850	900	1 000

1. No implementation report tabled in the first quarters of 2015/16 and 2016/17 as no minister's review meeting took place.

2. Designations are approved by the Minister of Trade and Industry and the Minister of Finance to become special economic zones.

3. Decrease over the medium term due to focus on performing impact analyses for approved designations.

4. Fluctuations due to expected pipeline investment in manufacturing services and infrastructure.

5. Increase due to generic manufacturing grant and sector-specific instruments being developed, which target labour intensive sectors such as agro-processing and metals fabrication.

6. Indicator discontinued.

7. No historical data available.

Expenditure analysis

The National Development Plan recognises that the main driver for eradicating poverty and inequality is creating employment through increased production. This is given expression by outcome 4 (decent employment through inclusive growth), outcome 7 (comprehensive rural development and land reform) and outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium-term strategic framework, with which the work of the Department of Trade and Industry is closely aligned. Over the medium term, the department plans to continue focusing on intensifying the implementation of the industrial policy action plan, which aims to promote industrialisation and expand production in value added sectors with opportunities for high employment growth. This entails providing industrial financing, developing industrial infrastructure and strengthening export capabilities.

The department's total budget is R30.2 billion over the medium term, of which a projected 80.8 per cent (R24.4 billion) is used for transfers to public corporations and private enterprises, and departmental agencies and accounts. Spending on compensation of employees accounts for 10.2 per cent of the department's budget, and is expected to increase at an average annual rate of 4.2 per cent, from R947.7 million in 2017/18 to R1.1 billion in 2020/21. Cabinet has approved reductions to the department's baseline budget amounting to R1.7 billion over the MTEF period, which will be effected mainly on the department's manufacturing development incentives. The impact of these reductions will be felt by the department's core incentive programmes, but will be mitigated by offering financial support to manufacturers through other incentive programmes, such as the economic competitiveness and support package. The package provides business incentives to support enterprise competitiveness and job retention, and receives allocations approved by Cabinet of R1.6 billion in 2019/20 and R1.7 billion in 2020/21.

Providing industrial financing

The *Incentive Development and Administration* programme is responsible for stimulating and facilitating the development of sustainable and competitive enterprises through accessible incentive measures in the form of grants, loans and tax allowances. Over the medium term, through its incentive programmes in the *Incentive Development and Administration* programme, the department plans to support activities involving industrial and enterprise development, and monitor compliance with the Broad-Based Black Economic Empowerment Amendment Act (2013). Allocations to the programme are expected to increase at an average annual rate of

6.7 per cent, from R5.7 billion in 2017/18 to R6.9 billion in 2020/21, and account for an estimated 63.3 per cent (R19.4 billion) of the department's total budget over the MTEF period.

The *Incentive Development and Administration* programme aims to attract private sector investment of R60 billion over the medium term in the agro-processing, metals fabrication, chemicals and plastics sectors, in line with the industrial policy action plan. Through this programme, the department expects to provide financial support to an estimated 2 750 enterprises or projects to assist in creating 35 000 jobs and retaining 70 000 jobs. The manufacturing development incentive, which supports investment in the manufacturing sector, receives the bulk of the *Incentive Development and Administration* programme's allocation over the same period. Allocations to the incentive are set to increase at an average annual rate of 6.6 per cent, from R3.2 billion in 2017/18 to R3.8 billion in 2020/21.

The department launched the agro-processing support scheme in 2017/18 to stimulate investment in the agro-processing sector. The scheme, which is set to receive R1.5 billion over the MTEF period, is expected to support new and existing investments, encourage beneficiation activities in the agro-processing value chain that will result in value addition, enhance the storage life of products, and expand the infrastructure used by small-scale commercial farmers and agro-processors. The department expects to assist 300 small-scale commercial farmers and agro-processors through the scheme over the medium term.

The *Special Economic Zones and Economic Transformation* programme is entrusted to broaden the participation of black-owned manufacturing businesses in the economy. The department established the Broad-Based Black Economic Empowerment (B-BBEE) Commission in 2016/17 to create an effective environment for the promotion and implementation of B-BBEE, and strengthen collaboration between the public and private sectors to implement the objectives of the B-BBEE Amendment Act (2013). As such, the department has reprioritised R186.3 million to the commission over the medium term to investigate complaints on BEE transactions. As a result of this reprioritisation, allocations to the *Special Economic Zones and Economic Transformation* programme are expected to increase at an average annual rate of 15.4 per cent, from R118.4 million in 2017/18 to R182.1 million in 2020/21.

The department aims to continue supporting black-owned and managed companies through the manufacturing development incentive programme to unlock their potential through targeted and well defined financial and non-financial interventions. The black industrialists programme is a key part of government's broad initiative to expand the industrial base and inject new entrepreneurial dynamism into the economy. Since the launch of the black industrialists programme in 2016, 77 black industrialists have been supported. Over the medium term, an additional 165 black-owned and managed companies are expected to be supported through the manufacturing development incentive programme.

Developing industrial infrastructure

The department promotes industrialisation by spending on infrastructure projects through the *Infrastructure Investment Support* subprogramme in the *Incentive Development and Administration* programme. Funds are mainly used for infrastructure development in special economic zones, and in government-owned industrial and critical infrastructure projects. Spending on industrial infrastructure projects is set to increase at an average annual rate of 13.7 per cent, from R1.2 billion in 2017/18 to R1.8 billion in 2020/21.

By designating special economic zones in terms of the Special Economic Zones Act (2014), the department aims to improve industrialisation, regional development, exports and employment through foreign and domestic direct investment. Over the medium term, the department plans to designate 3 special economic zones, Atlantis (Western Cape), Nkomazi (Mpumalanga) and Mogwase (North West), to focus on renewable energy and technology, agro-processing, logistics, and mineral beneficiation. Spending on special economic zones is expected to increase at an average annual rate of 19.3 per cent, from R905.4 million in 2017/18 to R1.5 billion in 2020/21.

The department will continue implementing the critical infrastructure programme, which provides the required infrastructure for leveraging investment and lowering the cost of doing business in South Africa. Over the medium term, the department plans to revitalise roads, and bulk water and electricity supply in 13 industrial parks throughout the country, and in the process support an estimated 55 000 jobs. This work will be done

through an allocation of R669 million over the MTEF period in the *Infrastructure Investment Support* subprogramme in the *Incentive Development and Administration* programme. This allocation will also support 40 strategic critical infrastructure projects, such as power substations, cogeneration power plants, bulk infrastructure, and technical testing facilities for aerospace and defence.

Strengthening export capabilities

To boost exports and encourage investment, the department aims to strengthen the export capabilities of an estimated 1 400 South African companies by facilitating their participation in national pavilions, trade missions, and trade and investment initiatives. To carry out these activities, R721.9 million over the MTEF period is provided to the export marketing and investment assistance programme in the *Incentive Development and Administration* programme.

Expenditure trends

Table 34.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. International Trade and Economic Development														
3. Special Economic Zones and Economic Transformation														
4. Industrial Development														
5. Consumer and Corporate Regulation														
6. Incentive Development and Administration														
7. Trade and Investment South Africa														
8. Investment South Africa														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	695.6	750.8	699.9	689.7	768.3	727.6	736.6	777.1	699.1	731.8	814.6	814.6	103.1%	94.5%
Programme 2	147.2	124.7	124.1	164.8	116.6	113.6	126.4	118.7	116.0	119.8	119.8	119.8	84.8%	98.7%
Programme 3	307.2	243.3	235.1	263.2	89.7	92.5	108.3	121.9	97.6	119.4	118.4	118.4	68.1%	94.8%
Programme 4	1 792.5	1 786.0	1 775.2	1 973.5	1 964.3	1 953.6	1 735.7	1 727.0	1 722.2	1 819.3	1 819.3	1 819.3	99.3%	99.6%
Programme 5	277.3	285.6	281.1	294.5	296.4	287.4	313.5	294.3	295.4	298.6	298.6	298.6	98.2%	98.9%
Programme 6	5 120.3	5 264.6	5 176.7	5 795.6	5 827.6	5 795.8	6 922.4	6 891.7	6 895.2	5 746.5	5 674.4	5 674.4	99.8%	99.5%
Programme 7	309.1	323.5	329.6	364.1	386.8	462.9	336.5	410.9	454.6	388.5	425.2	425.2	119.6%	108.1%
Programme 8	37.9	39.9	38.0	48.3	48.3	38.3	48.1	47.8	69.2	50.9	72.9	72.9	118.0%	104.6%
Total	8 687.0	8 818.4	8 659.8	9 593.7	9 497.8	9 471.7	10 327.5	10 389.5	10 349.4	9 274.8	9 343.2	9 343.2	99.8%	99.4%
Change to 2017 Budget estimate										68.4				
Economic classification														
Current payments	1 441.0	1 544.4	1 442.6	1 475.7	1 561.0	1 485.7	1 529.0	1 582.2	1 505.5	1 511.7	1 663.6	1 663.6	102.4%	96.0%
Compensation of employees	848.0	857.4	815.3	897.7	897.7	874.2	930.3	930.3	915.5	902.4	947.7	947.7	99.3%	97.8%
Goods and services	593.0	687.0	627.3	577.9	663.3	611.5	598.7	651.9	590.0	609.3	715.9	715.9	107.0%	93.6%
Transfers and subsidies	7 222.3	7 240.9	7 192.5	8 083.9	7 901.2	7 936.5	8 765.3	8 774.0	8 818.1	7 735.1	7 656.1	7 656.1	99.4%	100.1%
Departmental agencies and accounts	724.3	732.8	731.8	761.5	591.9	591.9	601.4	856.0	856.0	747.6	727.6	727.6	-	-
Higher education institutions	15.8	0.0	-	12.5	0.0	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	34.6	31.7	26.6	31.7	31.7	33.2	33.6	32.6	29.8	36.3	33.3	33.3	90.2%	95.1%
Public corporations and private enterprises	6 325.5	6 349.9	6 295.2	7 131.6	7 128.6	7 157.7	7 970.2	7 720.4	7 765.2	6 789.0	6 724.0	6 724.0	99.0%	100.1%
Non-profit institutions	120.4	124.0	134.0	144.1	146.6	148.9	158.1	163.1	163.1	160.8	169.8	169.8	105.5%	102.0%
Households	1.8	2.5	5.0	2.5	2.4	4.8	2.1	1.9	3.9	1.3	1.4	1.4	198.1%	182.7%
Payments for capital assets	23.7	33.2	19.9	34.2	35.7	37.4	33.2	33.3	16.1	28.0	23.5	23.5	81.4%	77.2%
Machinery and equipment	12.0	21.2	19.4	24.1	30.7	33.0	20.6	25.4	11.1	19.9	20.9	20.9	110.2%	85.9%
Software and other intangible assets	11.7	11.9	0.5	10.1	5.0	4.4	12.6	7.9	5.0	8.1	2.6	2.6	29.5%	45.8%
Payments for financial assets	-	0.0	4.7	-	-	12.1	-	-	9.7	-	-	-	-	-
Total	8 687.0	8 818.4	8 659.8	9 593.7	9 497.8	9 471.7	10 327.5	10 389.5	10 349.4	9 274.8	9 343.2	9 343.2	99.8%	99.4%

Expenditure estimates

Table 34.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. International Trade and Economic Development								
3. Special Economic Zones and Economic Transformation								
4. Industrial Development								
5. Consumer and Corporate Regulation								
6. Incentive Development and Administration								
7. Trade and Investment South Africa								
8. Investment South Africa								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	814.6	2.8%	7.8%	760.6	801.4	840.0	1.0%	8.1%
Programme 2	119.8	-1.3%	1.3%	124.9	133.9	138.0	4.8%	1.3%
Programme 3	118.4	-21.3%	1.4%	165.4	174.8	182.1	15.4%	1.6%
Programme 4	1 819.3	0.6%	19.2%	1 622.6	1 675.2	1 766.6	-1.0%	17.4%
Programme 5	298.6	1.5%	3.1%	314.6	332.6	350.0	5.4%	3.3%
Programme 6	5 674.4	2.5%	62.2%	6 009.0	6 484.6	6 889.7	6.7%	63.3%
Programme 7	425.2	9.5%	4.4%	411.6	433.4	440.0	1.1%	4.3%
Programme 8	72.9	22.2%	0.6%	53.8	57.2	61.4	-5.6%	0.6%
Total	9 343.2	1.9%	100.0%	9 462.6	10 093.1	10 667.7	4.5%	100.0%
Change to 2017 Budget estimate				(503.2)	977.1	1 030.4		
Economic classification								
Current payments	1 663.6	2.5%	16.1%	1 603.5	1 692.4	1 754.6	1.8%	17.0%
Compensation of employees	947.7	3.4%	9.4%	987.5	1 046.8	1 073.5	4.2%	10.2%
Goods and services	715.9	1.4%	6.7%	616.0	645.7	681.1	-1.6%	6.7%
Transfers and subsidies	7 656.1	1.9%	83.6%	7 829.4	8 364.9	8 875.3	5.0%	82.7%
Departmental agencies and accounts	727.6	-0.2%	7.7%	696.5	734.4	774.7	2.1%	7.4%
Foreign governments and international organisations	33.3	1.6%	0.3%	38.4	40.6	42.8	8.8%	0.4%
Public corporations and private enterprises	6 724.0	1.9%	73.9%	6 894.7	7 425.9	7 897.1	5.5%	73.1%
Non-profit institutions	169.8	11.0%	1.6%	198.9	163.1	159.7	-2.0%	1.7%
Households	1.4	-18.1%	0.0%	0.8	0.9	0.9	-12.3%	0.0%
Payments for capital assets	23.5	-10.9%	0.3%	29.7	35.8	37.9	17.3%	0.3%
Machinery and equipment	20.9	-0.6%	0.2%	22.1	21.5	22.7	2.8%	0.2%
Software and other intangible assets	2.6	-39.9%	0.0%	7.6	14.4	15.2	80.3%	0.1%
Total	9 343.2	1.9%	100.0%	9 462.6	10 093.1	10 667.7	4.5%	100.0%

Expenditure trends and estimates for significant spending items

Table 34.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2014/15 - 2017/18	2018/19	2019/20		
R thousand											
Infrastructure Investment Support	801 392	949 722	1 660 170	1 215 000	14.9%	12.2%	1 564 183	1 691 511	1 784 743	13.7%	15.8%
Manufacturing Incentives	3 612 338	3 983 465	4 361 494	3 540 542	-0.7%	41.0%	3 581 974	3 924 752	4 208 567	5.9%	38.6%
Customised Sector Programmes	1 056 507	1 200 509	962 970	939 874	-3.8%	11.0%	710 693	761 036	818 512	-4.5%	8.2%
Industrial Competitiveness	718 647	753 107	759 275	879 403	7.0%	8.2%	911 759	914 120	947 036	2.5%	9.2%
Services Investment Incentives	728 118	803 171	814 209	808 560	3.6%	8.3%	748 542	743 173	762 648	-1.9%	7.7%
Total	6 917 002	7 689 974	8 558 118	7 383 379	21.0%	80.7%	7 517 151	8 034 592	8 521 506	15.7%	79.5%

Goods and services expenditure trends and estimates

Table 34.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	3 625	3 318	1 989	7 859	29.4%	0.7%	4 920	5 437	4 676	-15.9%	0.9%
Advertising	29 644	23 752	15 993	21 279	-10.5%	3.6%	27 354	29 601	30 308	12.5%	4.1%
Minor assets	1 859	1 093	801	777	-25.2%	0.2%	460	511	528	-12.1%	0.1%
Audit costs: External	8 857	8 778	9 105	8 384	-1.8%	1.4%	10 869	11 585	12 219	13.4%	1.6%
Bursaries: Employees	995	1 592	2 980	3 346	49.8%	0.4%	4 080	4 338	4 578	11.0%	0.6%
Catering: Departmental activities	1 815	1 883	2 085	4 049	30.7%	0.4%	5 074	5 313	5 484	10.6%	0.7%
Communication	10 575	12 799	10 660	10 358	-0.7%	1.7%	12 749	13 336	14 014	10.6%	1.9%
Computer services	17 107	25 801	16 406	55 276	47.8%	4.5%	25 426	25 760	27 514	-20.7%	5.0%
Consultants: Business and advisory services	82 654	28 352	21 167	59 550	-10.4%	7.5%	64 307	60 267	63 522	2.2%	9.3%
Infrastructure and planning services	281	-	-	-	-100.0%	-	-	-	-	-	-
Legal services	22 474	21 070	20 124	8 655	-27.2%	2.8%	16 293	17 206	17 988	27.6%	2.3%
Contractors	14 468	16 914	8 912	13 883	-1.4%	2.1%	17 842	18 843	19 986	12.9%	2.7%
Agency and support/outourced services	1 606	1 579	1 830	-	-100.0%	0.2%	351	364	384	-	-
Entertainment	1 570	1 323	1 086	1 026	-13.2%	0.2%	1 286	1 305	1 369	10.1%	0.2%
Fleet services (including government motor transport)	549	873	766	604	3.2%	0.1%	1 210	1 277	1 349	30.7%	0.2%
Housing	-	-	-	6	-	-	-	-	-	-100.0%	-
Consumable supplies	1 380	1 462	880	1 666	6.5%	0.2%	2 784	3 030	3 239	24.8%	0.4%
Consumables: Stationery, printing and office supplies	8 146	16 280	11 105	10 246	7.9%	1.8%	12 098	9 711	10 879	2.0%	1.6%
Operating leases	279 077	281 191	305 848	322 398	4.9%	46.7%	233 770	250 266	266 504	-6.1%	40.4%
Rental and hiring	134	199	2 048	4 983	233.8%	0.3%	189	206	217	-64.8%	0.2%
Property payments	7 983	12 283	14 737	9 786	7.0%	1.8%	10 175	10 728	11 318	5.0%	1.6%
Transport provided: Departmental activity	-	-	1	5	-	-	5	-	-	-100.0%	-
Travel and subsistence	84 301	95 984	88 828	108 144	8.7%	14.8%	103 903	109 652	115 875	2.3%	16.5%
Training and development	7 184	8 155	3 921	9 232	8.7%	1.1%	12 574	12 827	12 788	11.5%	1.8%
Operating payments	23 973	28 223	25 702	33 260	11.5%	4.4%	26 671	29 168	30 757	-2.6%	4.5%
Venues and facilities	17 045	18 573	23 013	21 151	7.5%	3.1%	21 593	24 944	25 629	6.6%	3.5%
Total	627 302	611 477	589 987	715 923	4.5%	100.0%	615 983	645 675	681 125	-1.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 34.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	2 141	2 837	2 655	1 161	-18.5%	-	846	893	942	-6.7%	-
Employee social benefits	2 141	2 837	2 655	1 161	-18.5%	-	846	893	942	-6.7%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	620 758	437 280	693 241	581 243	-2.2%	7.4%	573 400	604 376	637 616	3.1%	7.3%
Public Service Sector Education and Training Authority	1 711	-	-	-	-100.0%	-	-	-	-	-	-
Council for Geoscience	-	1 077	1 131	1 188	-	-	1 257	1 327	1 400	5.6%	-
National Productivity Institute	9 170	8 094	8 523	8 949	-0.8%	0.1%	9 231	9 748	10 284	4.7%	0.1%
Independent Regulatory Board for Auditors	1 800	500	-	-	-100.0%	-	-	-	-	-	-
Broad-Based Black Economic Empowerment Commission	-	-	-	-	-	-	59 500	61 700	65 093	-	0.6%
National Research Foundation: Technology and human resources for industry programme	165 572	-	-	-	-100.0%	0.5%	-	-	-	-	-
South African National Accreditation System	35 712	26 025	22 208	30 313	-5.3%	0.4%	31 032	32 770	34 573	4.5%	0.4%

Table 34.6 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
National Metrology Institute of South Africa: Operations	91 564	96 296	101 400	106 470	5.2%	1.3%	109 698	115 841	122 212	4.7%	1.4%
National Regulator for Compulsory Specifications	109 734	91 732	86 418	128 745	5.5%	1.3%	132 104	139 501	147 173	4.6%	1.7%
National Credit Regulator	68 845	66 727	69 577	73 056	2.0%	0.9%	75 361	79 580	83 957	4.7%	1.0%
National Gambling Board	29 797	31 983	30 121	31 627	2.0%	0.4%	32 624	34 452	36 346	4.7%	0.4%
National Consumer Tribunal	40 164	46 029	46 151	48 459	6.5%	0.6%	49 988	52 787	55 691	4.7%	0.6%
National Consumer Commission	53 376	54 596	56 643	52 614	-0.5%	0.7%	55 865	58 993	62 238	5.8%	0.7%
Companies Tribunal	13 313	14 221	15 069	15 822	5.9%	0.2%	16 740	17 677	18 649	5.6%	0.2%
National Research Foundation	–	–	256 000	84 000	–	1.1%	–	–	–	-100.0%	0.3%
Capital	111 000	154 599	162 793	146 333	9.6%	1.8%	123 086	129 979	137 128	-2.1%	1.6%
National Metrology Institute of South Africa	111 000	154 599	162 793	146 333	9.6%	1.8%	123 086	129 979	137 128	-2.1%	1.6%
Households											
Other transfers to households											
Current	2 812	1 992	1 230	235	-56.3%	–	–	–	–	-100.0%	–
Employee social benefits	16	–	600	–	-100.0%	–	–	–	–	–	–
Bursaries for non-employees	2 656	1 669	205	–	-100.0%	–	–	–	–	–	–
Gifts and donations	140	188	421	200	12.6%	–	–	–	–	-100.0%	–
Other transfers to households	–	135	4	35	–	–	–	–	–	-100.0%	–
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	329 520	304 075	205 169	246 437	-9.2%	3.4%	295 370	311 911	329 066	10.1%	3.6%
Various institutions: Export market and investment assistance	329 520	281 248	184 409	182 500	-17.9%	3.1%	227 725	240 478	253 704	11.6%	2.8%
Various Institutions: Support programme for industrial innovation	–	22 827	20 760	63 937	–	0.3%	67 645	71 433	75 362	5.6%	0.9%
Capital	81 269	74 203	64 187	99 500	7.0%	1.0%	120 071	122 891	129 650	9.2%	1.4%
Various institutions: Critical infrastructure programme	81 269	74 203	64 187	99 500	7.0%	1.0%	120 071	122 891	129 650	9.2%	1.4%
Non-profit institutions											
Current	134 018	148 850	163 107	169 814	8.2%	1.9%	198 930	163 101	159 731	-2.0%	2.1%
Black Business Council	5 000	1 000	1 000	1 500	-33.1%	–	1 500	1 500	1 583	1.8%	–
Intsimbi future production technologies initiatives	67 700	70 353	74 082	75 786	3.8%	0.9%	116 136	76 045	68 711	-3.2%	1.0%
Automotive supply chain competitiveness initiative	–	14 000	15 000	13 127	–	0.1%	7 984	8 813	9 298	-10.9%	0.1%
Trade and industrial policy strategies	14 570	20 772	22 712	24 423	18.8%	0.3%	27 086	27 763	28 465	5.2%	0.3%
Centurion Aerospace Village	16 748	17 517	18 445	25 367	14.8%	0.2%	15 490	16 357	17 257	-12.1%	0.2%
Proudly South African campaign	30 000	25 208	31 868	29 611	-0.4%	0.4%	30 734	32 623	34 417	5.1%	0.4%
Foreign governments and international organisations											
Current	26 598	33 237	29 843	33 256	7.7%	0.4%	38 426	40 577	42 808	8.8%	0.5%
Organisation for the Prohibition of Chemical Weapons	–	4 278	3 516	5 172	–	–	5 472	5 778	6 096	5.6%	0.1%
World Trade Organisation	17 172	17 267	14 159	14 500	-5.5%	0.2%	15 341	16 200	17 091	5.6%	0.2%
United Nations Industrial Development Organisation	5 071	6 405	5 969	6 767	10.1%	0.1%	7 159	7 560	7 976	5.6%	0.1%
Treaty Organisations for Metrology	–	–	1 631	1 644	–	–	1 902	2 009	2 119	8.8%	–
World Intellectual Property Organisation	4 355	5 287	4 568	5 173	5.9%	0.1%	5 473	5 779	6 097	5.6%	0.1%
Export consultancy trust funds:	–	–	–	–	–	–	1 540	1 626	1 715	–	–
International Bank for Reconstruction and Development (World Bank)	–	–	–	–	–	–	–	–	–	–	–
Export consultancy trust funds:	–	–	–	–	–	–	1 539	1 625	1 714	–	–
International Finance Corporation	–	–	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises											
Other transfers to public corporations											
Current	1 301 471	1 492 874	1 499 352	1 295 038	-0.2%	17.7%	1 053 395	1 118 278	1 192 126	-2.7%	14.2%
Industrial Development Corporation: Research into industrial development, growth and equity	1 983	–	–	–	-100.0%	–	–	–	–	–	–
Development Bank of Southern Africa: Regional Spatial development initiatives	20 689	–	–	–	-100.0%	0.1%	–	–	–	–	–
Protechnik Laboratories: Operations	2 684	2 797	2 945	3 093	4.8%	–	3 272	3 455	3 645	5.6%	–
Council for Scientific and Industrial Research	1 501	1 572	1 655	1 738	5.0%	–	1 839	1 942	2 049	5.6%	–
Industrial Development Corporation Council for Scientific and Industrial Research: National Cleaner Production Centre	878 244	1 000 937	758 266	723 440	-6.3%	10.6%	503 640	538 399	581 023	-7.0%	7.2%
Council for Scientific and Industrial Research: National foundry technology network	51 679	55 000	58 870	62 951	6.8%	0.7%	58 008	61 592	65 255	1.2%	0.8%
Council for Scientific and Industrial Research: National foundry technology network	14 243	16 384	19 689	18 678	9.5%	0.2%	27 457	27 995	28 590	15.2%	0.3%
South African Bureau of Standards	220 078	216 215	212 361	285 494	9.1%	3.0%	275 931	291 384	307 411	2.5%	3.5%

Table 34.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
Industrial Development Corporation: Manufacturing Competitiveness Enhancement Programme industrial loan	–	–	250 000	–	–	0.8%	–	–	–	–	–
Export Credit Insurance Corporation	110 370	199 969	171 566	177 644	17.2%	2.1%	183 248	193 511	204 153	4.7%	2.3%
Various Institutions: One-stop shop	–	–	24 000	22 000	–	0.1%	–	–	–	-100.0%	0.1%
Capital	633 472	759 829	1 554 797	1 085 721	19.7%	12.8%	1 412 767	1 580 266	1 667 181	15.4%	17.6%
Protechnik Laboratories: Capital	1 118	1 158	1 219	1 280	4.6%	–	1 354	1 430	1 509	5.6%	–
Council for Scientific and Industrial Research: Aerospace industry	22 500	21 534	17 781	19 020	-5.4%	0.3%	20 413	21 556	22 742	6.1%	0.3%
South African Bureau of Standards: Small business technical consulting: Membership fees	1 611	1 537	–	–	-100.0%	–	–	–	–	–	–
Various institutions: Critical infrastructure programme	–	–	125 797	160 000	–	0.9%	91 000	100 000	105 500	-13.0%	1.4%
Various institutions: Special economic zones	608 243	735 600	1 410 000	905 421	14.2%	11.6%	1 300 000	1 457 280	1 537 430	19.3%	15.9%
Public corporations and private enterprises											
Subsidies on products and production											
Current	3 949 444	4 526 712	4 441 734	3 997 350	0.4%	53.5%	4 013 097	4 292 589	4 579 039	4.6%	51.6%
Various institutions: Services sector development incentives	715 000	789 663	801 038	792 500	3.5%	9.8%	732 069	725 025	743 168	-2.1%	9.1%
Various institutions: Manufacturing development incentives	3 134 849	3 607 049	3 590 696	3 164 850	0.3%	42.7%	3 241 028	3 567 564	3 835 871	6.6%	42.2%
Various institutions: Industrial development zones	99 595	130 000	50 000	40 000	-26.2%	1.0%	40 000	–	–	-100.0%	0.2%
Total	7 192 503	7 936 488	8 818 108	7 656 088	2.1%	100.0%	7 829 388	8 364 861	8 875 287	5.0%	100.0%

Personnel information

Table 34.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																				
1. Administration																				
2. International Trade and Economic Development																				
3. Special Economic Zones and Economic Transformation																				
4. Industrial Development																				
5. Consumer and Corporate Regulation																				
6. Incentive Development and Administration																				
7. Trade and Investment South Africa																				
8. Investment South Africa																				
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)					
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost		
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21			
Trade and Industry		1 378	116	1 842	915.5	0.5	1 808	947.7	0.5	1 788	987.5	0.6	1 789	1 046.8	0.6	1 719	1 073.5	0.6	-1.7%	100.0%
Salary level																				
1 – 6	117	96	220	29.5	0.1	221	32.0	0.1	238	34.5	0.1	263	38.7	0.1	259	41.5	0.2	5.4%	13.8%	
7 – 10	610	13	810	277.9	0.3	794	297.4	0.4	783	315.9	0.4	772	335.2	0.4	734	342.0	0.5	-2.6%	43.4%	
11 – 12	333	4	466	266.3	0.6	465	290.3	0.6	457	305.2	0.7	447	320.9	0.7	432	327.0	0.8	-2.4%	25.4%	
13 – 16	252	3	280	245.4	0.9	291	270.3	0.9	273	270.2	1.0	270	285.8	1.1	257	292.3	1.1	-4.1%	15.4%	
Other	66	–	66	96.3	1.5	37	57.8	1.6	37	61.7	1.7	37	66.1	1.8	37	70.7	1.9	–	2.1%	
Programme	1 378	116	1 842	915.5	0.5	1 808	947.7	0.5	1 788	987.5	0.6	1 789	1 046.8	0.6	1 719	1 073.5	0.6	-1.7%	100.0%	
Programme 1	479	19	487	269.9	0.6	486	289.6	0.6	467	297.2	0.6	462	316.4	0.7	447	328.8	0.7	-2.7%	26.2%	
Programme 2	105	1	154	74.2	0.5	146	76.9	0.5	140	79.6	0.6	143	85.3	0.6	132	86.6	0.7	-3.3%	7.9%	
Programme 3	82	33	152	60.3	0.4	156	71.0	0.5	176	77.9	0.4	192	82.5	0.4	188	84.6	0.5	6.4%	10.0%	
Programme 4	146	11	245	101.9	0.4	239	106.5	0.4	242	116.8	0.5	240	124.5	0.5	237	130.7	0.6	-0.3%	13.5%	
Programme 5	80	7	158	59.6	0.4	143	57.6	0.4	143	59.4	0.4	142	63.1	0.4	137	65.7	0.5	-1.4%	8.0%	
Programme 6	218	9	371	126.8	0.3	377	149.1	0.4	358	145.4	0.4	354	152.9	0.4	344	159.1	0.5	-3.0%	20.2%	
Programme 7	219	23	229	195.3	0.9	205	163.2	0.8	203	174.2	0.9	197	182.7	0.9	175	175.5	1.0	-5.1%	11.0%	
Programme 8	49	13	46	27.5	0.6	56	33.8	0.6	59	37.0	0.6	59	39.3	0.7	59	42.3	0.7	1.8%	3.3%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 34.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2017/18	Revised estimate	Average growth rate (%) 2014/15 - 2017/18	Average Receipt item/ Total (%) 2014/15 - 2017/18	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average Receipt item/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
Departmental receipts	82 551	61 979	98 092	68 521	30 369	-28.3%	100.0%	73 910	77 865	78 545	37.3%	100.0%
Tax receipts	2 925	2 985	4 862	4 800	1 800	-14.9%	4.6%	5 400	5 500	5 600	46.0%	7.0%
Sales of goods and services produced by department	524	535	610	552	159	-32.8%	0.7%	669	721	671	61.6%	0.9%
Sales by market establishments of which:	270	259	262	300	88	-31.2%	0.3%	320	350	290	48.8%	0.4%
Rental of parking	270	259	262	300	88	-31.2%	0.3%	320	350	290	48.8%	0.4%
Administrative fees of which:	-	-	-	1	1	-	-	1	1	1	-	-
Request information in terms of the Promotion of Access to Information Act (2000)	-	-	-	1	1	-	-	1	1	1	-	-
Other sales of which:	254	276	348	251	70	-34.9%	0.3%	348	370	380	75.7%	0.4%
Commission on hand	183	181	187	186	60	-31.0%	0.2%	280	300	290	69.1%	0.4%
Academic services	71	95	161	65	10	-48.0%	0.1%	68	70	90	108.0%	0.1%
Sales of scrap, waste, arms and other used current goods of which:	-	3	14	81	5	-	-	6	6	6	6.3%	-
Waste paper: Recycling of paper	-	3	14	1	1	-	-	1	1	1	-	-
Cellphones: Old pool phones	-	-	-	80	4	-	-	5	5	5	7.7%	-
Fines, penalties and forfeits	97	28	365	60	12 460	404.6%	4.7%	130	140	140	-77.6%	4.9%
Interest, dividends and rent on land	1 348	3 561	2 708	550	291	-40.0%	2.9%	1 650	1 700	1 800	83.6%	2.1%
Interest	1 348	3 561	2 708	550	291	-40.0%	2.9%	1 650	1 700	1 800	83.6%	2.1%
Sales of capital assets	223	360	-	365	-	-100.0%	0.2%	350	400	360	-	0.4%
Transactions in financial assets and liabilities	77 434	54 507	89 533	62 113	15 654	-41.3%	86.9%	65 705	69 398	69 968	64.7%	84.7%
Total	82 551	61 979	98 092	68 521	30 369	-28.3%	100.0%	73 910	77 865	78 545	37.3%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department, and conduct research on industrial development, growth and equity.

Expenditure trends and estimates

Table 34.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Ministry	27.6	32.1	26.2	32.6	5.6%	4.0%	34.4	40.8	38.9	6.1%	4.6%
Office of the Director General	96.3	93.6	96.0	119.8	7.5%	13.8%	119.0	128.3	134.1	3.8%	15.6%
Corporate Services	444.8	478.6	443.7	505.4	4.3%	63.7%	433.2	460.3	484.6	-1.4%	58.6%
Office Accommodation	-	2.4	2.6	2.5	-	0.3%	2.2	2.4	2.5	-0.2%	0.3%
Financial Management	57.5	51.4	60.6	69.5	6.5%	8.1%	75.6	73.2	78.0	3.9%	9.2%
Media and Public Relations	6.9	10.2	9.1	10.4	14.7%	1.2%	19.0	19.7	21.1	26.5%	2.2%
Marketing Communication and Stakeholder Relations	66.7	59.2	61.1	74.4	3.7%	8.9%	77.2	76.9	80.9	2.8%	9.6%
Total	699.9	727.6	699.1	814.6	5.2%	100.0%	760.6	801.4	840.0	1.0%	100.0%
Change to 2017 Budget estimate				82.8			(8.0)	(2.8)	(9.0)		
Economic classification											
Current payments	674.5	697.5	687.2	796.8	5.7%	97.1%	743.2	784.9	822.6	1.1%	97.8%
Compensation of employees	257.4	264.7	269.9	289.6	4.0%	36.8%	297.2	316.4	328.8	4.3%	38.3%
Goods and services ¹ of which:	417.1	432.7	417.3	507.2	6.7%	60.3%	446.0	468.5	493.7	-0.9%	59.5%
Advertising	27.3	20.9	14.3	20.0	-9.9%	2.8%	25.3	27.5	28.1	12.0%	3.1%
Computer services	16.3	24.7	15.5	46.0	41.4%	3.5%	24.7	25.0	26.7	-16.6%	3.8%
Consultants: Business and advisory services	11.6	9.8	9.1	29.9	37.3%	2.1%	33.1	30.5	31.9	2.2%	3.9%
Operating leases	258.0	256.0	275.3	291.2	4.1%	36.7%	224.6	241.6	257.3	-4.0%	31.5%
Travel and subsistence	17.7	20.8	16.9	29.6	18.8%	2.9%	34.3	35.6	37.2	7.9%	4.3%
Operating payments	12.4	9.7	6.3	12.1	-0.7%	1.4%	12.8	13.6	14.2	5.4%	1.6%

Table 34.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
R million											
Transfers and subsidies¹	6.9	2.6	2.6	0.1	-75.9%	0.4%	–	–	–	-100.0%	–
Departmental agencies and accounts	1.7	–	–	–	-100.0%	0.1%	–	–	–	–	–
Public corporations and private enterprises	2.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
Households	3.2	2.6	2.6	0.1	-68.9%	0.3%	–	–	–	-100.0%	–
Payments for capital assets	15.0	27.5	9.3	17.7	5.7%	2.4%	17.5	16.6	17.5	-0.4%	2.1%
Machinery and equipment	14.6	25.7	4.9	15.1	1.0%	2.1%	15.0	13.9	14.7	-0.9%	1.8%
Software and other intangible assets	0.3	1.8	4.4	2.6	101.4%	0.3%	2.5	2.6	2.8	2.5%	0.3%
Payments for financial assets	3.6	–	–	–	-100.0%	0.1%	–	–	–	–	–
Total	699.9	727.6	699.1	814.6	5.2%	100.0%	760.6	801.4	840.0	1.0%	100.0%
Proportion of total programme expenditure to vote expenditure	8.1%	7.7%	6.8%	8.7%	–	–	8.0%	7.9%	7.9%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: International Trade and Economic Development

Programme purpose

Build an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and by fostering African development, including through regional and continental integration and development cooperation, in line with the New Partnership for Africa's Development.

Objectives

- Promote African economic integration and development at bilateral, regional and continental levels over the medium term by:
 - advancing development integration in the Southern African Customs Union and the Southern African Development Community (SADC) free-trade area through the implementation of the Africa regional development programme
 - finalising negotiations on the tripartite free-trade area involving the SADC, the East African Community and the Common Market for Eastern and Southern Africa regions
 - advancing South Africa's trade, industrial policy and economic development objectives through cooperation with key economies to address tariff and non-tariff barriers that inhibit South Africa's value added exports.

Subprogrammes

- *International Trade Development* facilitates bilateral and multilateral trade relations and agreements.
- *African Multilateral Economic Development* facilitates multilateral African trade relations aimed at deepening regional integration.

Expenditure trends and estimates

Table 34.10 International Trade and Economic Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
International Trade Development	89.9	98.6	98.9	102.2	4.4%	82.3%	106.3	111.9	116.2	4.4%	84.5%
African Multilateral Economic Development	34.2	15.0	17.1	17.6	-19.8%	17.7%	18.6	22.0	21.8	7.5%	15.5%
Total	124.1	113.6	116.0	119.8	-1.2%	100.0%	124.9	133.9	138.0	4.8%	100.0%
Change to 2017 Budget estimate				-			(1.9)	2.6	(1.7)		
Economic classification											
Current payments	81.7	86.1	92.4	93.9	4.8%	74.8%	97.5	104.9	107.3	4.5%	78.1%
Compensation of employees	67.3	68.9	74.2	76.9	4.5%	60.7%	79.6	85.3	86.6	4.1%	63.6%
Goods and services ²	14.4	17.2	18.2	17.1	6.0%	14.1%	17.8	19.5	20.6	6.5%	14.5%
<i>of which:</i>											
Communication	0.7	0.7	0.4	0.3	-25.4%	0.5%	0.6	0.6	0.8	38.7%	0.5%
Consultants: Business and advisory services	0.4	0.2	0.3	0.6	11.6%	0.3%	0.2	0.3	0.3	-23.3%	0.3%
Legal services	0.4	0.2	0.3	-	-100.0%	0.2%	1.8	1.9	2.0	-	1.1%
Agency and support/outsourced services	0.3	-	0.1	-	-100.0%	0.1%	0.3	0.3	0.3	-	0.2%
Travel and subsistence	11.4	14.3	12.6	13.4	5.4%	10.9%	12.1	13.1	13.9	1.3%	10.2%
Venues and facilities	0.2	1.0	1.7	0.5	46.3%	0.7%	1.8	2.3	1.9	51.4%	1.3%
Transfers and subsidies¹	41.7	26.8	23.0	25.2	-15.4%	24.7%	26.7	28.2	29.7	5.6%	21.3%
Departmental agencies and accounts	-	1.1	1.1	1.2	-	0.7%	1.3	1.3	1.4	5.6%	1.0%
Foreign governments and international organisations	17.2	21.5	17.7	19.7	4.6%	16.1%	20.8	22.0	23.2	5.6%	16.6%
Public corporations and private enterprises	24.5	4.0	4.2	4.4	-43.7%	7.8%	4.6	4.9	5.2	5.6%	3.7%
Households	0.1	0.3	-	0.0	-37.4%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.7	0.6	0.7	0.6	-4.5%	0.6%	0.8	0.8	1.0	16.8%	0.6%
Machinery and equipment	0.7	0.6	0.7	0.6	-4.5%	0.6%	0.8	0.8	1.0	16.8%	0.6%
Total	124.1	113.6	116.0	119.8	-1.2%	100.0%	124.9	133.9	138.0	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	1.4%	1.2%	1.1%	1.3%	-	-	1.3%	1.3%	1.3%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	17.2	21.5	17.7	19.7	4.6%	16.1%	20.8	22.0	23.2	5.6%	16.6%
Organisation for the Prohibition of Chemical Weapons	-	4.3	3.5	5.2	-	2.7%	5.5	5.8	6.1	5.6%	4.4%
World Trade Organisation	17.2	17.3	14.2	14.5	-5.5%	13.3%	15.3	16.2	17.1	5.6%	12.2%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	23.4	2.8	2.9	3.1	-49.0%	6.8%	3.3	3.5	3.6	5.6%	2.6%
Development Bank of Southern Africa: Regional spatial development initiatives	20.7	-	-	-	-100.0%	4.4%	-	-	-	-	-
Protechnik Laboratories: Operations	2.7	2.8	2.9	3.1	4.8%	2.4%	3.3	3.5	3.6	5.6%	2.6%
Capital	1.1	1.2	1.2	1.3	4.6%	1.0%	1.4	1.4	1.5	5.6%	1.1%
Protechnik Laboratories: Capital	1.1	1.2	1.2	1.3	4.6%	1.0%	1.4	1.4	1.5	5.6%	1.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Special Economic Zones and Economic Transformation

Programme purpose

Drive economic transformation and increase participation in industrialisation.

Objectives

- Facilitate broad-based economic participation through the implementation of the Broad-Based Black Economic Empowerment Amendment Act (2013) by implementing the black industrialists framework and action plan by March 2020.
- Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation by March 2020, by:
 - developing and implementing a strategy for special economic zones
 - revitalising 13 industrial parks.

Subprogrammes

- *Enterprise Competitiveness* fosters and stimulates industrialisation and structural change through the development and deployment of technologies and skills development programmes.
- *Equity and Empowerment* promotes BEE and the growth of the economy through the black industrialists programme.
- *Spatial Industrial Economic Development (Special Economic Zones)* promotes a more spatially balanced regional economy through the development of policies, strategies and programmes, and special economic zones, clusters and incubators, among other things.

Expenditure trends and estimates

Table 34.11 Special Economic Zones and Economic Transformation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Enterprise Competitiveness	189.1	23.3	24.9	31.2	-45.2%	49.4%	29.0	29.7	31.7	0.5%	19.0%
Equity and Empowerment	20.6	30.9	32.2	42.6	27.4%	23.2%	84.5	96.3	98.1	32.1%	50.2%
Spatial Industrial Economic Development (Special Economic Zones)	25.4	38.3	40.5	44.6	20.6%	27.4%	51.9	48.8	52.3	5.4%	30.8%
Total	235.1	92.5	97.6	118.4	-20.4%	100.0%	165.4	174.8	182.1	15.4%	100.0%
Change to 2017 Budget estimate				(1.0)			45.3	52.5	(0.8)		
Economic classification											
Current payments	51.6	65.5	74.5	105.0	26.7%	54.6%	92.9	99.5	102.6	-0.8%	62.4%
Compensation of employees	44.4	54.8	60.3	71.0	17.0%	42.4%	77.9	82.5	84.6	6.0%	49.3%
Goods and services ¹	7.2	10.7	14.1	34.0	67.4%	12.2%	15.0	17.0	17.9	-19.2%	13.1%
of which:											
Catering: Departmental activities	0.1	0.2	0.3	0.4	80.4%	0.2%	0.4	0.4	0.5	3.8%	0.3%
Communication	0.5	0.5	0.3	0.3	-18.0%	0.3%	0.5	0.5	0.5	22.1%	0.3%
Consultants: Business and advisory services	1.3	3.2	4.2	8.2	86.2%	3.1%	5.8	7.4	7.8	-1.6%	4.6%
Consumables: Stationery, printing and office supplies	0.2	0.5	0.2	1.0	64.6%	0.4%	0.5	0.5	0.5	-22.8%	0.4%
Travel and subsistence	3.1	5.4	6.8	8.6	40.8%	4.4%	6.3	6.7	7.1	-6.2%	4.5%
Venues and facilities	1.8	0.2	0.5	1.1	-14.4%	0.7%	0.4	0.4	0.4	-26.1%	0.4%
Transfers and subsidies¹	183.2	11.3	11.7	12.3	-59.4%	40.2%	72.1	74.9	79.0	85.9%	37.2%
Departmental agencies and accounts	176.5	8.6	8.5	8.9	-63.0%	37.3%	68.7	71.4	75.4	103.5%	35.0%
Public corporations and private enterprises	1.5	1.6	1.7	1.7	5.0%	1.2%	1.8	1.9	2.0	5.6%	1.2%
Non-profit institutions	5.0	1.0	1.0	1.5	-33.1%	1.6%	1.5	1.5	1.6	1.8%	0.9%
Households	0.2	0.1	0.5	0.1	-16.1%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	0.3	3.7	1.7	1.1	55.7%	1.3%	0.5	0.5	0.5	-23.6%	0.4%
Machinery and equipment	0.3	3.7	1.1	1.1	55.7%	1.1%	0.5	0.5	0.5	-23.6%	0.4%
Software and other intangible assets	–	–	0.7	–	–	0.1%	–	–	–	–	–
Payments for financial assets	–	11.9	9.7	–	–	4.0%	–	–	–	–	–
Total	235.1	92.5	97.6	118.4	-20.4%	100.0%	165.4	174.8	182.1	15.4%	100.0%
Proportion of total programme expenditure to vote expenditure	2.7%	1.0%	0.9%	1.3%	–	–	1.7%	1.7%	1.7%	–	–

Table 34.11 Special Economic Zones and Economic Transformation expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	176.5	8.6	8.5	8.9	-63.0%	37.3%	68.7	71.4	75.4	103.5%	35.0%
Independent Regulatory Board for Auditors	1.8	0.5	–	–	-100.0%	0.4%	–	–	–	–	–
National Productivity Institute	9.2	8.1	8.5	8.9	-0.8%	6.4%	9.2	9.7	10.3	4.7%	6.0%
Broad-Based Black Economic Empowerment Commission	–	–	–	–	–	–	59.5	61.7	65.1	–	29.1%
National Research Foundation: Technology and human resources for industry programme	165.6	–	–	–	-100.0%	30.5%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Industrial Development

Programme purpose

Design and implement policies, strategies and programmes to strengthen the ability of the manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness in both domestic and export markets.

Objectives

- Support the growth and diversification of South Africa's manufacturing sector by:
 - facilitating diversification beyond the current reliance on traditional commodities and non-tradable services through the promotion of increased value addition characterised particularly by movement into non-traditional tradable goods and services that compete in export markets, as well as against imports, over the medium term
 - promoting the long-term intensification of South Africa's industrialisation process and movement towards a knowledge economy on an ongoing basis
 - promoting a labour absorbing industrialisation path, with particular emphasis on tradable labour absorbing goods and services and economic linkages that catalyse employment creation, on an ongoing basis
 - promoting a broad-based industrialisation path characterised by the increased participation of historically disadvantaged people and marginalised regions in the mainstream industrial economy on an ongoing basis
 - contributing to industrial development in Africa, with an emphasis on building the continent's productive capacity, on an ongoing basis.

Subprogrammes

- *Industrial Competitiveness* develops policies, strategies and programmes to strengthen the ability of manufacturing and other value adding sectors to create decent jobs and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan.
- *Customised Sector Programmes* develops and implements high impact sector strategies focused on manufacturing and other value adding sectors to create decent jobs and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan.

Expenditure trends and estimates

Table 34.12 Industrial Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Industrial Competitiveness	718.6	753.1	759.3	879.4	7.0%	42.8%	911.8	914.1	947.6	2.5%	53.1%
Customised Sector Programmes	1 056.5	1 200.5	963.0	939.9	-3.8%	57.2%	710.8	761.1	819.1	-4.5%	46.9%
Total	1 775.2	1 953.6	1 722.2	1 819.3	0.8%	100.0%	1 622.6	1 675.2	1 766.6	-1.0%	100.0%
Change to 2017 Budget estimate				1 819.3			1 622.6	(194.0)	(224.5)		
Economic classification											
Current payments	103.9	118.1	112.0	120.3	5.0%	6.2%	133.8	144.1	151.3	8.0%	8.0%
Compensation of employees	88.9	99.6	101.9	106.5	6.2%	5.5%	116.8	124.5	130.7	7.1%	7.0%
Goods and services ¹	15.0	18.5	10.1	13.8	-2.8%	0.8%	17.1	19.5	20.6	14.4%	1.0%
of which:											
Communication	0.5	0.6	0.4	0.7	13.3%	-	0.8	0.9	0.9	9.0%	-
Consultants: Business and advisory services	3.5	7.1	1.0	-	-100.0%	0.2%	1.7	3.0	3.3	-	0.1%
Consumables: Stationery, printing and office supplies	0.3	0.5	0.1	-	-100.0%	-	0.2	0.7	0.4	-	-
Travel and subsistence	7.2	7.7	6.2	9.8	11.2%	0.4%	11.3	12.1	12.8	9.2%	0.7%
Operating payments	1.8	1.7	1.6	0.6	-32.3%	0.1%	1.7	1.1	1.4	36.8%	0.1%
Venues and facilities	0.3	0.4	0.3	1.6	78.2%	-	0.5	0.6	0.6	-27.9%	-
Transfers and subsidies¹	1 670.6	1 835.0	1 609.7	1 698.2	0.5%	93.7%	1 487.9	1 530.2	1 614.4	-1.7%	92.0%
Departmental agencies and accounts	348.0	368.7	372.8	411.9	5.8%	20.7%	395.9	418.1	441.1	2.3%	24.2%
Foreign governments and international organisations	5.1	6.4	7.6	8.4	18.4%	0.4%	9.1	9.6	10.1	6.3%	0.5%
Public corporations and private enterprises	1 188.4	1 311.6	1 067.0	1 109.6	-2.3%	64.3%	885.4	940.9	1 005.0	-3.2%	57.3%
Non-profit institutions	129.0	147.9	162.1	168.3	9.3%	8.4%	197.4	161.6	158.1	-2.1%	10.0%
Households	0.1	0.5	0.2	0.0	-57.1%	-	-	-	-	-100.0%	-
Payments for capital assets	0.7	0.3	0.6	0.8	6.2%	-	0.9	0.9	1.0	5.7%	0.1%
Machinery and equipment	0.7	0.3	0.6	0.8	6.2%	-	0.9	0.9	1.0	5.7%	0.1%
Payments for financial assets	-	0.1	-	-	-	-	-	-	-	-	-
Total	1 775.2	1 953.6	1 722.2	1 819.3	0.8%	100.0%	1 622.6	1 675.2	1 766.6	-1.0%	100.0%
Proportion of total programme expenditure to vote expenditure	20.5%	20.6%	16.6%	19.5%	-	-	17.1%	16.6%	16.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	237.0	214.1	210.0	265.5	3.9%	12.7%	272.8	288.1	304.0	4.6%	16.4%
South African National Accreditation System	35.7	26.0	22.2	30.3	-5.3%	1.6%	31.0	32.8	34.6	4.5%	1.9%
National Metrology Institute of South Africa: Operations	91.6	96.3	101.4	106.5	5.2%	5.4%	109.7	115.8	122.2	4.7%	6.6%
National Regulator for Compulsory Specifications	109.7	91.7	86.4	128.7	5.5%	5.7%	132.1	139.5	147.2	4.6%	8.0%
Capital	111.0	154.6	162.8	146.3	9.6%	7.9%	123.1	130.0	137.1	-2.1%	7.8%
National Metrology Institute of South Africa	111.0	154.6	162.8	146.3	9.6%	7.9%	123.1	130.0	137.1	-2.1%	7.8%
Foreign governments and international organisations											
Current	5.1	6.4	7.6	8.4	18.4%	0.4%	9.1	9.6	10.1	6.3%	0.5%
United Nations Industrial Development Organisation	5.1	6.4	6.0	6.8	10.1%	0.3%	7.2	7.6	8.0	5.6%	0.4%
Treaty Organisations for Metrology	-	-	1.6	1.6	-	-	1.9	2.0	2.1	8.8%	0.1%
Non-profit institutions											
Current	129.0	147.9	162.1	168.3	9.3%	8.4%	197.4	161.6	158.1	-2.1%	10.0%
Intsimbi future production technologies initiatives	67.7	70.4	74.1	75.8	3.8%	4.0%	116.1	76.0	68.7	-3.2%	4.9%
Automotive supply chain competitiveness initiative	-	14.0	15.0	13.1	-	0.6%	8.0	8.8	9.3	-10.9%	0.6%
Trade and industrial policy strategies	14.6	20.8	22.7	24.4	18.8%	1.1%	27.1	27.8	28.5	5.2%	1.6%
Centurion Aerospace Village	16.7	17.5	18.4	25.4	14.8%	1.1%	15.5	16.4	17.3	-12.1%	1.1%
Proudly South African campaign	30.0	25.2	31.9	29.6	-0.4%	1.6%	30.7	32.6	34.4	5.1%	1.9%

Table 34.12 Industrial Development expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
Audited outcome						2017/18	2014/15 - 2017/18	2018/19			2019/20
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	1 164.2	1 288.5	1 049.2	1 090.6	-2.2%	63.2%	865.0	919.4	982.3	-3.4%	56.0%
Industrial Development Corporation	878.2	1 000.9	758.3	723.4	-6.3%	46.2%	503.6	538.4	581.0	-7.0%	34.1%
Council for Scientific and Industrial Research: National Cleaner Production Centre	51.7	55.0	58.9	63.0	6.8%	3.1%	58.0	61.6	65.3	1.2%	3.6%
Council for Scientific and Industrial Research: National foundry technology network	14.2	16.4	19.7	18.7	9.5%	0.9%	27.5	28.0	28.6	15.2%	1.5%
South African Bureau of Standards	220.1	216.2	212.4	285.5	9.1%	12.8%	275.9	291.4	307.4	2.5%	16.9%
Capital	24.1	23.1	17.8	19.0	-7.6%	1.2%	20.4	21.6	22.7	6.1%	1.2%
Council for Scientific and Industrial Research: Aerospace industry	22.5	21.5	17.8	19.0	-5.4%	1.1%	20.4	21.6	22.7	6.1%	1.2%
South African Bureau of Standards: Small business technical consulting: Membership fees	1.6	1.5	-	-	-100.0%	-	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Consumer and Corporate Regulation

Programme purpose

Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

Objectives

- Increase access to economic opportunities for small businesses and historically disadvantaged citizens by March 2021, by:
 - developing and reviewing policies, bills and regulations
 - conducting assessments of the impact of the regulations on businesses and economic citizens.
- Develop efficient regulation to reduce the regulatory burden on businesses, and increase confidence and certainty in South African business regulation by March 2021, by:
 - developing and reviewing policies, bills and regulations
 - conducting assessments of the impact of the regulations on businesses and economic citizens.
- Create a business regulatory environment that promotes competitive, fair and efficient markets by March 2021, by:
 - developing and reviewing policies, bills and regulations
 - conducting assessments of the impact of the regulations on businesses and economic citizens.
- Provide access to redress for economic citizens to increase confidence in markets by March 2021, by:
 - conducting research on the impact of the current legislation on economic citizens
 - developing and reviewing policies, bills and regulations
 - conducting assessments of the impact of regulations on businesses and economic citizens.
- Promote the awareness of rights, duties and responsibilities to increase activism and public participation by conducting 72 capacity building sessions, workshops, and education and awareness campaigns by March 2021.
- Share and exchange regulatory experience with partners and stakeholders nationally and internationally to promote simple, appropriate and more effective regulatory solutions by holding 30 consultations, seminars and conferences on policy issues by March 2021.

Subprogrammes

- *Policy and Legislative Development* develops policies, laws and regulatory frameworks.
- *Enforcement and Compliance* conducts trend analyses, impact assessments and market surveys, and monitors the effectiveness of regulation.
- *Regulatory Services* oversees and transfers funds to the National Consumer Tribunal, the National Credit Regulator, the National Gambling Board, the National Consumer Commission, the Companies and Intellectual Property Commission, and the Companies Tribunal. The department oversees, but does not transfer funds to, the National Lotteries Commission, which regulates the lotteries sector and facilitates the distribution of lottery funds to worthy organisations that serve the public interest; and the Takeover Regulation Panel and Financial Reporting Standards Council, which are responsible for regulating applicable transactions and issuing standards.

Expenditure trends and estimates

Table 34.13 Consumer and Corporate Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Policy and Legislative Development	17.6	14.7	17.2	20.1	4.4%	6.0%	18.0	21.2	19.3	-1.3%	6.1%
Enforcement and Compliance	31.4	39.3	40.3	36.8	5.4%	12.7%	44.4	46.6	50.2	10.9%	13.7%
Regulatory Services	232.0	233.4	237.9	241.7	1.4%	81.3%	252.2	264.8	280.4	5.1%	80.2%
Total	281.1	287.4	295.4	298.6	2.0%	100.0%	314.6	332.6	350.0	5.4%	100.0%
Change to 2017 Budget estimate				(1 520.6)			(1 461.3)	3.4	(4.5)		
Economic classification											
Current payments	70.3	68.2	73.1	71.6	0.6%	24.4%	78.4	83.2	86.8	6.7%	24.7%
Compensation of employees	57.2	54.5	59.6	57.6	0.2%	19.7%	59.4	63.1	65.7	4.5%	19.0%
Goods and services ¹	13.1	13.8	13.5	14.0	2.3%	4.7%	19.0	20.1	21.2	14.8%	5.7%
<i>of which:</i>											
Advertising	2.0	2.0	0.7	0.6	-32.6%	0.5%	1.7	1.8	1.9	46.9%	0.5%
Consultants: Business and advisory services	1.8	1.5	1.3	0.9	-21.0%	0.5%	3.8	4.1	4.4	69.6%	1.0%
Legal services	2.1	0.9	3.7	2.5	5.4%	0.8%	2.0	2.0	2.0	-6.9%	0.7%
Travel and subsistence	4.1	6.2	6.1	7.1	20.4%	2.0%	8.4	8.9	9.3	9.4%	2.6%
Operating payments	0.6	0.7	0.4	0.8	8.1%	0.2%	0.8	0.8	0.8	2.7%	0.2%
Venues and facilities	0.9	0.8	0.4	0.1	-54.3%	0.2%	0.7	0.7	0.8	106.3%	0.2%
Transfers and subsidies¹	210.5	219.1	222.2	226.8	2.5%	75.6%	236.1	249.3	263.0	5.1%	75.3%
Departmental agencies and accounts	205.5	213.6	217.6	221.6	2.5%	73.8%	230.6	243.5	256.9	5.1%	73.5%
Foreign governments and international organisations	4.4	5.3	4.6	5.2	5.9%	1.7%	5.5	5.8	6.1	5.6%	1.7%
Households	0.7	0.3	0.1	0.0	-65.1%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	0.3	0.1	0.1	0.3	0.2%	0.1%	0.2	0.2	0.2	-19.9%	0.1%
Machinery and equipment	0.1	0.1	0.1	0.3	37.6%	0.1%	0.2	0.2	0.2	-19.9%	0.1%
Software and other intangible assets	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Total	281.1	287.4	295.4	298.6	2.0%	100.0%	314.6	332.6	350.0	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	3.2%	3.0%	2.9%	3.2%	-	-	3.3%	3.3%	3.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	205.5	213.6	217.6	221.6	2.5%	73.8%	230.6	243.5	256.9	5.1%	73.5%
National Credit Regulator	68.8	66.7	69.6	73.1	2.0%	23.9%	75.4	79.6	84.0	4.7%	24.1%
National Gambling Board	29.8	32.0	30.1	31.6	2.0%	10.6%	32.6	34.5	36.3	4.7%	10.4%
National Consumer Tribunal	40.2	46.0	46.2	48.5	6.5%	15.6%	50.0	52.8	55.7	4.7%	16.0%
National Consumer Commission	53.4	54.6	56.6	52.6	-0.5%	18.7%	55.9	59.0	62.2	5.8%	17.7%
Companies Tribunal	13.3	14.2	15.1	15.8	5.9%	5.0%	16.7	17.7	18.6	5.6%	5.3%
Foreign governments and international organisations											
Current	4.4	5.3	4.6	5.2	5.9%	1.7%	5.5	5.8	6.1	5.6%	1.7%
World Intellectual Property Organisation	4.4	5.3	4.6	5.2	5.9%	1.7%	5.5	5.8	6.1	5.6%	1.7%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Incentive Development and Administration

Programme purpose

Stimulate and facilitate the development of sustainable and competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities.

Objectives

- Stimulate and facilitate the development of sustainable and competitive enterprises by providing effective and accessible incentive measures that support national priorities over the medium term.
- Support industrial development that enhances productivity and bolsters competitiveness through designing, administering, monitoring and evaluating the manufacturing incentives programme based on industrial policies and sector strategies developed by providing financial support in labour intensive sectors on an ongoing basis.
- Contribute to the accelerated growth of manufacturing and internationally traded services over the medium term by administering the Special Economic Zones Fund through the provision of incentives for industrial infrastructure development to:
 - attract foreign direct investment
 - develop growth-oriented domestic businesses, leading to increased employment, exports and regional development.

Subprogrammes

- *Broadening Participation Incentives* provides incentive programmes that promote broader participation in the mainstream economy of businesses owned by individuals from historically disadvantaged communities and marginalised regions.
- *Manufacturing Incentives* provides incentives to promote additional investment in the manufacturing sector. The manufacturing investment cluster comprises the manufacturing competitive enhancement programme, the capital projects feasibility programme, the automotive investment scheme, the export marketing and investment assistance scheme, the sector-specific assistance scheme, and the section 12I tax incentive scheme.
- *Services Investment Incentives* provides incentive programmes that promote increased investment and job creation in the services sector. The programmes include the business process services programme, and the film and television production incentive support programme for South African and foreign productions.
- *Infrastructure Investment Support* provides grants for two industrial infrastructure initiatives, the special economic zones and the critical infrastructure programme, which are aimed at enhancing infrastructure and industrial development, and increasing investment and exports of value added commodities.
- *Product and Systems Development* reviews, monitors and develops incentive programmes to support the industrial policy action plan, and develops sector strategies to address market failures.
- *Strategic Partnership and Customer Care* facilitates access to targeted enterprises by reviewing the success of incentive schemes and improving them where possible.

Expenditure trends and estimates

Table 34.14 Incentive Development and Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Broadening Participation Incentives	2.4	26.6	25.5	69.1	207.8%	0.5%	72.3	76.4	80.7	5.3%	1.2%
Manufacturing Incentives	3 612.3	3 983.5	4 361.5	3 540.5	-0.7%	65.8%	3 584.4	3 928.1	4 212.8	6.0%	60.9%
Services Investment Incentives	728.1	803.2	814.2	808.6	3.6%	13.4%	748.5	743.2	762.6	-1.9%	12.2%
Infrastructure Investment Support	801.4	949.7	1 660.2	1 215.0	14.9%	19.7%	1 564.2	1 691.5	1 784.7	13.7%	25.0%
Product and Systems Development	15.0	14.9	15.4	19.4	9.0%	0.3%	17.8	21.8	23.5	6.6%	0.3%
Strategic Partnership and Customer Care	17.5	17.9	18.4	21.9	7.7%	0.3%	21.8	23.5	25.3	5.0%	0.4%
Total	5 176.7	5 795.8	6 895.2	5 674.4	3.1%	100.0%	6 009.0	6 484.6	6 889.7	6.7%	100.0%
Change to 2017 Budget estimate				5 375.8			5 688.2	1 135.8	1 277.7		
Economic classification											
Current payments	206.9	151.2	141.6	180.9	-4.4%	2.9%	181.3	184.9	193.2	2.2%	3.0%
Compensation of employees	125.8	126.5	126.8	149.1	5.8%	2.2%	145.4	152.9	159.1	2.2%	2.4%
Goods and services ¹	81.1	24.8	14.8	31.8	-26.8%	0.6%	35.9	32.0	34.0	2.3%	0.5%
<i>of which:</i>											
Communication	0.6	0.6	0.3	0.2	-35.3%	-	0.7	0.7	0.8	70.2%	-
Consultants: Business and advisory services	62.2	5.1	2.8	18.3	-33.4%	0.4%	17.7	12.4	13.1	-10.6%	0.2%
Legal services	4.1	3.9	1.4	0.7	-44.8%	-	3.8	4.0	4.2	83.0%	0.1%
Operating leases	0.8	0.8	0.9	1.5	24.6%	-	0.9	1.0	1.0	-11.6%	-
Travel and subsistence	11.3	9.7	8.8	9.4	-6.2%	0.2%	10.3	11.2	12.2	9.1%	0.2%
Venues and facilities	0.1	0.4	-	0.3	36.8%	-	0.9	0.9	1.0	52.7%	-
Transfers and subsidies¹	4 969.1	5 641.3	6 753.1	5 493.5	3.4%	97.1%	5 820.4	6 285.6	6 681.6	6.7%	96.9%
Departmental agencies and accounts	-	-	256.0	84.0	-	1.4%	-	-	-	-100.0%	0.3%
Public corporations and private enterprises	4 968.5	5 640.6	6 496.9	5 408.7	2.9%	95.6%	5 819.5	6 284.7	6 680.7	7.3%	96.6%
Households	0.6	0.7	0.2	0.8	10.3%	-	0.8	0.9	0.9	5.6%	-
Payments for capital assets	0.8	3.3	0.5	-	-100.0%	-	7.3	14.1	14.9	-	0.1%
Machinery and equipment	0.8	0.7	0.5	-	-100.0%	-	2.2	2.3	2.5	-	-
Software and other intangible assets	-	2.6	-	-	-	-	5.1	11.7	12.4	-	0.1%
Total	5 176.7	5 795.8	6 895.2	5 674.4	3.1%	100.0%	6 009.0	6 484.6	6 889.7	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	59.8%	61.2%	66.6%	60.7%	-	-	63.5%	64.2%	64.6%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	256.0	84.0	-	1.4%	-	-	-	-100.0%	0.3%
National Research Foundation	-	-	256.0	84.0	-	1.4%	-	-	-	-100.0%	0.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	-	250.0	-	-	1.1%	-	-	-	-	-
Industrial Development Corporation: Manufacturing Competitiveness Enhancement Programme industrial loan	-	-	250.0	-	-	1.1%	-	-	-	-	-
Capital	608.2	735.6	1 535.8	1 065.4	20.5%	16.8%	1 391.0	1 557.3	1 642.9	15.5%	22.6%
Various institutions: Critical infrastructure programme	-	-	125.8	160.0	-	1.2%	91.0	100.0	105.5	-13.0%	1.8%
Various institutions: Special economic zones	608.2	735.6	1 410.0	905.4	14.2%	15.5%	1 300.0	1 457.3	1 537.4	19.3%	20.8%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Current	3 949.4	4 526.7	4 441.7	3 997.4	0.4%	71.9%	4 013.1	4 292.6	4 579.0	4.6%	67.4%
Various institutions: Services sector development incentives	715.0	789.7	801.0	792.5	3.5%	13.2%	732.1	725.0	743.2	-2.1%	11.9%
Various institutions: Manufacturing development incentives	3 134.8	3 607.0	3 590.7	3 164.9	0.3%	57.3%	3 241.0	3 567.6	3 835.9	6.6%	55.1%
Various institutions: Industrial development zones -other	99.6	130.0	50.0	40.0	-26.2%	1.4%	40.0	-	-	-100.0%	0.3%

Table 34.14 Incentive Development and Administration expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	329.5	304.1	205.2	246.4	-9.2%	4.6%	295.4	311.9	329.1	10.1%	4.7%
Various institutions: Export market and investment assistance	329.5	281.2	184.4	182.5	-17.9%	4.2%	227.7	240.5	253.7	11.6%	3.6%
Various Institutions: Support programme for industrial innovation	–	22.8	20.8	63.9	–	0.5%	67.6	71.4	75.4	5.6%	1.1%
Capital	81.3	74.2	64.2	99.5	7.0%	1.4%	120.1	122.9	129.7	9.2%	1.9%
Various institutions: Critical infrastructure programme	81.3	74.2	64.2	99.5	7.0%	1.4%	120.1	122.9	129.7	9.2%	1.9%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 7: Trade and Investment South Africa

Programme purpose

Support export development and promote exports through targeted strategies, and effectively manage a network of foreign offices.

Objectives

- Promote the export of South African value added goods and services in targeted high growth markets, and sustain market share in traditional markets through implementing the integrated national export strategy and the market and product diversification strategy by participating in 17 national pavilions and 22 trade missions by March 2019.
- Facilitate markets for South African manufactured goods and services by promoting export and investment projects in high yield targeted countries such as the Brazil-Russia-India-China-South Africa group of countries, African countries and other developing countries on an ongoing basis.
- Enhance the promotion of exports and investment by placing 48 foreign economic representatives in foreign economic missions to promote South Africa's comparative advantage in goods and services internationally over the medium term.
- Develop new and existing South African export capabilities to grow manufactured exports by providing appropriate information, financial support and practical assistance to sustain organic growth in traditional markets, and penetrate new high growth markets on an ongoing basis.
- Manage and administer the foreign office network effectively on an ongoing basis through a highly experienced team that has a close partnership with the Department of International Relations and Cooperation.

Subprogrammes

- *African Bilateral Economic Relations* facilitates deeper and broader bilateral African trade and investment relations with African economies, and supports the deepening of regional integration.
- *Export Promotion and Marketing* promotes the export of South African value added goods and services to increase market share in targeted high growth markets and sustain market share in traditional markets.
- *Trade and Investment South Africa Executive Management Unit* promotes trade, and administers and provides corporate services to the department's foreign office network of foreign economic representatives to enable South African businesses to access global markets.

- *Export Development and Support* manages the national exporter development programme, which is designed to contribute to positioning South Africa as a reliable trade partner, and improve and expand the country's exporter base.

Expenditure trends and estimates

Table 34.15 Trade and Investment South Africa expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average Expenditure/ Total (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
R million											
African Bilateral Economic Relations	18.7	18.5	20.1	22.5	6.3%	4.8%	23.1	24.7	26.6	5.8%	5.7%
Export Promotion and Marketing	39.1	41.5	40.8	41.5	2.0%	9.7%	42.5	45.7	48.9	5.6%	10.4%
Trade and Investment South Africa (TISA)	264.1	386.0	377.7	343.6	9.2%	82.0%	326.0	341.6	341.6	-0.2%	79.1%
Executive Management Unit											
Export Development and Support	7.7	17.0	16.0	17.7	32.0%	3.5%	20.1	21.5	23.0	9.0%	4.8%
Total	329.6	462.9	454.6	425.2	8.9%	100.0%	411.6	433.4	440.0	1.1%	100.0%
Change to 2017 Budget estimate				(5 321.3)			(6 004.4)	(23.9)	(5.2)		
Economic classification											
Current payments	216.0	260.9	279.9	245.1	4.3%	59.9%	223.1	234.3	230.0	-2.1%	54.5%
Compensation of employees	147.7	177.8	195.3	163.2	3.4%	40.9%	174.2	182.7	175.5	2.5%	40.7%
Goods and services ¹	68.3	83.1	84.6	81.9	6.2%	19.0%	48.8	51.6	54.4	-12.7%	13.8%
of which:											
Communication	1.9	2.5	2.2	1.1	-16.2%	0.5%	1.1	1.1	1.2	2.4%	0.3%
Consultants: Business and advisory services	1.2	1.5	1.4	1.2	1.3%	0.3%	1.4	2.2	2.3	22.9%	0.4%
Operating leases	19.5	23.6	28.7	26.7	11.0%	5.9%	7.7	6.9	7.3	-35.2%	2.8%
Travel and subsistence	23.8	24.0	22.9	23.3	-0.7%	5.6%	15.0	15.3	16.2	-11.5%	4.1%
Operating payments	7.7	14.8	14.7	16.9	30.0%	3.2%	9.6	11.7	12.4	-9.9%	3.0%
Venues and facilities	4.3	4.6	4.8	6.8	16.4%	1.2%	7.6	9.0	9.5	11.9%	1.9%
Transfers and subsidies¹	110.5	200.3	171.7	177.8	17.2%	39.5%	186.3	196.8	207.6	5.3%	44.9%
Foreign governments and international organisations	-	-	-	-	-	-	3.1	3.3	3.4	-	0.6%
Public corporations and private enterprises	110.4	200.0	171.6	177.6	17.2%	39.4%	183.2	193.5	204.2	4.7%	44.4%
Households	0.1	0.3	0.1	0.2	9.2%	-	-	-	-	-100.0%	-
Payments for capital assets	2.0	1.8	3.0	2.3	5.7%	0.5%	2.2	2.3	2.5	2.3%	0.5%
Machinery and equipment	2.0	1.8	3.0	2.3	5.7%	0.5%	2.2	2.3	2.5	2.3%	0.5%
Payments for financial assets	1.1	0.0	0.0	-	-100.0%	0.1%	-	-	-	-	-
Total	329.6	462.9	454.6	425.2	8.9%	100.0%	411.6	433.4	440.0	1.1%	100.0%
Proportion of total programme expenditure to vote expenditure	3.8%	4.9%	4.4%	4.6%	-	-	4.3%	4.3%	4.1%	-	-
Details of selected transfers and subsidies											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	110.4	200.0	171.6	177.6	17.2%	39.4%	183.2	193.5	204.2	4.7%	44.4%
Export Credit Insurance Corporation	110.4	200.0	171.6	177.6	17.2%	39.4%	183.2	193.5	204.2	4.7%	44.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 8: Investment South Africa

Programme purpose

Support foreign direct investment flows and promote domestic investment by providing a one-stop shop for investment promotion, investor facilitation and aftercare support for investors.

Objectives

- Increase the quality and quantum of South Africa's fixed investment on an ongoing basis by:
 - marketing and promoting the country to ensure investment opportunities through dedicated investment promotion, facilitation and aftercare services

- coordinating and leading the establishment of one-stop shops on behalf of government to facilitate investment for all investors
- coordinating and facilitating the investment climate reform with the World Bank on the ease of doing business
- developing a pipeline of potential projects and contributing to South Africa being a preferred destination for investment
- undertaking aftercare forums with investors to retain and expand investment.
- Provide a dedicated service to all investors over the medium term by:
 - facilitating the entire investment value chain
 - developing an investment pipeline of possible projects through lead creation, marketing, project development, facilitation and aftercare.
- Provide specialist advisory services and policy advocacy to improve the investment climate by fast-tracking and unblocking investor issues to reduce red tape in government over the medium term.

Subprogrammes

- *Investment Promotion* facilitates an increase in the quality and quantity of foreign direct investment, and domestic and outward investment, by providing investment attraction, targeted lead generation and recruitment support.
- *Investment and Interdepartmental Clearing House* promotes and facilitates investment, and provides support services to the investment and interdepartmental clearing house. This subprogramme also provides a specialist advisory service, fast-tracks and unblocks processes, and reduces red tape for investors.
- *Investment Support and Aftercare* provides specialist advisory services through research, information marketing, aftercare and policy advocacy to facilitate new investment, and retain and expand existing investment.

Expenditure trends and estimates

Table 34.16 Investment South Africa expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Investment Promotion	30.7	31.9	45.2	42.6	11.5%	68.9%	44.9	48.0	51.5	6.6%	76.2%
Investment and Interdepartmental Clearing House	7.1	6.1	24.0	26.2	54.3%	29.0%	4.5	4.6	4.9	-42.7%	16.4%
Investment Support and After Care	0.1	0.3	–	4.2	208.1%	2.1%	4.5	4.6	4.9	5.9%	7.4%
Total	38.0	38.3	69.2	72.9	24.3%	100.0%	53.8	57.2	61.4	-5.6%	100.0%
Change to 2017 Budget estimate				(315.6)			(331.6)	3.5	(1.7)		
Economic classification											
Current payments	37.7	38.1	44.8	50.0	9.9%	78.2%	53.4	56.8	60.9	6.8%	90.1%
Compensation of employees	26.6	27.4	27.5	33.8	8.4%	52.8%	37.0	39.3	42.3	7.8%	62.2%
Goods and services ¹	11.1	10.8	17.3	16.2	13.4%	25.4%	16.4	17.5	18.6	4.6%	28.0%
of which:											
Communication	0.2	0.2	0.1	0.1	-6.8%	0.3%	0.2	0.2	0.2	17.3%	0.3%
Consultants: Business and advisory services	0.6	0.0	1.2	0.4	-15.7%	1.0%	0.4	0.4	0.4	5.7%	0.7%
Contractors	0.0	–	–	4.0	575.9%	1.8%	6.7	7.1	7.5	23.0%	10.3%
Travel and subsistence	5.8	7.9	8.5	6.9	6.0%	13.3%	6.1	6.7	7.2	1.5%	11.0%
Operating payments	0.9	0.5	0.1	0.7	-8.8%	1.0%	0.7	0.8	0.8	5.7%	1.2%
Venues and facilities	2.9	1.4	1.5	2.8	-1.8%	3.9%	1.7	1.8	1.9	-11.6%	3.3%
Transfers and subsidies¹	0.0	0.1	24.1	22.2	1304.2%	21.3%	–	–	–	-100.0%	9.0%
Public corporations and private enterprises	–	–	24.0	22.0	–	21.1%	–	–	–	-100.0%	9.0%
Households	0.0	0.1	0.1	0.2	165.7%	0.2%	–	–	–	-100.0%	0.1%
Payments for capital assets	0.3	0.0	0.3	0.7	35.0%	0.6%	0.4	0.5	0.5	-10.4%	0.8%
Machinery and equipment	0.3	0.0	0.3	0.7	35.0%	0.6%	0.4	0.5	0.5	-10.4%	0.8%
Total	38.0	38.3	69.2	72.9	24.3%	100.0%	53.8	57.2	61.4	-5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.7%	0.8%	–	–	0.6%	0.6%	0.6%	–	–

Table 34.16 Investment South Africa expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2018/19 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	–	–	24.0	22.0	–	21.1%	–	–	–	-100.0%	9.0%
Various Institutions: One-stop shop	–	–	24.0	22.0	–	21.1%	–	–	–	-100.0%	9.0%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity¹

National Gambling Board

Mandate

The National Gambling Board was established in terms of the National Gambling Act (2004), which makes provision for the coordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and provides for the regulation and development of uniform norms and standards. The board's mandate is derived from the National Gambling Act (2004), legislation that prohibits money laundering and the financing of terrorism, the BBE Act (2003), the codes of good practice for BEE, and the Employment Equity Act (1998).

Selected performance indicators

Table 34.17 National Gambling Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of research reports on impact of gambling presented to the accounting authority per year	Stakeholder and liaison	Entity mandate	1	1	1	1	1	1	1
Number of consolidated three-tier compliance evaluation assessments produced per year	Compliance monitoring		9	9	9	10	9	9	9
Number of reports on the intervention and support provided to regulators and law enforcement agencies per year	Compliance monitoring		8	8	8	8	8	8	8
Number of compliance evaluation assessments conducted on the issuance of national licences by provincial licensing authorities per year	Compliance monitoring		9	9	9	9	9	9	9

Expenditure analysis

The National Gambling Board regulates South Africa's gambling sector. Over the medium term, the board will focus on strengthening its oversight function in line with the national gambling policy of 2016 and the National Gambling Act (2004) by monitoring and evaluating the issuance of national and provincial gambling licences. The board's technical compliance programme conducts the bulk of this work, and is allocated R386.1 million over the medium term.

To eradicate illegal gambling activities in the country, the board will monitor and report on behaviour in the gambling sector and the market share of illegal operators, and conduct research on the socioeconomic impact of illegal gambling and propose interventions to deal with the issue. The board also conducts periodic inspections and publishes status reports on the industry. For these activities, R44.6 million is provided in the stakeholder and liaison programme over the medium term.

Over the MTEF period, the board plans to install, manage and maintain the national central electronic monitoring system, to monitor all limited payout machines through a secure private network that collects data on usage and payouts. The board will also maintain data on gambling activities by establishing and maintaining national

¹ This section has been compiled with the latest available information from the entity concerned.

registers, including all registered gambling machines and other gambling devices in the country, and people banned from gambling. Expenditure on goods and services is set to increase at an average annual rate of 40.6 per cent, from R57.2 million in 2017/18 to R158.9 million in 2020/21, due to operating costs associated with the national central electronic monitoring system, and the establishment and maintenance of national registers.

The board aims to conduct 4 educational programmes and 4 public awareness campaigns in each year over the MTEF period to educate the public about the dangers of irresponsible and illegal gambling. These programmes and campaigns are provided R6.6 million in the stakeholder and liaison programme over the same period.

Spending on compensation of employees is set to increase at an average annual rate of 15.2 per cent, from R19 million in 2017/18 to R29.1 million in 2020/21. The number of personnel in the board is set to remain constant at 27 over the medium term.

The board derives 23 per cent (R103.4 million) of its revenue over the medium term through transfers from the department and 77 per cent (R467.6 million) through other sources, including the national central electronic monitoring system. Total revenue is expected to increase at an average annual rate of 33.9 per cent, from R84.2 million in 2018/19 to R202.3 million in 2020/21, due to the revised revenue model for the national central electronic monitoring system, which allows for the fees from limited payout machines to be collected by the board.

Programmes/Objectives/Activities

Table 34.18 National Gambling Board of South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	22.0	19.1	20.9	27.1	7.2%	58.2%	28.3	30.4	31.1	4.7%	21.1%
Stakeholder and liaison	5.1	3.4	10.9	14.2	40.4%	19.0%	14.3	14.9	15.5	2.8%	10.7%
Compliance monitoring	2.1	5.1	7.1	4.2	26.8%	12.3%	6.4	6.8	7.2	19.8%	4.2%
Technical Compliance	–	–	–	33.0	–	10.5%	120.7	128.5	136.9	60.7%	64.0%
Total	29.2	27.6	38.9	78.5	39.1%	100.0%	169.7	180.6	190.7	34.4%	100.0%

Statements of historical financial performance and position

Table 34.19 National Gambling Board of South Africa statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average Outcome/ Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	2.7	2.7	8.8	8.7	17.7	19.2	12.6	52.6	199.0%
Other non-tax revenue	2.7	2.7	8.8	8.7	17.7	19.2	12.6	52.6	199.0%
Transfers received	29.8	29.8	32.0	32.0	30.1	30.1	31.6	31.6	100.0%
Total revenue	32.5	32.5	40.8	40.7	47.8	49.3	44.3	84.2	125.0%
Expenses									
Current expenses	27.5	29.2	39.0	27.6	47.4	38.9	44.3	78.5	110.1%
Compensation of employees	12.3	9.2	11.3	11.6	21.3	18.8	24.3	19.0	84.8%
Goods and services	14.4	18.1	25.5	13.9	24.0	17.9	17.8	57.2	131.2%
Depreciation	0.9	1.9	2.2	2.2	2.1	2.2	2.2	2.3	115.5%
Total expenses	27.5	29.2	39.0	27.6	47.4	38.9	44.3	78.5	110.1%
Surplus/(Deficit)	5.0	3.0	2.0	13.0	–	10.0	–	6.0	
Statement of financial position									
Carrying value of assets	15.3	12.9	13.7	11.8	14.5	10.8	15.4	15.4	86.4%
of which:									
Acquisition of assets	–	(0.5)	(1.6)	(1.0)	(2.4)	(1.0)	–	(2.3)	119.1%
Inventory	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	63.9%
Receivables and prepayments	0.2	1.4	1.5	1.1	1.5	1.3	1.6	1.6	112.0%
Cash and cash equivalents	2.1	9.2	9.8	26.4	10.4	34.5	11.0	11.0	244.5%
Total assets	17.6	23.5	24.9	39.3	26.4	46.7	28.0	28.0	141.8%
Accumulated surplus/(deficit)	8.6	9.0	9.6	22.1	10.2	27.4	10.8	10.8	176.4%
Deferred income	–	6.5	–	–	–	–	–	–	–
Trade and other payables	6.5	7.1	14.3	15.4	15.2	16.5	16.1	16.1	105.9%
Provisions	2.5	0.9	1.0	1.8	1.0	2.7	1.1	1.1	116.5%
Total equity and liabilities	17.6	23.5	24.9	39.3	26.4	46.7	28.0	28.0	141.8%

Statements of estimates of financial performance and position

Table 34.20 National Gambling Board of South Africa statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R million								
Revenue								
Non-tax revenue	52.6	169.1%	32.8%	146.0	155.7	165.9	46.7%	77.0%
Other non-tax revenue	52.6	169.1%	32.8%	146.0	155.7	165.9	46.7%	77.0%
Transfers received	31.6	2.0%	67.2%	32.6	34.5	36.3	4.7%	23.0%
Total revenue	84.2	37.3%	100.0%	178.6	190.1	202.3	33.9%	100.0%
Expenses								
Current expenses	78.5	39.1%	100.0%	169.7	180.6	190.7	34.4%	100.0%
Compensation of employees	19.0	27.6%	36.5%	25.1	27.0	29.1	15.2%	17.3%
Goods and services	57.2	46.8%	57.7%	141.9	150.9	158.9	40.6%	80.8%
Depreciation	2.3	5.7%	5.7%	2.7	2.7	2.7	5.3%	1.8%
Total expenses	78.5	39.1%	100.0%	169.7	180.6	190.7	34.4%	100.0%
Surplus/(Deficit)	6.0			9.0	10.0	12.0		
Statement of financial position								
Carrying value of assets	15.4	6.0%	40.7%	16.3	17.2	-	-100.0%	-
of which:								
Acquisition of assets	(2.3)	64.9%	-3.8%	(0.9)	(0.9)	(0.9)	-27.2%	-
Inventory	0.0	6.0%	0.1%	0.0	0.0	-	-100.0%	-
Receivables and prepayments	1.6	6.0%	4.3%	1.7	1.8	-	-100.0%	-
Cash and cash equivalents	11.0	6.0%	54.9%	11.6	12.3	-	-100.0%	-
Total assets	28.0	6.0%	100.0%	29.7	31.3	-	-100.0%	-
Accumulated surplus/(deficit)	10.8	6.3%	47.9%	11.5	12.1	-	-100.0%	-
Trade and other payables	16.1	31.3%	40.6%	17.1	18.0	-	-100.0%	-
Provisions	1.1	6.0%	4.5%	1.2	1.2	-	-100.0%	-
Total equity and liabilities	28.0	6.0%	100.0%	29.7	31.3	-	-100.0%	-

Personnel information

Table 34.21 National Gambling Board personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment											Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
National Gambling Board	28	28	18.8	0.7	28	19.0	0.7	27	25.1	0.9	27	27.0	1.0	27	29.1	1.1	15.2%	100.0%
Salary level	28	28	18.8	0.7	28	19.0	0.7	27	25.1	0.9	27	27.0	1.0	27	29.1	1.1	15.2%	100.0%
7 – 10	10	10	4.7	0.5	10	4.4	0.4	10	5.8	0.6	10	6.2	0.6	10	6.7	0.7	15.0%	36.7%
11 – 12	8	8	3.3	0.4	8	3.8	0.5	8	6.6	0.8	8	7.1	0.9	8	7.7	1.0	27.1%	29.4%
13 – 16	10	10	10.8	1.1	10	10.9	1.1	9	12.7	1.4	9	13.6	1.5	9	14.7	1.6	10.6%	33.9%

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Companies and Intellectual Property Commission** was established in terms of section 185 of the Companies Act (2008) to function as an organ of state within the public administration but outside the public service. The commission regulates companies, close corporations, cooperatives, trademarks, patents, designs and copyright; and enforces rules and regulations. The commission's total budget for 2018/19 is R600.9 million.
- The **Companies Tribunal** was established in 2011 as a juristic entity in terms of the Companies Act (2008) and became operational in 2012. It is mandated to adjudicate and mediate disputes, and make orders. The tribunal is enjoined to deliver on this mandate in a manner that is simple, ethical, efficient, equitable, transparent, accountable and impartial, without fear, favour or prejudice. The tribunal's total budget for 2018/19 is R21 million.

- The **Export Credit Insurance Corporation of South Africa** was established in terms of the Export Credit and Foreign Investments Insurance Act (1957) to facilitate and encourage South Africa's export trade by underwriting export credit loans and investments outside South Africa. The corporation is mandated to evaluate export credit and foreign investment risks; provide export credit and foreign investment insurance cover on behalf of the South African government; and manage the interest make-up scheme for participating financial institutions to enable them to provide loans to South African firms that invest in capital projects abroad. The corporation's total budget for 2018/19 is R762.4 billion.
- The **National Consumer Commission** was established in terms of section 85 of the Consumer Protection Act (2008), with jurisdiction across South Africa. The act seeks to promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection. It further seeks to provide for improved standards of consumer information, prohibit certain unfair marketing and business practices, promote responsible consumer behaviour, and promote a consistent legislative framework. The commission's total budget for 2018/19 is R57.7 million.
- The **National Consumer Tribunal** was established in terms of the National Credit Act (2005) as an independent adjudicative entity. It is mandated to review decisions made by the National Credit Regulator and the National Consumer Commission, as well as to adjudicate on applications and referrals in terms of the National Credit Act (2005) and the Consumer Protection Act (2008). The tribunal's total budget for 2018/19 is R68.1 million.
- The **National Credit Regulator** was established in terms of the National Credit Act (2005) and is responsible for the regulation of the South African credit industry. It enforces the act, and carries out education, research, policy development, the registration of industry participants and the investigation of complaints. The regulator is mandated to promote the development of an accessible credit market, particularly to address the needs of historically disadvantaged and low income individuals, and remote, isolated or low density communities. The regulator's total budget for 2018/19 is R137.6 million.
- The **National Empowerment Fund** was established in terms of the National Empowerment Fund Act (1998) to promote and facilitate black economic equality and transformation. In providing financial and non-financial support to black businesses and structuring accessible retail savings products for black people, the fund is mandated to implement the empowerment codes of good practice for BEE. The fund has five core divisions: small, medium and micro enterprises (SMMEs), rural development, venture capital, corporate finance, and women empowerment funds. The fund's total budget for 2018/19 is R431.9 million.
- The **National Lotteries Commission** was established in terms of the Lotteries Act (1997), and is mandated to regulate the national lottery and other lotteries, including fundraising society lotteries and promotional competitions. The commission also advises the Minister of Trade and Industry on policy matters relating to the national lottery and other lotteries. The commission ensures the protection of all participants, maximises revenue for good causes in a responsible manner, administers the National Lotteries Distribution Trust Fund, and disburses funds for good causes to the distributing agencies in an equitable and expeditious manner. The commission's total budget for 2018/19 is R507.8 million.
- The **National Metrology Institute of South Africa** is mandated by the Measurement Units and Measurement Standards Act (2006) to ensure that South Africa has a scientifically valid and internationally comparable and accepted measurement system, and that the international system of units is correctly applied. This is of paramount importance for manufacturing, trade, health and safety, and law enforcement. To fulfil this mandate, the institute: develops and maintains national measurement standards for South Africa; ensures that these are traceable to the primary international system of units; benchmarks these measurement standards against the measurement standards of other countries; submits the calibration and measurement capabilities to the international database as the entry for South Africa; and distributes the national capability through calibration and certified reference materials to calibration and testing laboratories in Southern Africa. The institute's total budget for 2018/19 is R194.8 million.
- The **National Regulator for Compulsory Specifications** was established in terms of the Measurement Unit and Measurement Standards Act (2006) as a public entity that administers compulsory specifications, otherwise known as technical regulations, on behalf of the Minister of Trade and Industry. The regulator is mandated to

protect the health and safety of the public and the environment by administering and maintaining compulsory specifications, implementing a regulatory and compliance system, and engaging in market surveillance to ensure compliance. The regulator's total budget for 2018/19 is R421 million.

- The **South African Bureau of Standards** was established as a statutory body in terms of the Standards Act (2008), and is part of South Africa's standardisation, quality assurance, accreditation and metrology technical infrastructure. The bureau is mandated to provide standardisation and conformity assessment services to protect the integrity of the South African market, protect consumers, create a competitive advantage for South African industry, and facilitate access by South Africans to local and international markets. The bureau is the sole publisher of South African national standards, and is responsible for the technical work of the industrial policy action plan. Its total budget for 2018/19 is R867.5 million.
- The **South African National Accreditation System** was established in terms of the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act (2006). It is mandated to accredit or monitor for compliance with good laboratory practice; promote accreditation as a means of facilitating international trade to enhance South Africa's economic performance and bring about economic transformation; promote the competence and equivalence of accredited bodies; and promote the competence and equivalence of good laboratory practice facilities compliant with the act. The system's total budget for 2018/19 is R104.5 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16		2016/17	2018/19	2019/20
Infrastructure transfers to other spheres, agencies and departments									
Mega projects (total project cost of at least R1 billion over the project life cycle)									
Critical infrastructure programme	Development of infrastructure projects to supporting investment in mining, tourism, manufacturing and services	Ongoing	1 473.2	81.3	74.2	190.0	211.1	222.9	235.2
Special economic zones: Investment incentives	Development of infrastructure for special economic zone	Ongoing	3 719.5	608.2	735.6	1 410.0	1 300.0	1 457.3	1 537.4
Large projects (total project cost of at least R250 million over the project life cycle)									
Centurion Aerospace Village	Construction of aerospace industry infrastructure	Construction	407.3	16.7	17.5	18.4	15.5	16.4	17.3
Industrial development zone	Development of infrastructure for industrial zone	Ongoing	–	99.6	130.0	50.0	40.0	–	–
Total			5 599.9	805.9	957.3	1 668.4	1 230.3	1 696.5	1 789.8

Vote 35

Transport

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	430.1	414.9	12.5	2.7	460.0	490.2
Integrated Transport Planning	90.0	89.8	–	0.2	95.7	102.0
Rail Transport	18 887.3	45.2	18 842.0	0.1	20 493.3	21 590.1
Road Transport	27 098.8	118.7	26 979.3	0.7	31 246.4	32 983.8
Civil Aviation	182.3	125.3	56.5	0.4	192.9	204.4
Maritime Transport	119.9	92.0	27.6	0.3	131.8	139.2
Public Transport	12 990.0	311.7	12 678.1	0.2	13 237.1	14 050.9
Subtotal	59 798.3	1 197.6	58 596.0	4.7	65 857.1	69 560.5
Direct charge against the National Revenue Fund						
International Oil Pollution Compensation Fund	10.2	–	10.2	–	10.4	11.0
Total expenditure estimates	59 808.5	1 197.6	58 606.2	4.7	65 867.6	69 571.4

Executive authority Minister of Transport
 Accounting officer Director General of Transport
 Website address www.transport.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Lead the provision of an integrated, sustainable, reliable and safe transport system through planning, developing, coordinating, promoting and implementing transport policies, regulations and strategies.

Mandate

The Constitution identifies the legislative responsibilities of different spheres of government with regards to airports and civil aviation, road infrastructure, rail transport, maritime transport, road traffic management and public transport. Transport is a function that is legislated and executed at the national, provincial and local government levels. The implementation of transport functions at the national level takes place through public entities that are overseen by the department, each with a specific delivery mandate, as specified in legislation establishing these entities.

The 1996 White Paper on Transport defines the infrastructure and operations of rail, pipelines, roads, airports, harbours, and the intermodal operations of public transport and freight. The Department of Transport is responsible for the legislation and policies for all these sub-sectors. The department is therefore responsible for conducting sector research, formulating legislation and policy to set the strategic direction of sub-sectors, assigning responsibilities to public entities and other spheres of government, regulating through setting norms and standards, and monitoring implementation.

Selected performance indicators

Table 35.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Lane kilometres of surfaced roads rehabilitated per year (km)	Road Transport	Outcome 6: An efficient, competitive and responsive economic infrastructure network	1 650	1 937	397	1 500	1 600	1 700	1 785
Lane kilometres of roads resealed per year (km)	Road Transport		3 000	2 438	1 735	4 000	4 300	4 700	4 935
Kilometres of roads re-gravelled per year (km)	Road Transport		3 000	4 560	1 664	5 300	5 800	5 900	6 195
Square kilometres of blacktop patching on roads (including pothole repairs) per year (km ²)	Road Transport		810 000	1 497 281	489 273	900 000	900 000	900 000	945 000
Kilometres of gravel roads bladed per year (km)	Road Transport		350 000	381 867	146 631	460 000	485 000	500 000	525 000
Total number of municipalities with integrated public transport networks facilitated at the construction phase	Public Transport		4	11	11	13	13	13	13
Number of average weekday bus rapid transit passenger trips per year: Rea Vaya (Johannesburg)	Public Transport		36 649	50 000	50 000	55 000	70 000	80 000	100 000
Number of average weekday bus rapid transit passenger trips per year: My Citi (Cape Town)	Public Transport		68 310	84 686	71 153	76 895	77 664	78 441	80 000
Number of average weekday bus rapid transit passenger trips per year: GOGeorge (George)	Public Transport		-1	-1	11 368	12 500	15 000	28 000	30 240
Number of average weekday bus rapid transit passenger trips per year: A Re Yeng (Tshwane)	Public Transport		-1	-1	4 200	9 000	15 000	30 000	50 000

1. No historical data available.

Expenditure analysis

Chapter 4 of the National Development Plan calls for the development of economic infrastructure as the foundation of social and economic development. This call is given action by outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework, which is directly aligned with the work of the Department of Transport. Over the medium term, the department plans to focus on improving mobility and access to social and economic activities by facilitating and creating an enabling environment for maintaining provincial and national road networks, modernising passenger rail infrastructure and improving services, and integrating public transport.

The department's expenditure over the MTEF period is driven mainly by transfers to the South African National Roads Agency, the Passenger Rail Agency of South Africa, and provinces and municipalities for the construction, operations and maintenance of transport services and infrastructure. Total expenditure is expected to increase at an average annual rate of 6.3 per cent over the medium term, from R57.9 billion in 2017/18 to R69.6 billion in 2020/21, with transfers accounting for 98 per cent.

The department's spending on goods and services, and compensation of employees, accounting for a projected 2 per cent of spending over the MTEF period, is largely driven by activities related to project management and programme support functions, monitoring and evaluation, grant management and oversight, and policy and legislative development and implementation. As a result, spending on items related to goods and services is expected to increase at an average annual rate of 6.3 per cent, from R663.8 million in 2017/18 to R798 million in 2020/21. Spending on compensation of employees is expected to increase at an average annual rate of 10.1 per cent, from R430.5 million in 2017/18 to R574.8 million in 2020/21, as job re-evaluation outcomes for upgrading salary levels 9 to 10 and levels 11 to 12 are implemented, and as critical posts are filled.

Maintaining roads

The work of upgrading, strengthening and maintaining non-toll national roads is undertaken by the South African National Roads Agency, which is funded by transfers from the department. Over the medium term, R29.1 billion in the *Road Transport* programme is provided for capital-related investment on non-toll roads,

R4.3 billion for the upgrade of the R573 (Moloto Road), R1.7 billion to compensate for the reduced tariffs for the Gauteng freeway improvement programme, and R18.2 billion for general road strengthening and maintenance. In addition, R2.1 billion is provided in 2019/20 and 2020/21 for the construction of the N2 Wild Coast highway. Expenditure in the *Road Transport* programme is expected to increase at an average annual rate of 6.7 per cent, from R27.1 billion in 2017/18 to R33 billion in 2020/21.

As key drivers of socioeconomic linkages, the condition of provincial roads is under continuous pressure with significant maintenance backlogs. In this regard, the *provincial roads maintenance grant*, which is funded through the *Road Transport* programme, provides for funding to provinces based on road condition, weather patterns and traffic volumes. Allocations to the grant are expected to increase over the MTEF period, from R10.8 billion in 2017/18 to R12.1 billion in 2020/21. This below inflationary increase is due to a Cabinet approved reduction of R1.9 billion to the grant over the medium term. Included in the grant's allocation is an amount of R1 billion over 2018/19 and 2019/20 for the rehabilitation and maintenance of coal haulage roads in Mpumalanga. Total funding to the grant over the medium term will provide for 5 085 kilometres of rehabilitated surfaced roads and 13 935 lane kilometres resealed between 2018/19 and 2020/21.

Modernising passenger rail infrastructure and improving services

Transfers to the Passenger Rail Agency of South Africa, which account for 32 per cent of the department's total expenditure, allow the agency to focus on modernising South Africa's passenger rail network. Over the MTEF period, the agency's spending is expected to be mainly on maintaining existing assets while intensifying investment efforts to modernise the passenger rail sector. This is anticipated to be achieved through purchasing new rolling stock for the Metrorail commuter service. As part of the modernisation programme, over the medium term, the agency plans to provide 125 new trains for Metrorail, signaling upgrades amounting to R6.4 billion, and various upgrades to depots and stations.

The passenger rail agency projects that by 2020/21, it will be subsidizing 392 million annual passenger trips on Metrorail and 1.5 million passengers on the long distance mainline passenger service. The agency plans to spend a minimum of R1.2 billion over the medium term on rail maintenance operations and inventories to ensure that current and new rolling stock is fully functional and that trains are on time, reliable and safe.

Capital transfers for rail infrastructure in the *Rail Transport* programme is expected to increase at an average annual rate of 3.3 per cent over the MTEF period, from R13.3 billion in 2017/18 to R14.7 billion in 2020/21. This below inflationary increase is due to a Cabinet approved reduction to the programme of R6 billion over the medium term.

Integrated public transport networks

An integrated public transport network is key to providing functional, sustainable and affordable transport solutions to urban commuters. The *public transport network grant*, which is funded through the *Public Transport* programme, funds the infrastructure and operations of integrated public transport networks in 13 cities across South Africa. Over the medium term, allocations to the grant are expected to increase at an average annual rate of 1.5 per cent, from R6.2 billion in 2017/18 to R6.5 billion in 2020/21, to support planning and construction in the 13 cities; and fund the indirect operating costs of services in Johannesburg, Tshwane, Cape Town and George, which have begun operating rapid transit bus services on new routes. The below inflationary increase is due to Cabinet approved reductions of R2 billion over the medium term. The number of weekday passenger trips on the networks in these 4 cities is expected to increase from 153 395 in 2017/18 to 260 240 in 2020/21.

Expenditure trends

Table 35.2 Vote expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Integrated Transport Planning																																	
3. Rail Transport																																	
4. Road Transport																																	
5. Civil Aviation																																	
6. Maritime Transport																																	
7. Public Transport																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Revised estimate			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)				
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18			2014/15 - 2017/18		
Programme 1	382.9	424.9	377.5	383.5	383.5	420.8	394.8	392.8	365.1	406.9	407.1	403.1	99.9%	97.4%																			
Programme 2	81.2	81.2	75.0	80.6	88.1	88.8	79.0	79.0	77.1	81.7	82.6	82.6	100.3%	97.8%																			
Programme 3	15 034.6	15 034.6	15 035.5	18 311.4	18 311.4	18 305.3	18 985.5	18 985.5	18 992.0	19 320.3	19 308.9	17 467.7	97.4%	97.4%																			
Programme 4	21 645.3	21 645.3	22 202.9	22 784.9	23 042.7	22 889.2	24 525.6	24 799.1	25 055.4	27 128.6	27 129.6	27 131.3	101.2%	100.7%																			
Programme 5	148.3	150.4	161.0	149.5	149.5	145.3	253.2	253.2	210.4	169.9	170.2	164.3	94.5%	94.1%																			
Programme 6	110.6	110.6	99.6	110.0	121.1	142.9	121.7	120.8	153.6	119.7	129.3	119.3	111.5%	106.9%																			
Programme 7	11 323.8	11 323.8	11 195.7	11 537.4	11 518.9	11 328.6	11 655.4	11 655.4	11 550.0	12 568.3	12 567.3	12 561.7	99.0%	99.1%																			
Subtotal	48 726.5	48 770.7	49 147.1	53 357.3	53 615.1	53 320.8	56 015.2	56 285.9	56 403.7	59 795.2	59 795.2	57 930.0	99.5%	99.2%																			
Direct charge against the National Revenue Fund	-	-	-	-	-	-	-	1.7	3.8	10.0	10.0	10.0	138.2%	118.1%																			
International Oil Pollution Compensation Fund	-	-	-	-	-	-	-	1.7	3.8	10.0	10.0	10.0	138.2%	118.1%																			
Total	48 726.5	48 770.7	49 147.1	53 357.3	53 615.1	53 320.8	56 015.2	56 287.6	56 407.5	59 805.2	59 805.2	57 940.0	99.5%	99.2%																			
Change to 2017 Budget estimate														-																			
Economic classification																																	
Current payments	968.1	1 006.5	1 405.1	1 061.4	1 069.1	1 084.2	1 192.1	1 183.9	1 206.9	1 110.0	1 120.6	1 094.3	110.6%	109.4%																			
Compensation of employees	383.4	382.9	345.9	378.6	389.8	382.9	437.1	432.1	392.8	450.0	456.8	430.5	94.1%	93.4%																			
Goods and services	584.7	623.6	1 059.2	682.8	679.3	701.4	754.9	751.8	814.2	660.0	663.8	663.8	120.7%	119.1%																			
Transfers and subsidies	47 754.2	47 755.8	47 706.8	52 291.7	52 540.3	52 219.4	54 818.8	55 096.2	55 168.7	58 690.7	58 676.6	56 837.8	99.2%	99.0%																			
Provinces and municipalities	20 140.3	20 140.3	20 140.3	20 840.0	20 796.8	20 521.1	21 297.0	21 572.7	21 572.7	22 743.4	22 743.4	22 743.4	99.9%	99.7%																			
Departmental agencies and accounts	12 203.0	12 203.9	12 283.4	12 837.5	13 148.5	13 148.3	14 234.0	14 234.0	14 296.1	16 279.5	16 265.5	16 265.5	-	-																			
Higher education institutions	10.8	10.8	-	11.3	-	-	-	-	-	-	-	-	-	-																			
Foreign governments and international organisations	10.1	10.1	8.8	10.5	10.7	46.8	11.2	12.9	15.8	27.7	27.7	27.7	166.6%	161.6%																			
Public corporations and private enterprises	14 946.3	14 946.3	14 946.3	18 222.0	18 222.0	18 222.0	18 890.3	18 890.3	18 890.3	19 216.4	19 216.4	17 377.6	97.4%	97.4%																			
Non-profit institutions	20.0	20.7	19.8	21.7	21.7	21.7	22.8	22.8	22.8	24.0	24.0	24.0	99.8%	99.0%																			
Households	423.8	423.8	308.3	348.7	340.6	259.4	363.6	363.6	371.1	399.7	399.7	399.7	87.2%	87.6%																			
Payments for capital assets	4.2	8.4	35.0	4.1	5.7	13.9	4.3	7.5	9.5	4.5	7.9	7.9	386.7%	224.5%																			
Machinery and equipment	4.2	8.4	35.0	4.1	5.7	10.5	4.3	7.5	9.5	4.5	7.9	7.9	367.2%	213.2%																			
Software and other intangible assets	-	-	-	-	-	3.4	-	-	-	-	-	-	-	-																			
Payments for financial assets	-	-	0.3	-	-	3.3	-	-	22.2	-	-	-	-	-																			
Total	48 726.5	48 770.7	49 147.1	53 357.3	53 615.1	53 320.8	56 015.2	56 287.6	56 407.5	59 805.2	59 805.2	57 940.0	99.5%	99.2%																			

Expenditure estimates

Table 35.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Integrated Transport Planning									
3. Rail Transport									
4. Road Transport									
5. Civil Aviation									
6. Maritime Transport									
7. Public Transport									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21	
Programme 1	403.1	-1.7%	0.7%	430.1	460.0	490.2	6.7%	0.7%	
Programme 2	82.6	0.6%	0.1%	90.0	95.7	102.0	7.3%	0.1%	
Programme 3	17 467.7	5.1%	32.2%	18 887.3	20 493.3	21 590.1	7.3%	31.0%	
Programme 4	27 131.3	7.8%	44.9%	27 098.8	31 246.4	32 983.8	6.7%	46.8%	
Programme 5	164.3	3.0%	0.3%	182.3	192.9	204.4	7.6%	0.3%	
Programme 6	119.3	2.6%	0.2%	119.9	131.8	139.2	5.3%	0.2%	
Programme 7	12 561.7	3.5%	21.5%	12 990.0	13 237.1	14 050.9	3.8%	20.9%	
Subtotal	57 930.0	5.9%	100.0%	59 798.3	65 857.1	69 560.5	6.3%	100.0%	
Direct charge against the National Revenue Fund	10.0	-	0.0%	10.2	10.4	11.0	3.2%	0.0%	
International Oil Pollution Compensation Fund	10.0	-	0.0%	10.2	10.4	11.0	3.2%	0.0%	
Total	57 940.0	5.9%	100.0%	59 808.5	65 867.6	69 571.4	6.3%	100.0%	
Change to 2017 Budget estimate				(5 151.9)	(2 688.8)	(2 841.5)			
Economic classification									
Current payments	1 094.3	2.8%	2.2%	1 197.6	1 283.1	1 372.8	7.9%	2.0%	
Compensation of employees	430.5	4.0%	0.7%	496.7	534.7	574.8	10.1%	0.8%	
Goods and services	663.8	2.1%	1.5%	700.9	748.4	798.0	6.3%	1.1%	
Transfers and subsidies	56 837.8	6.0%	97.7%	58 606.2	64 579.5	68 193.4	6.3%	98.0%	
Provinces and municipalities	22 743.4	4.1%	39.2%	23 387.2	24 035.6	25 432.9	3.8%	37.8%	
Departmental agencies and accounts	16 265.5	10.0%	25.8%	15 963.2	19 662.5	20 761.4	8.5%	28.7%	
Foreign governments and international organisations	27.7	40.1%	0.0%	28.6	29.5	31.1	4.0%	0.0%	
Public corporations and private enterprises	17 377.6	5.2%	32.0%	18 779.0	20 378.7	21 468.6	7.3%	30.8%	
Non-profit institutions	24.0	5.0%	0.0%	25.3	26.8	28.2	5.6%	0.0%	
Households	399.7	-1.9%	0.6%	422.8	446.5	471.1	5.6%	0.7%	
Payments for capital assets	7.9	-1.9%	0.0%	4.7	5.0	5.3	-12.7%	0.0%	
Machinery and equipment	7.9	-1.9%	0.0%	4.7	5.0	5.3	-12.7%	0.0%	
Total	57 940.0	5.9%	100.0%	59 808.5	65 867.6	69 571.4	6.3%	100.0%	

Expenditure trends and estimates for significant spending items

Table 35.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Public transport oversight	11 021 155	11 160 194	11 372 616	12 292 760	3.7%	21.1%	12 678 096	12 898 443	13 683 407	3.6%	20.4%
Rail oversight	14 998 036	18 278 160	18 956 254	19 265 982	8.7%	33.0%	18 841 986	20 445 218	21 538 821	3.8%	31.6%
Road oversight	21 625 925	22 669 040	24 699 696	27 024 594	7.7%	44.3%	26 988 198	31 128 593	32 858 174	6.7%	46.6%
Total	47 645 116	52 107 394	55 028 566	58 583 336	20.1%	98.4%	58 508 280	64 472 254	68 080 402	14.1%	98.6%

Goods and services expenditure trends and estimates

Table 35.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	1 281	3 853	3 142	2 815	30.0%	0.3%	2 689	2 859	3 010	2.3%	0.4%
Advertising	34 418	23 871	17 621	23 916	-11.4%	3.1%	23 059	24 373	25 721	2.5%	3.3%
Minor assets	1 820	1 515	5 395	2 573	12.2%	0.3%	2 836	3 001	5 301	27.2%	0.5%
Audit costs: External	5 429	5 468	5 787	10 659	25.2%	0.8%	11 246	11 966	12 622	5.8%	1.6%
Bursaries: Employees	1 226	1 517	1 354	2 662	29.5%	0.2%	2 799	2 979	3 142	5.7%	0.4%
Catering: Departmental activities	1 744	3 460	5 060	5 071	42.7%	0.5%	4 472	4 707	4 972	-0.7%	0.7%
Communication	60 471	54 439	69 297	71 766	5.9%	7.9%	70 947	74 927	77 379	2.5%	10.1%
Computer services	7 937	13 069	12 154	12 189	15.4%	1.4%	13 200	14 034	14 810	6.7%	1.9%
Consultants: Business and advisory services	718 486	354 079	443 607	297 010	-25.5%	56.0%	335 613	360 736	390 345	9.5%	47.5%
Infrastructure and planning services	-	-	64 201	61 754	-	3.9%	55 514	58 680	62 186	0.2%	8.2%
Legal services	8 983	9 950	-	8 916	-0.2%	0.9%	9 223	9 800	10 322	5.0%	1.3%
Science and technological services	-	-	19 911	-	-	0.6%	-	-	-	-	-
Contractors	2 553	3 351	4 090	2 748	2.5%	0.4%	2 804	3 004	3 198	5.2%	0.4%
Agency and support/outsourced services	1 372	898	958	560	-25.8%	0.1%	550	586	618	3.3%	0.1%
Entertainment	429	307	299	769	21.5%	0.1%	808	860	908	5.7%	0.1%
Inventory: Clothing material and accessories	36	1	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	-	-	1	-	-	-	-	-	-	-	-
Consumable supplies	1 027	541	2 583	981	-1.5%	0.2%	987	1 045	1 105	4.0%	0.1%
Consumables: Stationery, printing and office supplies	4 895	5 467	4 319	6 640	10.7%	0.7%	6 155	6 499	6 798	0.8%	0.9%
Operating leases	55 123	67 045	53 722	54 262	-0.5%	7.1%	57 547	60 767	64 119	5.7%	8.1%
Rental and hiring	-	-	6	-	-	-	-	-	-	-	-
Property payments	4 787	5 380	5 133	6 397	10.1%	0.7%	6 811	7 246	7 644	6.1%	1.0%
Transport provided: Departmental activity	45 356	39 127	126	-	-100.0%	2.6%	-	-	-	-	-
Travel and subsistence	67 031	82 251	68 820	69 094	1.0%	8.9%	74 309	79 716	82 247	6.0%	10.5%
Training and development	4 004	4 975	6 108	8 791	30.0%	0.7%	8 190	8 829	9 164	1.4%	1.2%
Operating payments	21 973	5 505	3 825	4 076	-43.0%	1.1%	3 996	4 236	4 457	3.0%	0.6%
Venues and facilities	8 774	15 282	16 634	10 142	4.9%	1.6%	7 131	7 500	7 887	-8.0%	1.1%
Total	1 059 155	701 351	814 153	663 791	-14.4%	100.0%	700 886	748 350	797 955	6.3%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 35.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Households											
Social benefits											
Current	691	1 200	1 784	187	-35.3%	-	198	210	222	5.9%	-
Employee social benefits	691	1200	124	187	-33.9%	-	198	210	22	5.9%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4 102 565	4 557 440	4 966 653	5 153 126	7.9%	8.8%	6 280 950	6 631 571	8 014 319	15.9%	10.4%
Transport Education and Training Authority	978	881	1 054	1 161	5.9%	-	1 228	1 297	1 368	5.6%	-
Railway Safety Regulator	51 504	53 379	65 987	49 564	-1.3%	0.1%	63 018	66 547	70 207	12.3%	0.1%
Road Traffic Management Corporation	259 481	184 104	193 862	194 529	-9.2%	0.4%	200 238	210 228	220 535	4.3%	0.3%
South African National Roads Agency: Gauteng freeway improvement project	-	301 000	425 100	463 359	-	0.6%	505 061	550 516	600 062	9.0%	0.8%
South African National Roads Agency	3 736 149	3 951 623	4 161 060	4 369 112	5.4%	7.6%	5 436 815	5 724 104	7 038 930	17.2%	9.0%
Road Traffic Infringement Agency	11 475	11 497	10 092	17 696	15.5%	-	11 722	7 770	8 197	-22.6%	-
South African Civil Aviation Authority	19 239	20 124	21 191	22 251	5.0%	-	23 542	24 860	26 227	5.6%	-
South African Maritime Safety Authority	6 887	7 205	7 586	12 965	23.5%	-	13 707	14 475	15 271	5.6%	-
Air Traffic and Navigation Services Company	-	-	52 160	-	-	-	-	-	-	-	-
Ports Regulator of South Africa	16 852	27 627	28 561	22 489	10.1%	-	25 619	31 774	33 522	14.2%	-

Table 35.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Capital	8 180 798	8 590 865	9 329 426	11 112 352	10.7%	17.4%	9 682 282	13 030 886	12 747 085	4.7%	18.6%
South African National Roads Agency: Non-toll network	7 515 300	7 721 054	7 935 587	9 063 668	6.4%	15.1%	7 875 469	10 338 896	10 907 036	6.4%	15.3%
South African National Roads Agency: Coal haulage road network	665 498	696 111	733 005	769 655	5.0%	1.3%	–	–	–	-100.0%	0.3%
South African National Roads Agency: Moloto road upgrade	–	155 500	660 834	1 279 029	–	1.0%	1 806 813	1 691 990	785 049	-15.0%	2.2%
South African National Roads Agency: Botswana river crossing	–	18 200	–	–	–	–	–	–	–	–	–
South African National Roads Agency: N2 Wild Coast project	–	–	–	–	–	–	–	1 000 000	1 055 000	–	0.8%
Households											
Other transfers to households											
Current	307 577	258 210	369 266	399 475	9.1%	0.6%	422 645	446 314	470 861	5.6%	0.7%
Bursaries for non-employees	7 514	9 808	9 914	10 434	11.6%	–	11 040	11 659	12 300	5.6%	–
Taxi recapitalisation	300 063	248 402	359 352	389 041	9.0%	0.6%	411 605	434 655	458 561	5.6%	0.7%
Non-profit institutions											
Current	19 808	21 669	22 816	23 957	6.5%	–	25 347	26 766	28 236	5.6%	–
National Sea Rescue Institute	2 000	2 095	2 205	2 316	5.0%	–	2 451	2 589	2 731	5.6%	–
National Emergency Communications Division of the South African Radio League	77	80	84	88	4.6%	–	93	98	103	5.4%	–
Mountain Club of South Africa	77	80	84	88	4.6%	–	93	98	103	5.4%	–
Off Road Rescue Unit	77	80	84	88	4.6%	–	93	98	103	5.4%	–
K9 Search and Rescue Association of South Africa	77	80	84	88	4.6%	–	93	98	103	5.4%	–
South African National Taxi Council	17 500	19 254	20 275	21 289	6.8%	–	22 524	23 785	25 093	5.6%	–
Foreign governments and international organisations											
Current	8 783	46 824	15 845	27 719	46.7%	–	28 596	29 514	31 137	4.0%	–
African Civil Aviation Commission	3 915	4 862	5 842	4 980	8.4%	–	5 269	5 564	5 870	5.6%	–
International Civil Aviation Organisation	3 690	4 027	4 686	4 303	5.3%	–	4 553	4 808	5 072	5.6%	–
International Maritime Organisation	496	568	549	1 531	45.6%	–	1 620	1 711	1 805	5.6%	–
Cospas-Sarsat search and rescue satellite programme	403	411	476	507	8.0%	–	536	566	597	5.6%	–
Southern African Development Community: International Civil Aviation Organisation Mission	–	–	78	60	–	–	60	64	68	4.3%	–
Southern African Development Community Aviation Safety Organisation	–	–	–	6 000	–	–	6 000	6 000	6 330	1.8%	–
Indian Ocean Memorandum of Understanding	279	320	393	338	6.6%	–	358	377	398	5.6%	–
International Oil Pollution Compensation Fund	–	36 636	3 821	10 000	–	–	10 200	10 424	10 997	3.2%	–
Provinces and municipalities											
Municipal bank accounts											
Current	75 223	96 842	101 514	107 309	12.6%	0.2%	107 533	113 891	120 485	3.9%	0.2%
Rural roads asset management systems grant	75 223	96 842	101 514	107 309	12.6%	0.2%	107 533	113 891	120 485	3.9%	0.2%
Capital	5 870 846	5 953 090	5 592 691	6 159 559	1.6%	11.0%	6 253 669	6 114 248	6 450 172	1.5%	10.0%
Public transport network grant	5 870 846	5 953 090	5 592 691	6 159 559	1.6%	11.0%	6 253 669	6 114 248	6 450 172	1.5%	10.0%
Public corporations and private enterprises											
Subsidies on products and production											
Current	3 887 342	4 066 160	4 281 666	5 876 596	14.8%	8.5%	6 125 878	6 430 099	6 753 231	4.7%	10.1%
Passenger Rail Agency of South Africa: Metrorail – operations	3 458 925	3 618 036	3 809 769	4 000 183	5.0%	7.0%	4 232 194	4 469 197	4 715 003	5.6%	7.0%
Passenger Rail Agency of South Africa: Mainline passenger services – operations	428 417	448 124	471 897	1 495 566	51.7%	1.3%	1 524 309	1 553 670	1 639 122	3.1%	2.5%
Passenger Rail Agency of South Africa: Rail maintenance operations and inventories	–	–	–	380 847	–	0.2%	369 375	407 232	399 106	1.6%	0.6%

Table 35.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Other transfers to public corporations											
Capital	11 058 959	14 155 887	14 608 878	13 339 822	6.4%	24.9%	12 653 090	13 948 572	14 715 383	3.3%	21.9%
Passenger Rail Agency of South Africa: Capital	3 906 624	8 234 603	7 206 878	5 494 556	12.0%	11.6%	4 382 799	2 538 583	2 685 645	-21.2%	6.0%
Passenger Rail Agency of South Africa: Rolling stock fleet renewal programme	5 699 959	2 560 508	4 170 266	4 420 482	-8.1%	7.9%	4 676 870	7 623 656	8 042 957	22.1%	9.9%
Passenger Rail Agency of South Africa: Signalling	810 711	1 875 973	1 844 184	1 912 835	33.1%	3.0%	2 023 779	2 137 111	2 254 652	5.6%	3.3%
Passenger Rail Agency of South Africa: Metrorail (refurbishment of coaches)	547 745	1 267 474	1 283 523	1 360 534	35.4%	2.1%	1 409 445	1 480 054	1 553 657	4.5%	2.3%
Passenger Rail Agency of South Africa: Mainline passenger service – refurbishment of coaches	93 920	217 329	103 750	151 415	17.3%	0.3%	160 197	169 168	178 472	5.6%	0.3%
Provinces and municipalities											
Provincial revenue funds											
Current	4 832 709	4 939 448	5 400 292	5 722 871	5.8%	9.8%	5 990 298	6 325 755	6 749 581	5.7%	9.9%
Public transport operations grant	4 832 709	4 939 448	5 400 292	5 722 871	5.8%	9.8%	5 990 298	6 325 755	6 749 581	5.7%	9.9%
Capital	9 361 498	9 531 744	10 478 194	10 753 664	4.7%	18.8%	11 035 668	11 481 665	12 112 657	4.0%	18.1%
Provincial roads maintenance grant: Road network supporting electricity generation infrastructure component	803 002	830 000	801 000	482 000	-15.6%	1.4%	501 092	526 152	–	-100.0%	0.6%
Provincial roads maintenance grant: Roads maintenance component	7 956 245	8 221 154	9 379 071	10 001 664	7.9%	16.6%	10 324 576	10 955 513	12 112 657	6.6%	17.4%
Provincial roads maintenance grant: Disaster relief component	602 251	480 590	298 123	270 000	-23.5%	0.8%	210 000	–	–	-100.0%	0.2%
Total	47 706 799	52 219 379	55 168 748	58 676 637	7.1%	100.0%	58 606 154	64 579 491	68 193 369	5.1%	100.0%

Personnel information

Table 35.7 Vote personnel numbers and cost by salary level and programme¹

Programmes														
1. Administration														
2. Integrated Transport Planning														
3. Rail Transport														
4. Road Transport														
5. Civil Aviation														
6. Maritime Transport														
7. Public Transport														
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number		
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)	
		2016/17	2017/18	2017/18	2018/19	2019/20		2020/21		2017/18 - 2020/21				
		Unit		Unit		Unit		Unit		Unit				
		Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	
Transport														
Salary level	658	7	687 392.8	0.6	705 430.5	0.6	739 496.7	0.7	744 534.7	0.7	746 574.8	0.8	1.9%	100.0%
1 – 6	150	1	148 34.8	0.2	148 40.4	0.3	149 44.3	0.3	149 47.2	0.3	149 50.5	0.3	0.2%	20.3%
7 – 10	272	2	288 118.5	0.4	293 138.3	0.5	304 155.5	0.5	306 167.3	0.5	307 180.2	0.6	1.6%	41.2%
11 – 12	135	1	139 102.8	0.7	138 116.1	0.8	146 131.1	0.9	148 142.3	1.0	150 154.6	1.0	2.8%	19.8%
13 – 16	101	3	110 131.0	1.2	124 131.0	1.1	138 160.6	1.2	139 172.2	1.2	138 183.7	1.3	3.6%	18.4%
Other	–	–	2 5.7	2.8	2 4.8	2.4	2 5.2	2.6	2 5.7	2.8	2 6.0	3.0	–	0.3%
Programme	658	7	687 392.8	0.6	705 430.5	0.6	739 496.7	0.7	744 534.7	0.7	746 574.8	0.8	1.9%	100.0%
Programme 1	317	5	336 175.3	0.5	343 196.1	0.6	354 220.7	0.6	357 238.4	0.7	358 256.3	0.7	1.4%	48.1%
Programme 2	69	–	74 44.7	0.6	74 47.8	0.6	78 53.8	0.7	78 57.4	0.7	78 61.5	0.8	1.8%	10.5%
Programme 3	37	–	37 21.6	0.6	37 23.8	0.6	38 26.8	0.7	38 28.5	0.8	38 30.6	0.8	0.9%	5.1%
Programme 4	87	1	89 50.1	0.6	90 61.6	0.7	94 70.5	0.7	94 75.6	0.8	94 81.0	0.9	1.5%	12.7%
Programme 5	56	1	59 37.2	0.6	59 34.8	0.6	64 46.4	0.7	65 49.8	0.8	65 53.4	0.8	3.3%	8.6%
Programme 6	31	–	30 19.9	0.7	31 18.8	0.6	34 23.2	0.7	34 24.9	0.7	34 26.4	0.8	3.1%	4.5%
Programme 7	61	–	62 44.0	0.7	71 47.6	0.7	77 55.3	0.7	78 60.2	0.8	79 65.6	0.8	3.6%	10.4%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
 2. Rand million.

Departmental receipts

Table 35.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	322 107	209 935	290 260	270 440	270 440	-5.7%	100.0%	309 491	326 822	344 799	8.4%	100.0%
Sales of goods and services produced by department	609	554	1 138	1 259	1 259	27.4%	0.3%	691	730	771	-15.1%	0.3%
Sales by market establishments of which:	93	93	91	92	92	-0.4%	-	110	116	122	9.9%	-
Rental parking: Covered and open	93	93	91	92	92	-0.4%	-	110	116	122	9.9%	-
Administrative fees of which:	321	336	907	1 023	1 023	47.2%	0.2%	389	411	434	-24.9%	0.2%
Foreign operating permits	321	335	907	276	276	-4.9%	0.2%	389	411	434	16.3%	0.1%
Access to Information Act (2000)	-	1	-	1	1	-	-	-	-	-	-100.0%	-
Public driver permits	-	-	-	746	746	-	0.1%	-	-	-	-100.0%	0.1%
Other sales of which:	195	125	140	144	144	-9.6%	0.1%	192	203	215	14.3%	0.1%
Commission on insurance	94	122	140	138	138	13.7%	-	78	82	87	-14.3%	-
Services rendered: Transport fees	77	-	-	4	4	-62.7%	-	86	91	96	188.4%	-
Replacement of security cards and tender documents	14	-	-	1	1	-58.5%	-	16	17	18	162.1%	-
Departmental publications	10	3	-	1	1	-53.6%	-	12	13	14	141.0%	-
Sales of scrap, waste, arms and other used current goods	2	2	1	1	1	-20.6%	-	34	36	38	236.2%	-
of which:												
Waste paper	2	2	1	1	1	-20.6%	-	34	36	38	236.2%	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	78	82	87	-	-
Interest, dividends and rent on land	230 734	205 644	256 745	268 808	268 808	5.2%	88.0%	281 601	297 370	313 726	5.3%	92.8%
Interest	6 937	1 130	1 074	8	8	-89.5%	0.8%	167	176	186	185.4%	-
Dividends of which:	223 797	204 514	255 671	268 800	268 800	6.3%	87.2%	281 434	297 194	313 540	5.3%	92.8%
Special restructuring proceeds from Airports Company of South Africa	223 797	204 514	255 671	268 800	268 800	6.3%	87.2%	281 434	297 194	313 540	5.3%	92.8%
Transactions in financial assets and liabilities	90 762	3 735	32 376	372	372	-84.0%	11.6%	27 087	28 604	30 177	332.9%	6.9%
Total	322 107	209 935	290 260	270 440	270 440	-5.7%	100.0%	309 491	326 822	344 799	8.4%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 35.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
R million												
Ministry	35.6	45.8	44.5	34.4	-1.1%	10.2%	35.2	37.5	39.9	5.1%	8.2%	
Management	44.7	53.2	44.7	77.3	20.0%	14.0%	75.8	81.1	86.7	3.9%	17.9%	
Corporate Services	205.3	227.4	197.5	206.7	0.2%	53.3%	227.6	244.6	261.0	8.1%	52.6%	
Communications	41.6	30.1	28.0	35.9	-4.8%	8.6%	35.6	37.9	40.3	3.9%	8.4%	
Office Accommodation	50.3	64.3	50.4	52.8	1.7%	13.9%	55.9	59.0	62.3	5.6%	12.9%	
Total	377.5	420.8	365.1	407.1	2.5%	100.0%	430.1	460.0	490.2	6.4%	100.0%	
Change to 2017 Budget estimate				0.2			(2.3)	4.1	4.7			

Table 35.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million												
Current payments	362.4	400.0	347.4	389.8		2.5%	95.5%	414.9	444.1	473.3	6.7%	96.3%
Compensation of employees	155.0	174.4	175.3	200.1		8.9%	44.9%	220.7	238.4	256.3	8.6%	51.2%
Goods and services ¹	207.4	225.6	172.1	189.7		-2.9%	50.6%	194.3	205.7	217.0	4.6%	45.1%
of which:												
Advertising	30.4	15.6	10.6	20.5		-12.3%	4.9%	20.3	21.4	22.6	3.2%	4.7%
Audit costs: External	5.4	5.5	5.8	10.7		25.2%	1.7%	11.2	11.9	12.6	5.6%	2.6%
Computer services	6.3	11.5	10.5	11.2		21.2%	2.5%	12.3	13.1	13.8	7.3%	2.8%
Legal services	9.0	9.9	–	8.9		-0.2%	1.8%	9.2	9.8	10.3	5.0%	2.1%
Operating leases	51.4	64.5	50.4	52.8		0.9%	14.0%	55.9	59.0	62.3	5.6%	12.9%
Travel and subsistence	29.4	39.9	33.8	33.6		4.5%	8.7%	36.1	39.1	41.3	7.1%	8.4%
Transfers and subsidies¹	8.7	10.9	11.2	11.8		10.7%	2.7%	12.5	13.2	13.9	5.6%	2.9%
Departmental agencies and accounts	1.0	0.9	1.1	1.2		5.9%	0.3%	1.2	1.3	1.4	5.6%	0.3%
Households	7.7	10.0	10.1	10.6		11.3%	2.5%	11.2	11.9	12.5	5.6%	2.6%
Payments for capital assets	6.2	9.4	6.5	5.5		-3.8%	1.8%	2.7	2.8	3.0	-18.7%	0.8%
Machinery and equipment	6.2	6.1	6.5	5.5		-3.8%	1.5%	2.7	2.8	3.0	-18.7%	0.8%
Software and other intangible assets	–	3.4	–	–		–	0.2%	–	–	–	–	–
Payments for financial assets	0.2	0.5	0.0	–		-100.0%	–	–	–	–	–	–
Total	377.5	420.8	365.1	407.1		2.5%	100.0%	430.1	460.0	490.2	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.8%	0.8%	0.6%	0.7%		–	–	0.7%	0.7%	0.7%	–	–
Details of selected transfers and subsidies												
Households												
Other transfers to households												
Current	7.5	9.8	9.9	10.4		11.6%	2.4%	11.0	11.7	12.3	5.6%	2.5%
Bursaries for non-employees	7.5	9.8	9.9	10.4		11.6%	2.4%	11.0	11.7	12.3	5.6%	2.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Integrated Transport Planning

Programme purpose

Integrate and harmonise macro-transport sector policies, strategies and legislation. Coordinate and develop sector-related policies, research activities, and regional and inter-sphere relations. Facilitate sector transformation and provide sector economic modelling and analysis.

Objectives

- Facilitate integrated macro transport systems planning by:
 - developing an integrated monitoring plan for the revised 1996 White Paper on National Transport Policy by 2018/19 and monitoring the plan on an ongoing basis
 - submitting a draft regional transport market access strategy to Cabinet by March 2019.
- Promote the national, regional and continental integration of transport infrastructure operations and standards by implementing the road freight strategy by March 2019.
- Enhance the socioeconomic transformation of the transport sector by submitting the Single Transport Economic Regulator Bill to Parliament by March 2019.
- Increase the department's contribution to environmental protection by monitoring the reduction of greenhouse gas emissions in the transport sector, in terms of the green transport strategy, on an ongoing basis.

Subprogrammes

- Macro Sector Planning* examines land use and transport planning in all spheres of government from a multimodal perspective, and manages and facilitates the implementation of the planning provisions contained in the National Land Transport Act (2009).

- *Freight Logistics* develops and coordinates the implementation of freight logistics strategies aimed at unblocking bottlenecks in the freight logistics system and related supply chains, with particular emphasis on integrating elements of the system across all modes.
- *Modelling and Economic Analysis* undertakes economic studies, provides innovative and enabling transport infrastructure funding options that respond to the socioeconomic needs of the national agenda, and applies economic analysis tools for developing policies in the transport sector.
- *Regional Integration* manages, coordinates and facilitates the development of strategies for engagements in the Southern African Development Community and the rest of Africa.
- *Research and Innovation* ensures research, innovation and monitoring of the transport sector for sustainability.
- *Integrated Transport Planning Administration Support* provides administrative support services to the programme.

Expenditure trends and estimates

Table 35.10 Integrated Transport Planning expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Macro Sector Planning	13.3	12.7	12.4	17.2	8.9%	17.2%	18.1	19.4	20.7	6.4%	20.3%
Freight Logistics	13.5	23.0	13.6	16.0	5.7%	20.5%	15.7	16.8	18.0	4.1%	18.0%
Modelling and Economic Analysis	19.8	25.8	24.0	19.5	-0.5%	27.5%	22.9	24.0	25.4	9.3%	24.8%
Regional Integration	7.7	8.2	6.1	9.7	8.0%	9.8%	10.2	10.9	11.6	6.2%	11.5%
Research and Innovation	14.1	13.4	12.7	13.2	-2.3%	16.5%	15.3	16.4	17.5	10.0%	16.8%
Integrated Transport Planning Administration Support	6.6	5.6	8.3	7.2	2.9%	8.5%	7.7	8.2	8.7	7.0%	8.6%
Total	75.0	88.8	77.1	82.6	3.3%	100.0%	90.0	95.7	102.0	7.3%	100.0%
Change to 2017 Budget estimate				1.0			1.2	3.9	4.1		
Economic classification											
Current payments	74.1	87.6	76.0	82.0	3.5%	98.8%	89.8	95.4	101.8	7.5%	99.7%
Compensation of employees	36.6	43.1	44.7	47.8	9.3%	53.2%	53.8	57.4	61.5	8.7%	59.5%
Goods and services ¹	37.5	44.5	31.3	34.2	-3.0%	45.6%	36.0	38.1	40.3	5.6%	40.1%
of which:											
Advertising	1.2	3.8	4.6	1.2	1.5%	3.4%	1.1	1.1	1.2	-0.6%	1.3%
Catering: Departmental activities	0.1	0.1	0.6	1.2	123.3%	0.6%	0.8	0.8	0.8	-10.2%	1.0%
Communication	0.6	0.7	0.6	0.7	5.4%	0.8%	0.8	0.9	0.9	10.7%	0.9%
Consultants: Business and advisory services	27.4	24.6	10.3	23.6	-4.9%	26.5%	27.0	28.6	30.2	8.7%	29.5%
Travel and subsistence	5.2	7.5	6.9	4.7	-3.5%	7.5%	3.7	3.8	4.0	-5.3%	4.4%
Venues and facilities	0.8	4.8	7.1	2.2	41.4%	4.6%	1.7	1.8	1.9	-5.4%	2.1%
Transfers and subsidies¹	0.2	0.1	0.2	-	-100.0%	0.1%	-	-	-	-	-
Households	0.2	0.1	0.2	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	0.7	1.1	0.9	0.6	-2.7%	1.0%	0.2	0.2	0.2	-29.6%	0.3%
Machinery and equipment	0.7	1.1	0.9	0.6	-2.7%	1.0%	0.2	0.2	0.2	-29.6%	0.3%
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	75.0	88.8	77.1	82.6	3.3%	100.0%	90.0	95.7	102.0	7.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.2%	0.1%	0.1%	-	-	0.2%	0.1%	0.1%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Rail Transport

Programme purpose

Facilitate and coordinate the development of sustainable rail transport policies, rail economic and safety regulation, and infrastructure development strategies that reduce system costs and improve customer service. Oversee rail public entities and the implementation of integrated rail services.

Objectives

- Enhance the performance, efficiency and reliability of the rail transport sector by:
 - finalising the National Rail Bill by 2019
 - developing an implementation plan for the private sector participation framework by March 2019 and monitoring the implementation on an ongoing basis.
- Regulate and enhance rail safety and security by submitting the draft Railway Safety Bill to Parliament by March 2020.

Subprogrammes

- *Rail Regulation* is responsible for the development of rail policies, and economic and safety regulations.
- *Rail Infrastructure and Industry Development* coordinates the development, maintenance of and investment in rail infrastructure.
- *Rail Operations* coordinates the implementation of integrated rail services, and monitors and analyses service delivery challenges facing the rail industry.
- *Rail Oversight* oversees and tracks the performance of the Passenger Rail Agency of South Africa and the Railway Safety Regulator, and manages the transfer payments to these entities.
- *Rail Administration Support* provides support services to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and providing business planning.

Expenditure trends and estimates

Table 35.11 Rail Transport expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21		
R million												
Rail Regulation	10.4	11.7	15.4	19.2	22.8%	0.1%	19.8	21.1	22.4	5.3%	0.1%	
Rail Infrastructure and Industry Development	13.7	7.6	9.6	10.5	-8.5%	0.1%	11.3	12.1	13.0	7.2%	0.1%	
Rail Operations	9.9	4.9	7.7	8.1	-6.5%	–	8.7	8.8	9.4	5.0%	–	
Rail Oversight	14 998.0	18 278.2	18 956.3	19 266.0	8.7%	99.8%	18 842.0	20 445.2	21 538.8	3.8%	99.8%	
Rail Administration Support	3.4	2.9	3.1	5.1	14.0%	–	5.4	6.0	6.5	8.5%	–	
Total	15 035.5	18 305.3	18 992.0	19 308.9	8.7%	100.0%	18 887.3	20 493.3	21 590.1	3.8%	100.0%	
Change to 2017				(11.4)			(2 330.8)	(1 857.3)	(1 990.3)			
Budget estimate												
Economic classification												
Current payments	37.2	29.6	35.5	42.8	4.8%	0.2%	45.2	47.9	51.1	6.1%	0.2%	
Compensation of employees	20.2	19.9	21.6	26.2	9.1%	0.1%	26.8	28.5	30.6	5.4%	0.1%	
Goods and services ¹	17.0	9.6	13.9	16.6	-0.7%	0.1%	18.4	19.4	20.5	7.2%	0.1%	
of which:												
Communication	0.3	0.7	0.4	0.3	-2.2%	–	0.4	0.4	0.4	9.9%	–	
Consultants: Business and advisory services	14.4	5.0	11.6	4.1	-34.2%	–	4.4	4.6	4.6	4.0%	–	
Infrastructure and planning services	–	–	–	10.5	–	–	11.9	12.6	13.6	8.9%	0.1%	
Consumables: Stationery, printing and office supplies	0.1	0.4	0.1	0.2	11.0%	–	0.2	0.2	0.2	9.9%	–	
Travel and subsistence	1.2	1.9	1.4	1.3	2.1%	–	1.4	1.5	1.5	5.0%	–	
Venues and facilities	0.1	0.6	0.1	0.0	-25.3%	–	0.1	0.1	0.1	41.5%	–	
Transfers and subsidies¹	14 997.8	18 275.5	18 956.3	19 266.0	8.7%	99.8%	18 842.0	20 445.2	21 538.8	3.8%	99.8%	
Departmental agencies and accounts	51.5	53.4	66.0	49.6	-1.3%	0.3%	63.0	66.5	70.2	12.3%	0.3%	
Public corporations and private enterprises	14 946.3	18 222.0	18 890.3	19 216.4	8.7%	99.5%	18 779.0	20 378.7	21 468.6	3.8%	99.5%	
Payments for capital assets	0.6	0.3	0.3	0.1	-42.4%	–	0.1	0.1	0.1	5.4%	–	
Machinery and equipment	0.6	0.3	0.3	0.1	-42.4%	–	0.1	0.1	0.1	5.4%	–	
Payments for financial assets	0.0	–	–	–	-100.0%	–	–	–	–	–	–	
Total	15 035.5	18 305.3	18 992.0	19 308.9	8.7%	100.0%	18 887.3	20 493.3	21 590.1	3.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	30.6%	34.3%	33.7%	32.3%	–	–	31.6%	31.1%	31.0%	–	–	

Table 35.11 Rail Transport expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17		2014/15 - 2017/18	2018/19	2019/20	2020/21			
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	51.5	53.4	66.0	49.6	-1.3%	0.3%	63.0	66.5	70.2	12.3%	0.3%
Railway Safety Regulator	51.5	53.4	66.0	49.6	-1.3%	0.3%	63.0	66.5	70.2	12.3%	0.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	11 059.0	14 155.9	14 608.6	13 339.8	6.4%	74.2%	12 653.1	13 948.6	14 715.4	3.3%	68.1%
Passenger Rail Agency of South Africa: Capital	3 906.6	8 234.6	7 206.9	5 494.6	12.0%	34.7%	4 382.8	2 538.6	2 685.6	-21.2%	18.8%
Passenger Rail Agency of South Africa: Rolling stock fleet renewal programme	5 700.0	2 560.5	4 170.3	4 420.5	-8.1%	23.5%	4 676.9	7 623.7	8 043.0	22.1%	30.8%
Passenger Rail Agency of South Africa: Signalling	810.7	1 876.0	1 844.2	1 912.8	33.1%	9.0%	2 023.8	2 137.1	2 254.7	5.6%	10.4%
Passenger Rail Agency of South Africa: Metrorail (refurbishment of coaches)	547.7	1 267.5	1 283.5	1 360.5	35.4%	6.2%	1 409.4	1 480.1	1 553.7	4.5%	7.2%
Passenger Rail Agency of South Africa: Mainline passenger service – refurbishment of coaches	93.9	217.3	103.8	151.4	17.3%	0.8%	160.2	169.2	178.5	5.6%	0.8%
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Current	3 887.3	4 066.2	4 281.7	5 876.6	14.8%	25.3%	6 125.9	6 430.1	6 753.2	4.7%	31.4%
Passenger Rail Agency of South Africa: Metrorail – operations	3 458.9	3 618.0	3 809.8	4 000.2	5.0%	20.8%	4 232.2	4 469.2	4 715.0	5.6%	21.7%
Passenger Rail Agency of South Africa: Mainline passenger services – operations	428.4	448.1	471.9	1 495.6	51.7%	4.0%	1 524.3	1 553.7	1 639.1	3.1%	7.7%
Passenger Rail Agency of South Africa: Rail maintenance operations and inventories	–	–	–	380.8	–	0.5%	369.4	407.2	399.1	1.6%	1.9%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Road Transport

Programme purpose

Develop and manage an integrated road infrastructure network, regulate road transport and ensure safer roads. Oversee road public entities.

Objectives

- Ensure a sustainable road infrastructure network by:
 - submitting the White Paper on Roads Policy to Cabinet by March 2019
 - monitoring the overall implementation of the S'hamba Sonke programme on an ongoing basis
 - submitting the access road development plan to Cabinet by March 2019.
- Regulate and enhance road transport safety and security by monitoring the implementation of the 2016-2030 national road safety strategy on an ongoing basis.

Subprogrammes

- *Road Regulation* regulates road safety and traffic management, manages the electronic national traffic information system, and exercises oversight of the inspectorate for driving licences and vehicle testing stations.
- *Road Infrastructure and Industry Development* facilitates and coordinates the planning, development and implementation of a sustainable and reliable integrated road infrastructure network, as well as capacity enhancement in the industry.
- *Road Oversight* reviews and analyses the performance of road transport public entities, and monitors their compliance with regulations and legislation. This subprogramme also transfers funds to the South African National Roads Agency, the Road Traffic Management Corporation, the Road Traffic Infringement Agency and the *provincial roads maintenance grant*.

- *Road Administration Support* provides administrative support services to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and providing business planning.
- *Road Engineering Standards* develops and implements road engineering standards, and coordinates the development of an asset management system for safe and resilient road infrastructure.

Expenditure trends and estimates

Table 35.12 Road Transport expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Road Regulation	521.9	158.0	309.6	41.4	-57.0%	1.1%	41.9	44.6	47.5	4.7%	0.1%
Road Infrastructure and Industry Development	35.8	39.1	24.9	29.0	-6.8%	0.1%	32.2	34.4	36.8	8.2%	0.1%
Road Oversight	21 625.9	22 669.0	24 699.7	27 024.6	7.7%	98.7%	26 988.2	31 128.6	32 858.2	6.7%	99.6%
Road Administration Support	6.7	10.6	7.1	7.9	5.6%	–	8.3	8.8	9.4	6.3%	–
Road Engineering Standards	12.5	12.4	14.1	26.8	28.9%	0.1%	28.2	30.0	31.8	6.0%	0.1%
Total	22 202.9	22 889.2	25 055.4	27 129.6	6.9%	100.0%	27 098.8	31 246.4	32 983.8	6.7%	100.0%
Change to 2017 Budget estimate				1.1			(2 511.8)	(25.0)	(8.9)		
Economic classification											
Current payments	552.4	217.5	355.4	110.9	-41.4%	1.3%	118.7	126.6	135.0	6.8%	0.4%
Compensation of employees	40.9	45.3	50.1	59.9	13.6%	0.2%	70.5	75.6	81.0	10.6%	0.2%
Goods and services ¹	511.5	172.1	305.3	51.0	-53.6%	1.1%	48.2	51.0	54.0	1.9%	0.2%
<i>of which:</i>											
Advertising	0.8	2.1	1.9	1.5	21.5%	–	1.5	1.6	1.7	4.1%	–
Catering: Departmental activities	0.5	0.9	0.9	1.1	33.6%	–	2.0	2.1	2.2	25.2%	–
Communication	0.7	0.9	0.8	5.1	92.6%	–	1.2	1.2	1.3	-36.8%	–
Computer services	1.6	1.6	1.6	1.0	-15.2%	–	0.9	0.9	1.0	-0.1%	–
Consultants: Business and advisory services	495.2	149.9	284.4	24.6	-63.2%	1.0%	26.5	28.1	29.8	6.5%	0.1%
Travel and subsistence	9.1	12.9	11.9	12.7	11.6%	–	13.3	14.1	14.9	5.5%	–
Transfers and subsidies¹	21 624.7	22 667.8	24 699.4	27 018.0	7.7%	98.7%	26 979.3	31 119.1	32 848.0	6.7%	99.6%
Provinces and municipalities	9 436.7	9 628.6	10 579.7	10 861.0	4.8%	41.6%	11 143.2	11 595.6	12 233.1	4.0%	38.7%
Departmental agencies and accounts	12 187.9	13 039.1	14 119.5	16 157.0	9.9%	57.1%	15 836.1	19 523.5	20 614.8	8.5%	60.9%
Households	0.0	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	25.7	1.1	0.6	0.7	-70.2%	–	0.7	0.8	0.8	5.6%	–
Machinery and equipment	25.7	1.1	0.6	0.7	-70.2%	–	0.7	0.8	0.8	5.6%	–
Payments for financial assets	0.0	2.8	0.0	–	-100.0%	–	–	–	–	–	–
Total	22 202.9	22 889.2	25 055.4	27 129.6	6.9%	100.0%	27 098.8	31 246.4	32 983.8	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	45.2%	42.9%	44.4%	45.4%	–	–	45.3%	47.4%	47.4%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4 007.1	4 448.2	4 790.1	5 044.7	8.0%	18.8%	6 153.8	6 492.6	7 867.7	16.0%	21.6%
Road Traffic Management Corporation	259.5	184.1	193.9	194.5	-9.2%	0.9%	200.2	210.2	220.5	4.3%	0.7%
South African National Roads Agency: Gauteng freeway improvement project	–	301.0	425.1	463.4	–	1.2%	505.1	550.5	600.1	9.0%	1.8%
South African National Roads Agency: Road Traffic Infringement Agency	3 736.1	3 951.6	4 161.1	4 369.1	5.4%	16.7%	5 436.8	5 724.1	7 038.9	17.2%	19.1%
Capital	11.5	11.5	10.1	17.7	15.5%	0.1%	11.7	7.8	8.2	-22.6%	–
South African National Roads Agency: Non-toll network	8 180.8	8 590.9	9 329.4	11 112.4	10.7%	38.3%	9 682.3	13 030.9	12 747.1	4.7%	39.3%
South African National Roads Agency: Coal haulage road network	7 515.3	7 721.1	7 935.6	9 063.7	6.4%	33.1%	7 875.5	10 338.9	10 907.0	6.4%	32.2%
South African National Roads Agency: Moloto road upgrade	665.5	696.1	733.0	769.7	5.0%	2.9%	–	–	–	-100.0%	0.6%
South African National Roads Agency: Botswana river crossing	–	155.5	660.8	1 279.0	–	2.2%	1 806.8	1 692.0	785.0	-15.0%	4.7%
South African National Roads Agency: N2 wild cost project	–	18.2	–	–	–	–	–	–	–	–	–
South African National Roads Agency: N2 wild cost project	–	–	–	–	–	–	–	1 000.0	1 055.0	–	1.7%

Table 35.12 Road Transport expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	75.2	96.8	101.5	107.3	12.6%	0.4%	107.5	113.9	120.5	3.9%	0.4%
Rural roads asset management systems grant	75.2	96.8	101.5	107.3	12.6%	0.4%	107.5	113.9	120.5	3.9%	0.4%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Capital	9 361.5	9 531.7	10 478.2	10 753.7	4.7%	41.2%	11 035.7	11 481.7	12 112.7	4.0%	38.3%
Provincial roads maintenance grant: Road network supporting electricity generation infrastructure component	803.0	830.0	801.0	482.0	-15.6%	3.0%	501.1	526.2	-	-100.0%	1.3%
Provincial roads maintenance grant: Roads maintenance component	7 956.2	8 221.2	9 379.1	10 001.7	7.9%	36.6%	10 324.6	10 955.5	12 112.7	6.6%	36.6%
Provincial roads maintenance grant: Disaster relief component	602.3	480.6	298.1	270.0	-23.5%	1.7%	210.0	-	-	-100.0%	0.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Civil Aviation

Programme purpose

Facilitate the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards through regulation and investigations. Oversee aviation entities.

Objectives

- Enhance the performance, efficiency and reliability of the aviation sector by submitting the Airports Company Amendment Bill, and the Air Services Licencing and International Air Services Amendment Bill to Cabinet by March 2019.
- Regulate and enhance civil aviation safety and security by submitting the Civil Aviation Amendment Bill to Parliament by March 2019.
- Create a conducive environment for job creation in the civil aviation transport sector by monitoring the implementation of the national aviation transformation strategy on an ongoing basis.

Subprogrammes

- *Aviation Policy and Regulation* develops and maintains the civil aviation regulatory regime to respond to national imperatives, and international standards, norms and protocols.
- *Aviation Economic Analysis and Industry Development* provides aviation economic analysis and develops relevant frameworks for industry development and airfreight logistics activities.
- *Aviation Safety, Security, Environment and Search and Rescue* develops and monitors South Africa's aviation safety, security, environment, and search and rescue regime; and manages investigations of aviation accidents and serious incidents for the purposes of identifying deficiencies to make safety recommendations on mechanisms to address these deficiencies.
- *Aviation Oversight* monitors the performance of the Airports Company of South Africa, the Air Traffic and Navigation Services Company and the South African Civil Aviation Authority, in line with the legislative framework.
- *Aviation Administration Support* provides project and financial administrative support to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and providing business planning.

- Mthatha Airport was created to facilitate the upgrade and refurbishment of Mthatha Airport.

Expenditure trends and estimates

Table 35.13 Civil Aviation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Aviation Policy and Regulations	26.1	26.6	27.5	25.4	-1.0%	15.4%	28.0	30.0	32.1	8.2%	15.4%
Aviation Economic Analysis and Industry Development	9.0	9.8	7.4	11.4	8.0%	5.5%	13.1	13.8	14.7	8.8%	7.1%
Aviation Safety, Security, Environment and Search and Rescue	64.7	57.7	73.2	71.5	3.4%	38.9%	75.9	80.3	85.0	5.9%	41.7%
Aviation Oversight	37.8	40.6	96.3	56.9	14.6%	33.7%	59.9	63.0	66.5	5.3%	32.8%
Aviation Administration Support	23.4	6.4	6.1	5.1	-40.0%	6.0%	5.3	5.7	6.1	6.7%	3.0%
Mthatha Airport	-	4.1	-	-	-	0.6%	-	-	-	-	-
Total	161.0	145.3	210.4	170.2	1.9%	100.0%	182.3	192.9	204.4	6.3%	100.0%
Change to 2017				0.4			0.1	3.7	3.9		
Budget estimate											
Economic classification											
Current payments	123.5	105.3	114.2	116.1	-2.0%	66.8%	125.3	133.1	141.3	6.8%	68.8%
Compensation of employees	32.4	35.7	37.2	40.7	7.9%	21.3%	46.4	49.8	53.4	9.5%	25.4%
Goods and services ¹	91.1	69.6	77.0	75.3	-6.1%	45.6%	78.9	83.3	87.9	5.3%	43.4%
of which:											
Communication	53.0	44.8	60.5	58.1	3.1%	31.5%	60.8	64.2	67.8	5.3%	33.5%
Consultants: Business and advisory services	5.4	10.7	5.6	7.3	10.7%	4.2%	7.9	8.3	8.8	6.1%	4.3%
Consumables: Stationery, printing and office supplies	0.3	0.4	0.8	1.0	45.0%	0.4%	1.0	1.0	1.1	3.6%	0.5%
Travel and subsistence	8.6	8.9	6.0	7.2	-5.7%	4.5%	7.4	7.8	8.3	4.6%	4.1%
Training and development	0.0	0.1	0.1	0.4	244.5%	0.1%	0.4	0.4	0.4	3.5%	0.2%
Operating payments	18.6	0.3	0.3	0.4	-73.3%	2.8%	0.4	0.4	0.4	3.9%	0.2%
Transfers and subsidies¹	36.6	39.2	95.6	53.7	13.7%	32.8%	56.5	59.3	62.6	5.2%	31.0%
Departmental agencies and accounts	26.1	27.3	80.9	35.2	10.5%	24.7%	37.2	39.3	41.5	5.6%	20.4%
Foreign governments and international organisations	8.0	9.3	11.1	15.9	25.6%	6.4%	16.4	17.0	17.9	4.2%	9.0%
Non-profit institutions	2.3	2.4	2.5	2.7	5.0%	1.4%	2.8	3.0	3.1	5.6%	1.5%
Households	0.1	0.1	1.1	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	0.9	0.8	0.6	0.4	-22.5%	0.4%	0.4	0.5	0.5	5.7%	0.2%
Machinery and equipment	0.9	0.8	0.6	0.4	-22.5%	0.4%	0.4	0.5	0.5	5.7%	0.2%
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	161.0	145.3	210.4	170.2	1.9%	100.0%	182.3	192.9	204.4	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.4%	0.3%	-	-	0.3%	0.3%	0.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	26.1	27.3	80.9	35.2	10.5%	24.7%	37.2	39.3	41.5	5.6%	20.4%
South African Civil Aviation Authority	19.2	20.1	21.2	22.3	5.0%	12.1%	23.5	24.9	26.2	5.6%	12.9%
South African Maritime Safety Authority	6.9	7.2	7.6	13.0	23.5%	5.0%	13.7	14.5	15.3	5.6%	7.5%
Air Traffic and Navigation Services Company	-	-	52.2	-	-	7.6%	-	-	-	-	-
Foreign governments and international organisations											
Current	8.0	9.3	11.0	15.8	25.4%	6.4%	16.4	16.9	17.9	4.2%	8.9%
African Civil Aviation Commission	3.9	4.9	5.8	5.0	8.4%	2.9%	5.3	5.6	5.9	5.6%	2.9%
International Civil Aviation Organisation	3.7	4.0	4.7	4.3	5.3%	2.4%	4.6	4.8	5.1	5.6%	2.5%
Cospas-Sarsat search and rescue satellite programme	0.4	0.4	0.5	0.5	8.0%	0.3%	0.5	0.6	0.6	5.6%	0.3%
Southern African Development Community Aviation Safety Organisation	-	-	-	6.0	-	0.9%	6.0	6.0	6.3	1.8%	3.2%
Non-profit institutions											
Current	2.0	2.1	2.2	2.3	5.0%	1.3%	2.5	2.6	2.7	5.6%	1.3%
National Sea Rescue Institute	2.0	2.1	2.2	2.3	5.0%	1.3%	2.5	2.6	2.7	5.6%	1.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 6: Maritime Transport

Programme purpose

Promote a safe, reliable and economically viable maritime transport sector through the development and implementation of policies and strategies. Oversee maritime public entities.

Objectives

- Enhance the performance, efficiency and reliability of the maritime transport sector by submitting the maritime transport sector development plan to Cabinet by March 2020.
- Regulate and enhance maritime transport safety and security by:
 - submitting the Merchant Shipping Bill to Parliament by March 2020
 - developing the inland waterways strategy by March 2021.
- Ensure the socioeconomic transformation of the transport sector by monitoring and conducting oversight on the Operation Phakisa marine transport and manufacturing delivery unit on an ongoing basis.

Subprogrammes

- *Maritime Policy Development* develops and maintains a maritime regulatory regime that is responsive to national imperatives, and international standards, norms and protocol. This subprogramme is also responsible for the development and maintenance of maritime policies and strategies.
- *Maritime Infrastructure and Industry Development* facilitates the development of an integrated maritime infrastructure and maritime industry.
- *Implementation, Monitoring and Evaluations* ensures that legislation, policies and strategies pertaining to maritime safety, security and environmental protection are implemented.
- *Maritime Oversight* makes transfers to the South African Maritime Safety Authority and the Ports Regulator, and oversees these entities' compliance with relevant regulations and legislation.
- *Maritime Administration Support* provides project and financial administration support to the entire programme. This entails preparing submissions, facilitating branch and departmental meetings, implementing projects, and providing business planning.

Expenditure trends and estimates

Table 35.14 Maritime Transport expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Maritime Policy Development	11.1	11.7	9.5	11.1	-0.1%	8.2%	10.4	11.1	11.7	1.9%	8.5%
Maritime Infrastructure and Industry Development	6.5	6.5	8.7	12.6	24.8%	6.5%	11.5	12.2	12.9	0.9%	9.4%
Implementation, Monitoring and Evaluations	58.8	53.7	77.1	69.2	5.6%	49.2%	61.7	65.3	69.1	–	51.0%
Maritime Oversight	18.6	67.5	54.1	29.5	16.5%	32.3%	32.2	38.7	40.8	11.5%	27.1%
Maritime Administration Support	4.7	3.5	4.3	7.1	14.8%	3.7%	4.2	4.4	4.7	-12.9%	3.9%
Total	99.6	142.9	153.6	129.3	9.1%	100.0%	119.9	131.8	139.2	2.5%	100.0%
Change to 2017 Budget estimate				9.7			(7.6)	(5.2)	(5.9)		

Table 35.14 Maritime Transport expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2014/15	2015/16	2016/17		2014/15 - 2017/18	2017/18 - 2020/21	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21	
R million												
Current payments	81.4	77.2	101.4	104.7	8.7%	69.4%	92.0	97.5	103.1	-0.5%	76.4%	
Compensation of employees	19.6	20.1	19.9	28.8	13.7%	16.8%	23.2	24.9	26.4	-2.9%	19.9%	
Goods and services ¹	61.8	57.0	81.5	75.8	7.0%	52.6%	68.7	72.7	76.7	0.4%	56.5%	
of which:												
Communication	0.3	0.3	0.3	0.4	11.1%	0.2%	0.2	0.3	0.3	-11.0%	0.2%	
Consultants: Business and advisory services	52.2	45.6	7.4	18.5	-29.3%	23.5%	18.6	19.6	20.7	3.9%	14.9%	
Infrastructure and planning services	–	–	64.2	51.2	–	22.0%	43.6	46.1	48.6	-1.8%	36.4%	
Operating leases	1.4	1.1	1.3	1.3	-1.8%	1.0%	1.7	1.8	1.9	11.5%	1.3%	
Travel and subsistence	4.7	6.1	5.3	3.6	-7.8%	3.8%	3.8	4.1	4.3	6.0%	3.0%	
Venues and facilities	0.9	0.8	1.2	0.3	-34.6%	0.6%	0.3	0.3	0.4	13.1%	0.2%	
Transfers and subsidies¹	17.7	65.2	29.6	24.4	11.3%	26.0%	27.6	33.9	35.7	13.6%	23.4%	
Departmental agencies and accounts	16.9	27.6	28.6	22.5	10.1%	18.2%	25.6	31.8	33.5	14.2%	21.8%	
Foreign governments and international organisations	0.8	37.5	0.9	1.9	34.1%	7.8%	2.0	2.1	2.2	5.6%	1.6%	
Households	0.0	0.0	0.1	–	-100.0%	–	–	–	–	–	–	
Payments for capital assets	0.5	0.5	0.3	0.3	-13.7%	0.3%	0.3	0.4	0.4	5.5%	0.3%	
Machinery and equipment	0.5	0.5	0.3	0.3	-13.7%	0.3%	0.3	0.4	0.4	5.5%	0.3%	
Payments for financial assets	–	0.0	22.2	–	–	4.2%	–	–	–	–	–	
Total	99.6	142.9	153.6	129.3	9.1%	100.0%	119.9	131.8	139.2	2.5%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.2%	0.3%	0.3%	0.2%	–	–	0.2%	0.2%	0.2%	–	–	
Details of selected transfers and subsidies												
Departmental agencies (non-business entities)												
Current	16.9	27.6	28.6	22.5	10.1%	18.2%	25.6	31.8	33.5	14.2%	21.8%	
Ports Regulator of South Africa	16.9	27.6	28.6	22.5	10.1%	18.2%	25.6	31.8	33.5	14.2%	21.8%	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 7: Public Transport

Programme purpose

Provide and regulate safe, secure, reliable, cost-effective and sustainable public transport services in South Africa through legislation, policies and strategies.

Objectives

- Provide integrated rural transport infrastructure and services by developing detailed integrated public transport network plans in 2 district municipalities by March 2019.
- Promote sustainable public transport by monitoring the implementation of the reviewed taxi recapitalisation programme on an ongoing basis.
- Develop the draft public transport subsidy policy by March 2019.
- Improve public transport access and reliability by monitoring the implementation of integrated public transport network plans in 13 municipalities on an ongoing basis.
- Facilitate the regulation of public transport by submitting the Transport Appeals Tribunal Amendment Bill to Cabinet by March 2019.

Subprogrammes

- *Public Transport Regulation* manages the development and maintenance of policy, legislation and regulation; and coordinates and facilitates implementation. Responsibilities include managing public transport information such as public transport systems developed in terms of the National Land Transport Act (2009).

- *Rural and Scholar Transport* develops and reviews rural, scholar and non-motorised transport strategies, and coordinates and evaluates their implementation.
- *Public Transport Industry Development* oversees and facilitates the implementation of public transport policy, legislation and strategy, develops public transport empowerment schemes, manages the taxi recapitalisation programme, and facilitates stakeholder relations and conflict resolution in the industry.
- *Public Transport Oversight* transfers public transport subsidies to municipalities and provinces, and manages and oversees the *public transport operations grant* and the *public transport network grant* in terms of the annual Division of Revenue Act.
- *Public Transport Administration Support* renders an administrative and financial support service to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and providing business planning.
- *Public Transport Network Development* develops norms and standards for integrated public transport systems to assist in providing accessible, reliable and affordable integrated public transport network services in municipalities.

Expenditure trends and estimates

Table 35.15 Public Transport expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Public Transport Regulation	14.0	15.2	15.4	54.3	57.2%	0.2%	54.5	58.6	63.0	5.1%	0.4%
Rural and Scholar Transport	13.7	8.6	14.6	39.2	41.8%	0.2%	40.4	43.0	45.7	5.2%	0.3%
Public Transport Industry Development	118.4	123.1	129.9	152.5	8.8%	1.1%	187.1	205.2	224.6	13.8%	1.5%
Public Transport Oversight	11 021.2	11 160.2	11 372.6	12 292.8	3.7%	98.3%	12 678.1	12 898.4	13 683.4	3.6%	97.6%
Public Transport Administration Support	21.8	14.2	9.6	10.8	-21.0%	0.1%	11.1	11.9	12.8	5.9%	0.1%
Public Transport Network Development	6.6	7.2	8.0	17.9	39.4%	0.1%	18.9	20.1	21.3	6.0%	0.1%
Total	11 195.7	11 328.6	11 550.0	12 567.3	3.9%	100.0%	12 990.0	13 237.1	14 050.9	3.8%	100.0%
Change to 2017 Budget estimate				(0.9)			(300.8)	(812.9)	(849.0)		
Economic classification											
Current payments	174.1	167.1	177.0	274.4	16.4%	1.7%	311.7	338.4	367.2	10.2%	2.4%
Compensation of employees	41.3	44.4	44.0	53.3	8.9%	0.4%	55.3	60.2	65.6	7.2%	0.4%
Goods and services ¹	132.8	122.8	133.0	221.1	18.5%	1.3%	256.3	278.2	301.6	10.9%	2.0%
of which:											
Minor assets	0.1	0.1	4.7	1.2	101.3%	-	1.2	1.2	3.4	43.7%	-
Consultants: Business and advisory services	120.7	115.2	122.4	208.7	20.0%	1.2%	243.2	264.0	288.3	11.4%	1.9%
Consumables: Stationery, printing and office supplies	0.2	0.3	0.4	0.5	42.6%	-	0.4	0.5	0.5	-1.4%	-
Travel and subsistence	8.7	5.1	3.5	5.9	-12.3%	-	8.7	9.3	7.9	10.5%	0.1%
Training and development	0.0	0.1	0.4	1.5	231.9%	-	1.0	1.2	1.2	-9.2%	-
Transfers and subsidies¹	11 021.2	11 160.8	11 372.7	12 292.8	3.7%	98.3%	12 678.1	12 898.4	13 683.4	3.6%	97.6%
Provinces and municipalities	10 703.6	10 892.5	10 993.0	11 882.4	3.5%	95.3%	12 244.0	12 440.0	13 199.8	3.6%	94.2%
Non-profit institutions	17.5	19.3	20.3	21.3	6.8%	0.2%	22.5	23.8	25.1	5.6%	0.2%
Households	300.2	249.0	359.5	389.0	9.0%	2.8%	411.6	434.7	458.6	5.6%	3.2%
Payments for capital assets	0.4	0.6	0.3	0.2	-15.0%	-	0.2	0.3	0.3	5.6%	-
Machinery and equipment	0.4	0.6	0.3	0.2	-15.0%	-	0.2	0.3	0.3	5.6%	-
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	11 195.7	11 328.6	11 550.0	12 567.3	3.9%	100.0%	12 990.0	13 237.1	14 050.9	3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	22.8%	21.2%	20.5%	21.0%	-	-	21.7%	20.1%	20.2%	-	-

Table 35.15 Public Transport expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Households											
Other transfers to households											
Current	300.1	248.4	359.4	389.0	9.0%	2.8%	411.6	434.7	458.6	5.6%	3.2%
Taxi recapitalisation	300.1	248.4	359.4	389.0	9.0%	2.8%	411.6	434.7	458.6	5.6%	3.2%
Non-profit institutions											
Current	17.5	19.3	20.3	21.3	6.8%	0.2%	22.5	23.8	25.1	5.6%	0.2%
South African National Taxi Council	17.5	19.3	20.3	21.3	6.8%	0.2%	22.5	23.8	25.1	5.6%	0.2%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	5 870.8	5 953.1	5 592.7	6 159.6	1.6%	50.5%	6 253.7	6 114.2	6 450.2	1.5%	47.3%
Public transport network grant	5 870.8	5 953.1	5 592.7	6 159.6	1.6%	50.5%	6 253.7	6 114.2	6 450.2	1.5%	47.3%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	4 832.7	4 939.4	5 400.3	5 722.9	5.8%	44.8%	5 990.3	6 325.8	6 749.6	5.7%	46.9%
Public transport operations grant	4 832.7	4 939.4	5 400.3	5 722.9	5.8%	44.8%	5 990.3	6 325.8	6 749.6	5.7%	46.9%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

Airports Company South Africa

Mandate

The Airports Company South Africa is regulated in terms of the Airports Company Act (1993) and the Companies Act (1973), and is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). The company was formed to own and operate the nine principal South African airports, including the three main international gateways, OR Tambo International Airport in Johannesburg, Cape Town International Airport and King Shaka International Airport in Durban. The company is one of the concessionaires operating Mumbai International Airport in India and Guarulhos International Airport in Sao Paulo, Brazil.

Selected performance indicators

Table 35.16 Airports Company South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Average maintenance and engineering costs per international airport per year	Airport infrastructure and asset management	Entity mandate	R236.5m	R237.8m	R259.9m	R437.7m	R451.8m	R477.6m	R477.8m
Average security and safety costs per international airport per year	Airport security and safety		R139.5m	R156.2m	R181.9m	R174.7m	R185.5m	R206.7m	R218.3m
Number of departing passengers accommodated at national airports per year	Airport management		17.8 million	19.4 million	20 million	20.4 million	21.3 million	22.2 million	21.9 million
Number of arrival aircraft accommodated at all airports per year	Airport management		273 342	284 285	281 703	285 163	299 114	309 123	326 302
Employee cost per departing passenger per year	Airport management		R60	R57	R67	R67	R71	R75	R81
Aeronautical revenue per departing passenger per year	Airport management		R276	R268	R269	R181	R173	R198	R182
Non-aeronautical revenue per departing passenger per year	Airport management		R160	R161	R159.63	R172.99	R178.64	R184.80	R185.66

¹ This section has been compiled with the latest available information from the entities concerned.

Expenditure analysis

Over the medium term, the Airports Company South Africa intends to continue providing safe and secure services and infrastructure to passengers and airlines. This is expected to be achieved through the effective use of existing airport infrastructure and investment in new airport infrastructure. Airports operated by the company are expected to accommodate 65.4 million departing passengers and 934 539 arriving aircraft over the MTEF period. The estimated number of departing passengers and arriving aircraft have been revised upwards from previous years due to a higher than anticipated demand for air travel.

Airport infrastructure and asset management costs account for 20 per cent of total expenditure over the MTEF period. Total expenditure is expected to increase at an average annual rate of 4.3 per cent, from R6.4 billion in 2017/18 to R7.2 billion in 2020/21. Spending on goods and services is expected to increase at an average annual rate of 5.1 per cent over the MTEF period, from R2.6 billion in 2017/18 to R3 billion in 2020/21. This is due to the implementation of a new operational structure that is expected to improve efficiency, and cost containment initiatives planned over the medium term.

Spending on compensation of employees is expected to increase at an average annual rate of 9.3 per cent over the MTEF period, from R1.4 billion in 2017/18 to R1.8 billion in 2020/21 in line with the company's remuneration policy. The company's staff complement is expected to remain constant at 3 314 over the medium term.

The company's aeronautical revenue is generated from passenger facilitation and airline services, for which charges and tariffs such as aircraft landing and parking fees are collected. Aeronautical revenue is expected to increase at an average annual rate of 4.2 per cent over the MTEF period, from R3.5 billion in 2017/18 to R4 billion in 2020/21. Non-aeronautical revenue is generated from property rentals, advertising and car parking fees, among other things, and is expected to increase at an average annual rate of 6.6 per cent, from R3.5 billion in 2017/18 to R4.3 billion in 2020/21.

Programmes/Objectives/Activities

Table 35.17 Airports Company South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	5 137.0	5 341.3	5 437.3	3 768.7	-9.8%	71.3%	4 081.8	4 197.1	4 173.2	3.5%	58.7%
Airport infrastructure and asset management	709.4	713.4	779.6	1 313.3	22.8%	13.0%	1 355.4	1 432.8	1 433.6	3.0%	20.0%
Airport security and safety	418.4	468.7	545.7	524.1	7.8%	7.1%	556.4	620.1	654.8	7.7%	8.5%
Airport management	478.8	520.7	583.6	774.0	17.4%	8.6%	858.8	922.9	974.6	8.0%	12.8%
Total	6 743.6	7 044.0	7 346.3	6 380.1	-1.8%	100.0%	6 852.4	7 172.9	7 236.2	4.3%	100.0%

Statements of historical financial performance and position

Table 35.18 Airports Company South Africa statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	7 709.7	8 371.3	8 168.3	8 888.7	6 727.4	9 390.4	7 262.8	7 185.2	113.3%
Sale of goods and services other than capital assets	7 648.0	7 773.9	8 131.7	8 372.5	6 628.8	8 653.6	7 133.0	7 042.0	107.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	7 648.0	7 773.9	8 131.7	8 372.5	6 628.8	8 653.6	7 133.0	7 042.0	107.8%
<i>Aeronautical revenue</i>	4 965.5	4 925.9	5 130.6	5 194.6	3 424.1	5 389.9	3 678.8	3 516.4	110.6%
<i>Non-aeronautical revenue</i>	2 682.6	2 848.0	3 001.1	3 111.1	3 204.8	3 192.8	3 454.1	3 525.6	102.7%
Other non-tax revenue	61.7	597.4	36.6	516.2	98.6	736.8	129.9	143.2	610.1%
Total revenue	7 709.7	8 371.3	8 164.3	8 888.7	6 727.4	9 390.4	7 262.8	7 185.2	113.3%

Table 35.18 Airports Company South Africa statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
R million	2014/15		2015/16		2016/17		2017/18		
Expenses									
Current expenses	5 770.9	5 872.0	5 825.5	6 254.9	6 087.6	6 851.6	6 026.5	6 014.8	105.4%
Compensation of employees	1 070.5	1 066.2	989.2	1 185.8	1 117.9	1 345.6	1 247.9	1 363.9	112.1%
Goods and services	1 992.1	1 972.8	2 391.0	2 667.9	2 577.4	3 231.4	2 472.7	2 617.3	111.2%
Depreciation	1 348.3	1 393.5	1 306.4	1 307.9	1 314.8	1 270.3	1 365.8	1 208.2	97.1%
Interest, dividends and rent on land	1 360.1	1 439.6	1 138.8	1 093.4	1 077.5	1 004.2	940.1	825.4	96.6%
Total expenses	6 397.7	6 743.6	6 480.0	7 044.0	6 285.4	7 346.3	6 409.2	6 380.1	107.6%
Surplus/(Deficit)	1 312.0	1 628.0	1 684.0	1 845.0	442.0	2 044.0	854.0	805.0	
Statement of financial position									
Carrying value of assets	23 180.7	24 093.7	24 337.0	24 394.4	22 692.9	24 386.2	23 098.6	23 679.1	103.5%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(1 327.8)</i>	<i>(776.4)</i>	<i>(1 354.6)</i>	<i>(1 163.4)</i>	<i>(966.3)</i>	<i>(877.9)</i>	<i>(1 771.5)</i>	<i>(760.3)</i>	<i>66.0%</i>
Investments	932.8	2 086.9	–	3 000.1	1 942.8	3 006.7	1 942.8	1 909.1	207.6%
Inventory	6.2	1.4	1.2	1.5	1.4	2.2	1.4	1.4	63.6%
Receivables and prepayments	1 257.2	1 197.4	1 206.0	1 044.1	1 089.7	1 099.5	1 172.5	1 158.1	95.2%
Cash and cash equivalents	382.4	1 226.6	766.8	1 369.6	2 731.4	1 670.9	2 956.6	3 695.1	116.5%
Taxation	–	5.0	–	60.8	5.0	4.3	5.0	61.2	1 318.4%
Derivatives financial instruments	–	0.7	–	–	–	–	–	–	–
Total assets	25 759.4	28 611.7	26 311.0	29 870.5	28 463.2	30 169.7	29 177.0	30 504.2	108.6%
Accumulated surplus/(deficit)	12 172.4	14 203.6	14 544.8	16 413.5	15 262.3	18 283.2	16 116.1	18 785.6	116.5%
Capital and reserves	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	100.0%
Borrowings	10 189.6	11 176.6	9 226.1	9 817.5	10 732.8	9 331.5	10 419.3	9 273.8	97.6%
Deferred income	346.9	66.2	172.0	68.1	141.2	64.9	141.2	74.3	34.1%
Trade and other payables	721.7	705.3	749.9	1 242.6	766.3	779.1	902.8	779.1	111.6%
Taxation	1 393.3	1 427.2	833.3	1 346.0	779.7	740.9	816.7	813.3	113.2%
Provisions	185.5	207.9	34.9	226.4	30.8	214.4	30.8	28.1	240.0%
Derivatives financial instruments	–	75.0	–	6.4	–	5.7	–	–	–
Total equity and liabilities	25 759.4	28 611.7	26 311.0	29 870.5	28 463.2	30 169.7	29 177.0	30 504.2	108.6%

Statements of estimates of financial performance and position**Table 35.19 Airports Company South Africa statements of estimates of financial performance and position**

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	7 185.2	-5.0%	100.0%	7 869.0	8 636.3	8 556.8	6.0%	100.0%
Sale of goods and services other than capital assets	7 042.0	-3.2%	94.3%	7 703.0	8 447.9	8 245.0	5.4%	97.5%
<i>of which:</i>								
<i>Sales by market establishment</i>	<i>7 042.0</i>	<i>-3.2%</i>	<i>94.3%</i>	<i>7 703.0</i>	<i>8 447.9</i>	<i>8 245.0</i>	<i>5.4%</i>	<i>97.5%</i>
<i>Aeronautical revenue</i>	<i>3 516.4</i>	<i>-10.6%</i>	<i>55.9%</i>	<i>3 905.4</i>	<i>4 381.8</i>	<i>3 976.2</i>	<i>4.2%</i>	<i>48.9%</i>
<i>Non-aeronautical revenue</i>	<i>3 525.6</i>	<i>7.4%</i>	<i>38.0%</i>	<i>3 797.5</i>	<i>4 066.1</i>	<i>4 268.9</i>	<i>6.6%</i>	<i>48.6%</i>
Other non-tax revenue	143.2	-37.9%	5.7%	166.0	188.4	311.7	29.6%	2.5%
Total revenue	7 185.2	-5.0%	100.0%	7 869.0	8 636.3	8 556.8	6.0%	100.0%
Expenses								
Current expenses	6 014.8	0.8%	90.9%	6 392.2	6 534.6	6 669.7	3.5%	92.7%
Compensation of employees	1 363.9	8.6%	18.1%	1 518.4	1 654.2	1 779.9	9.3%	22.8%
Goods and services	2 617.3	9.9%	38.0%	2 823.2	2 953.9	3 038.2	5.1%	41.3%
Depreciation	1 208.2	-4.6%	18.9%	1 249.2	1 321.2	1 270.2	1.7%	18.3%
Interest, dividends and rent on land	825.4	-16.9%	15.9%	801.4	605.4	581.4	-11.0%	10.3%
Total expenses	6 380.1	-1.8%	100.0%	6 852.4	7 172.9	7 236.2	4.3%	100.0%
Surplus/(Deficit)	805.0			1 017.0	1 463.0	1 321.0		
Statement of financial position								
Carrying value of assets	23 679.1	-0.6%	81.1%	24 437.4	25 466.3	27 227.1	4.8%	81.2%
<i>of which:</i>								
<i>Acquisition of assets</i>	<i>(760.3)</i>	<i>-0.7%</i>	<i>-3.0%</i>	<i>(1 976.7)</i>	<i>(2 312.9)</i>	<i>(3 031.5)</i>	<i>58.6%</i>	<i>-6.5%</i>
Investments	1 909.1	-2.9%	8.4%	1 909.1	1 909.1	1 909.1	–	6.2%
Inventory	1.4	–	0.0%	1.4	1.4	1.4	–	0.0%
Receivables and prepayments	1 158.1	-1.1%	3.8%	1 265.3	1 388.4	1 135.8	-0.6%	4.0%
Cash and cash equivalents	3 695.1	44.4%	6.6%	1 985.4	2 306.3	2 478.4	-12.5%	8.4%
Taxation	61.2	130.8%	0.1%	61.2	61.2	61.2	–	0.2%
Total assets	30 504.2	2.2%	100.0%	29 659.9	31 132.7	32 813.1	2.5%	100.0%

Table 35.19 Airports Company South Africa statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Accumulated surplus/(deficit)	18 785.6	9.8%	56.7%	19 834.0	21 336.3	22 727.4	6.6%	66.6%
Capital and reserves	750.0	–	2.5%	750.0	750.0	750.0	–	2.4%
Borrowings	9 273.8	-6.0%	33.3%	7 102.5	6 939.3	7 101.1	-8.5%	24.6%
Deferred income	74.3	3.9%	0.2%	74.3	74.3	74.3	–	0.2%
Trade and other payables	779.1	3.4%	2.9%	1 039.4	1 136.3	1 244.1	16.9%	3.4%
Taxation	813.3	-17.1%	3.7%	831.6	868.5	888.0	3.0%	2.7%
Provisions	28.1	-48.7%	0.6%	28.1	28.1	28.1	–	0.1%
Total equity and liabilities	30 504.2	2.2%	100.0%	29 659.9	31 132.7	32 813.1	2.5%	100.0%

Personnel information**Table 35.20 Airports Company South Africa personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17		2017/18		2018/19		2019/20		2020/21				2017/18 - 2020/21					
Airports Company South Africa		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost								
Salary level	3 314	3 314	2 990	1 345.6	0.5	3 314	1 363.9	0.4	3 314	1 518.4	0.5	3 314	1 654.2	0.5	3 314	1 779.9	0.5	9.3%	100.0%
1 – 6	1 552	1 552	1 455	274.2	0.2	1 552	272.0	0.2	1 552	302.8	0.2	1 552	329.9	0.2	1 552	355.0	0.2	9.3%	46.8%
7 – 10	1 362	1 362	1 123	510.4	0.5	1 362	551.6	0.4	1 362	614.0	0.5	1 362	668.9	0.5	1 362	719.7	0.5	9.3%	41.1%
11 – 12	103	103	92	77.2	0.8	103	88.5	0.9	103	98.5	1.0	103	107.3	1.0	103	115.4	1.1	9.3%	3.1%
13 – 16	260	260	284	387.1	1.4	260	348.7	1.3	260	388.1	1.5	260	422.8	1.6	260	455.0	1.7	9.3%	7.8%
17 – 22	37	37	36	96.7	2.7	37	103.1	2.8	37	115.0	3.1	37	125.3	3.4	37	134.8	3.6	9.3%	1.1%

1. Rand million.

Passenger Rail Agency of South Africa**Mandate**

The Passenger Rail Agency of South Africa is a schedule 3B public entity in terms of the Public Finance Management Act (1999). Its mandate is contained in the Legal Succession to the South African Transport Services Amendment Act (2008), which requires the agency to provide rail commuter services within, to and from South Africa in the public interest. In consultation with the Department of Transport, the agency also provides for long-haul passenger rail and bus services within, to and from South Africa.

Selected performance indicators**Table 35.21 Passenger Rail Agency of South Africa performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of new train sets delivered for Metrorail per year	Metrorail	Outcome 6: An efficient, competitive and responsive infrastructure network	– ¹	2	9	7	12	51	62
Number of Metrorail passenger trips per year	Metrorail		516 million	448 million	372 million	292 million	310 million	341 million	392 million
Percentage of trains arriving on time per year	Metrorail	Entity mandate	81% (546 822/ 675 089)	81% (499 623/ 616 819)	78% (459 327/ 592 680)	76%	78%	80%	82%
Percentage of train service availability (trains not cancelled) per year	Metrorail		97% (673 785/ 694 624)	96% (629 432/ 655 658)	92% (592 902/ 644 458)	89%	92%	94%	96%
Number of Metrorail coaches refurbished per year	Metrorail	Outcome 6: An efficient, competitive and responsive infrastructure network	436	350	461	350	350	330	330

Table 35.21 Passenger Rail Agency of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Customer satisfaction rating per year	Administration	Entity mandate	63%	57%	59.5%	58%	60%	64%	67%
Number of Shosholoz Meyl passengers per year	Mainline passenger services (Shosholoz Meyl)	Outcome 6: An efficient, competitive and responsive infrastructure	854 000	660 000	565 000	465 000	488 000	513 000	538 000
Number of Shosholoz Meyl coaches refurbished per year	Mainline passenger services (Shosholoz Meyl)		59	64	81	81	30	30	30
Number of new Shosholoz Meyl locomotives per year ²	Mainline passenger services (Shosholoz Meyl)		9	4	0	0	8	0	0
Number of train station improvement projects completed per year	Metrorail		65	53	45	47	45	45	45
Number of train station upgrade projects completed for commercialisation per year	Metrorail		14	21	16	13	13	13	13
Number of Autopax passengers per year	Autopax	Entity mandate	3.1 million	3 million	2.5 million	2.1 million	2.3 million	2.4 million	2.5 million

1. No historical data available.

2. As per procurement plan.

Expenditure analysis

Over the medium term, the Passenger Rail Agency of South Africa aims to improve the safety and reliability of, and the access to, rail services by maintaining and refurbishing existing train sets, acquiring new rolling stock, and investing in capital for the upgrade and modernisation of railway signalling and other infrastructure, including depots and stations. Through these activities, the agency aims to meet the objectives set out in outcome 6 (an efficient, competitive and responsive infrastructure network) of government's 2014-2019 medium-term strategic framework.

Metrorail accounts for 60.1 per cent, or R26.6 billion, of the agency's total expenditure over the medium term, and is expected to increase from R7.9 billion in 2017/18 to R9.4 billion in 2020/21 at an average annual rate of 6.3 per cent. The rise in spending in Metrorail is expected to accommodate an increase in passenger trips from 292 million in 2017/18 to 392 million in 2020/21, as well as to provide for additional spending on repairs and maintenance for 125 new trains and the refurbishment of 1 010 coaches. Shosholoz Meyl accounts for 7.1 per cent, or R3.2 billion of the agency's total expenditure over the medium term. Spending on Shosholoz Meyl is expected to accommodate an increase in passenger numbers from 465 000 in 2017/18 to 538 000 in 2020/21, and additional repairs and maintenance spending for 8 new locomotives as well as the refurbishment of 90 coaches. These activities, together with the spending related to the upgrading of 174 stations and other rail infrastructure, are expected to drive an increase in total expenditure from R13 billion in 2017/18 to R15.7 billion in 2020/21.

The agency employs 17 007 personnel. This number is expected to decrease to 16 174 in 2018/19, in line with the agency's corporate turnaround strategy, which aims to reduce operational costs and improve efficiencies. Despite this, spending on compensation of employees is set to increase at an average annual rate of 6.7 per cent, from R5.6 billion in 2017/18 to R6.8 billion in 2020/21.

The agency generates revenue from the sale of train and bus tickets, rental income from property leasing, and transfers from the department. These transfers are expected to constitute 65.4 per cent of the agency's total projected revenue over the MTEF period. The anticipated increase in passenger numbers is expected to lead to an increase in total revenue from R12.4 billion in 2017/18 to R13.6 billion in 2020/21, at an average annual rate of 3.3 per cent.

Programmes/Objectives/Activities

Table 35.22 Passenger Rail Agency of South Africa expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	1 720.5	1 921.3	2 730.4	1 906.8	3.5%	16.5%	2 173.1	2 308.9	2 440.6	8.6%	15.4%
Metrorail	6 491.2	6 939.4	7 619.4	7 858.2	6.6%	58.0%	8 295.2	8 854.0	9 447.5	6.3%	60.1%
Main line passenger services (Shosholozza Meyl)	737.3	1 531.1	1 008.7	901.7	6.9%	8.4%	986.9	1 050.6	1 117.9	7.4%	7.1%
Passenger Rail Agency of South Africa: Corporate real estate solutions	865.1	884.7	958.5	1 115.0	8.8%	7.7%	1 257.4	1 330.7	1 408.5	8.1%	8.9%
Intersite	32.4	29.5	33.6	33.2	0.8%	0.3%	34.4	32.0	32.6	-0.7%	0.2%
Autopax	1 021.2	987.1	1 164.2	1 120.5	3.1%	8.6%	1 091.0	1 146.6	1 135.1	0.4%	7.9%
Passenger Rail Agency of South Africa technical	77.4	90.8	74.1	47.6	-14.9%	0.6%	81.4	74.8	82.7	20.2%	0.5%
Total	10 945.0	12 383.9	13 588.9	12 983.0	5.9%	100.0%	13 919.4	14 797.5	15 664.8	6.5%	100.0%

Statements of historical financial performance and position

Table 35.23 Passenger Rail Agency of South Africa statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate		Average: Outcome/ Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	3 990.1	3 961.4	4 760.3	4 160.1	3 957.1	4 146.8	4 770.4	4 429.0	95.5%
Sale of goods and services other than capital assets	3 988.8	3 640.0	4 482.7	3 584.9	3 605.6	3 205.1	4 665.2	3 873.7	85.4%
<i>of which:</i>									
<i>Sales by market establishment</i>	3 792.4	3 421.1	4 317.8	3 362.7	3 392.6	2 976.5	4 488.5	3 545.1	83.2%
<i>Rental income</i>	508.6	480.4	627.2	568.0	640.7	531.1	667.7	772.0	96.2%
<i>Fare revenue</i>	3 283.8	2 940.7	3 690.6	2 794.7	2 751.9	2 445.4	3 820.9	2 773.2	80.9%
<i>Other sales</i>	196.4	218.9	164.9	222.2	212.9	228.6	176.6	328.6	133.0%
Other non-tax revenue	1.3	321.4	277.6	575.2	351.5	941.7	105.3	555.3	325.4%
Transfers received	5 206.6	5 930.4	5 459.8	7 911.3	6 978.1	8 480.4	7 568.6	7 947.6	120.1%
Total revenue	9 196.7	9 891.8	10 220.1	12 071.5	10 935.2	12 627.2	12 339.0	12 376.7	110.0%
Expenses									
Current expenses	9 890.7	10 945.0	11 180.4	12 383.9	11 961.6	13 588.9	12 982.1	12 983.0	108.4%
Compensation of employees	3 777.5	4 665.7	4 794.0	4 800.9	5 345.0	5 109.5	5 667.3	5 608.3	103.1%
Goods and services	4 642.4	4 124.1	4 544.5	5 301.9	4 609.6	5 756.3	5 126.3	5 163.2	107.5%
Depreciation	1 469.7	2 136.3	1 507.8	2 271.4	1 998.8	2 710.6	2 188.6	2 211.5	130.2%
Interest, dividends and rent on land	1.1	18.9	334.2	9.7	8.2	12.5	-	-	12.0%
Total expenses	9 890.7	10 945.0	11 180.4	12 383.9	11 961.6	13 588.9	12 982.1	12 983.0	108.4%
Surplus/(Deficit)	(694.0)	(1 053.0)	(960.0)	(312.0)	(1 026.0)	(962.0)	(643.0)	(606.0)	
Statement of financial position									
Carrying value of assets	41 326.4	34 147.9	43 886.5	37 450.7	43 279.0	41 147.4	52 993.8	49 754.0	89.5%
<i>of which:</i>									
<i>Acquisition of assets</i>	(10 685.6)	(11 038.0)	(14 103.5)	(9 029.4)	(12 831.4)	(5 432.9)	(15 537.9)	(9 729.0)	66.3%
Inventory	236.6	253.6	249.9	297.4	303.7	453.9	288.5	233.4	114.8%
Loans	24.2	-	-	-	-	-	-	-	-
Receivables and prepayments	254.2	7 891.7	10 344.2	10 470.7	13 635.6	13 046.2	17 407.7	16 252.3	114.5%
Cash and cash equivalents	2 536.1	1 683.7	959.3	6 116.8	7 495.8	12 342.5	5 595.9	12 342.5	195.8%
Defined benefit plan assets	7.6	4.2	3.2	6.0	4.2	2.8	5.6	3.0	77.9%
Total assets	44 385.1	43 981.1	55 443.1	54 341.6	64 718.3	66 992.9	76 291.5	78 585.2	101.3%
Accumulated surplus/(deficit)	(3 622.2)	(2 534.9)	(4 658.5)	(2 847.3)	(3 873.8)	(3 528.6)	(4 465.7)	(4 135.0)	78.5%
Capital and reserves	4 248.3	4 248.3	4 248.3	4 248.3	4 248.3	4 248.3	4 248.3	4 248.3	100.0%
Capital reserve fund	39 702.3	37 963.9	49 489.0	48 274.6	60 186.8	58 689.9	71 834.6	69 958.1	97.1%
Borrowings	48.3	48.2	-	1.5	-	-	-	-	103.0%
Finance lease	-	-	2 731.2	-	-	-	-	-	-
Trade and other payables	3 370.9	3 563.1	2 949.9	3 906.2	3 464.4	6 574.1	3 940.7	7 503.9	157.0%
Provisions	637.7	692.6	683.3	758.4	692.6	1 009.3	733.8	1 009.8	126.3%
Total equity and liabilities	44 385.1	43 981.1	55 443.1	54 341.6	64 718.3	66 992.9	76 291.5	78 585.2	101.3%

Statements of estimates of financial performance and position

Table 35.24 Passenger Rail Agency of South Africa statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
R million								
Revenue								
Non-tax revenue	4 429.0	3.8%	35.8%	4 389.5	4 490.1	4 601.0	1.3%	34.6%
Sale of goods and services other than capital assets	3 873.7	2.1%	30.8%	3 879.3	4 133.1	4 409.2	4.4%	31.5%
<i>of which:</i>								
<i>Sales by market establishment</i>	3 545.1	1.2%	28.7%	3 708.5	3 963.0	4 235.8	6.1%	29.8%
<i>Rental income</i>	772.0	17.1%	5.0%	750.1	794.0	840.4	2.9%	6.1%
<i>Fare revenue</i>	2 773.2	-1.9%	23.7%	2 958.5	3 169.0	3 395.4	7.0%	23.7%
<i>Other sales</i>	328.6	14.5%	2.1%	170.8	170.1	173.4	-19.2%	1.6%
Other non-tax revenue	555.3	20.0%	5.0%	510.2	357.0	191.9	-29.8%	3.2%
Transfers received	7 947.6	10.3%	64.2%	8 213.8	8 652.6	9 031.0	4.4%	65.4%
Total revenue	12 376.7	7.8%	100.0%	12 603.3	13 142.7	13 632.0	3.3%	100.0%
Expenses								
Current expenses	12 983.0	5.9%	100.0%	13 919.4	14 797.5	15 664.8	6.5%	100.0%
Compensation of employees	5 608.3	6.3%	40.5%	5 890.9	6 331.7	6 810.2	6.7%	42.9%
Goods and services	5 163.2	7.8%	40.7%	5 784.4	6 087.7	6 430.4	7.6%	40.9%
Depreciation	2 211.5	1.2%	18.7%	2 231.7	2 365.3	2 411.1	2.9%	16.1%
Interest, dividends and rent on land	-	-100.0%	0.1%	12.3	12.7	13.1	-	0.1%
Total expenses	12 983.0	5.9%	100.0%	13 919.4	14 797.5	15 664.8	6.5%	100.0%
Surplus/(Deficit)	(606.0)			(1 316.0)	(1 655.0)	(2 033.0)		
Statement of financial position								
Carrying value of assets	49 754.0	13.4%	67.8%	60 751.4	78 930.9	99 662.3	26.1%	74.5%
<i>of which:</i>								
<i>Acquisition of assets</i>	(9 729.0)	-4.1%	-15.6%	(10 285.0)	(10 632.9)	(11 228.3)	4.9%	-11.1%
Inventory	233.4	-2.7%	0.5%	274.1	260.4	274.7	5.6%	0.3%
Receivables and prepayments	16 252.3	27.2%	19.3%	18 909.8	15 201.1	9 879.2	-15.3%	16.4%
Cash and cash equivalents	12 342.5	94.3%	12.3%	9 147.1	6 356.3	3 347.1	-35.3%	8.8%
Defined benefit plan assets	3.0	-10.4%	0.0%	3.2	3.3	3.5	5.6%	0.0%
Total assets	78 585.2	21.3%	100.0%	89 085.5	100 752.0	113 166.9	12.9%	100.0%
Accumulated surplus/(deficit)	(4 135.0)	17.7%	-5.4%	(5 348.2)	(6 778.1)	(8 458.4)	26.9%	-6.4%
Capital and reserves	4 248.3	0.0%	7.3%	4 248.3	4 248.3	4 248.3	-0.0%	4.5%
Capital reserve fund	69 958.1	22.6%	87.9%	80 523.3	92 249.4	104 706.3	14.4%	90.9%
Trade and other payables	7 503.9	28.2%	8.7%	8 594.8	9 905.4	11 481.8	15.2%	9.8%
Provisions	1 009.8	13.4%	1.4%	1 067.3	1 127.0	1 189.0	5.6%	1.2%
Total equity and liabilities	78 585.2	21.3%	100.0%	89 085.5	100 752.0	113 166.9	12.9%	100.0%

Personnel information

Table 35.25 Passenger Rail Agency of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost	
Passenger Rail Agency of South Africa	17 007	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21		
Salary level	17 007	16 120	5 109.5	0.3	17 007	5 608.3	0.3	16 174	5 890.9	0.4	16 174	6 331.7	0.4	16 174	6 810.3	0.4	6.7%	100.0%	
1-6	8 439	8 439	8 579	2 171.4	0.3	8 439	1 851.4	0.2	7 396	2 326.2	0.3	7 396	2 326.4	0.3	7 396	2 507.8	0.3	10.6%	46.7%
7-10	7 846	7 846	6 990	2 371.0	0.3	7 846	2 915.4	0.4	8 032	2 843.4	0.4	8 032	3 199.7	0.4	8 032	3 451.2	0.4	5.8%	48.8%
11-12	298	298	225	162.9	0.7	298	233.2	0.8	363	241.8	0.7	363	263.9	0.7	363	279.9	0.8	6.3%	2.1%
13-16	348	348	285	303.0	1.1	348	411.6	1.2	335	345.1	1.0	335	400.0	1.2	335	422.2	1.3	0.8%	2.1%
17-22	76	76	41	101.2	2.5	76	196.6	2.6	48	134.5	2.8	48	141.7	3.0	48	149.2	3.1	-8.8%	0.3%

1. Rand million.

Road Accident Fund

Mandate

The Road Accident Fund Act (1996) provides for the establishment of the Road Accident Fund, whose legal mandate is to compensate South African road users for loss or damage as a result of motor vehicle accidents within the borders of South Africa.

Selected performance indicators

Table 35.26 Road Accident Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Direct personal claims as a percentage of total personal claims per year	Payment of claims to accident victims	Entity mandate	30% (R17.8bn/ R58.6bn)	35% (R25.5bn/ R64.4bn)	39% (28.4bn/ 73.5bn)	20%	42%	45%	43%
Legal costs as a percentage of claims payments per year	Payment of claims to accident victims		19% (R5.4bn/ R27.9bn)	13% (R5.2bn/ R38.9bn)	17% (R5.3bn/ R32.1bn)	18%	7%	5%	6%
Number of open claims received but not finalised per year	Payment of claims to accident victims		179 778	184 899	173 740	207 461	215 439	221 723	214 847
Personal claims: Average value per claim	Payment of claims to accident victims		R211 090	R271 793	R219 047	– ¹	– ¹	– ¹	– ¹
Loss of earnings: Average value per claim	Payment of claims to accident victims		R732 371	R739 214	R645 832	– ¹	– ¹	– ¹	– ¹
General damages: Average value per claim	Payment of claims to accident victims		R334 799	R385 673	R390 005	– ¹	– ¹	– ¹	– ¹

1. Projections not available.

Expenditure analysis

The Road Accident Fund's main focus over the medium term is to compensate road accident victims for losses and damages. Although the fund expects to continue improving its productivity and claims processing ability, the number of claims received but not finalised is expected to increase from 207 461 in 2017/18 to 214 847 in 2020/21. To accommodate the persisting backlog, total expenditure is expected to increase at an average annual rate of 11.9 per cent, from R71.1 billion in 2017/18 to R99.6 billion in 2020/21, due to improved claims processing. The accumulated deficit is expected to increase from R215.2 billion in 2017/18 to R343.2 billion in 2020/21.

The fund's staff complement is expected to increase from 2 917 in 2017/18 to 2 951 in 2020/21. This is expected to enable the fund to meet its service delivery requirements. As a result, spending on compensation of employees is expected to increase at an average annual rate of 8 per cent, from R1.4 billion in 2017/18 to R1.7 billion in 2020/21.

The fund derives its revenue, which is used to make and administer claims payments, from the road accident fund fuel levy. Total revenue is expected to increase at an average annual rate of 10.3 per cent over the medium term, from R35.6 billion in 2017/18 to R47.6 billion in 2020/21, in line with projected fuel sales and an increase in the fuel levy.

Programmes/Objectives/Activities

Table 35.27 Road Accident Fund expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Administration	1 675.4	1 898.1	2 128.7	2 619.4	16.1%	3.4%	2 838.3	3 074.8	3 377.4	8.8%	3.6%
Payment of claims to accident victims	40 456.1	66 266.5	65 954.6	68 435.9	19.2%	96.6%	73 514.4	84 061.2	96 107.7	12.0%	96.4%
Total	42 131.5	68 164.6	68 083.4	71 055.3	19.0%	100.0%	76 352.7	87 136.0	99 485.1	11.9%	100.0%

Statements of historical financial performance and position

Table 35.28 Road Accident Fund statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R million	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Revenue									
Non-tax revenue	149.5	65.6	66.2	93.1	91.1	112.3	82.3	81.3	90.6%
Other non-tax revenue	149.5	65.6	66.2	93.1	91.1	112.3	82.3	81.3	90.6%
Tax revenue: fuel levy	22 457.9	22 614.3	32 982.7	33 113.1	35 198.8	33 229.5	37 148.3	35 425.3	97.3%
Total revenue	22 607.4	22 679.9	33 048.9	33 206.2	35 289.9	33 341.9	37 230.5	35 506.6	97.3%
Expenses									
Current expenses	1 732.7	1 675.4	1 913.9	1 898.1	2 366.6	2 128.7	2 667.3	2 619.4	95.9%
Compensation of employees	1 178.3	1 080.9	1 195.8	1 264.4	1 349.0	1 261.6	1 480.8	1 362.5	95.5%
Goods and services	481.1	482.0	645.5	435.5	765.0	614.9	809.8	971.1	92.7%
Depreciation	61.0	45.2	59.6	47.2	52.4	42.9	45.7	49.2	84.4%
Interest, dividends and rent on land	12.4	67.3	13.0	151.0	200.3	209.4	331.1	236.6	119.3%
Transfers and subsidies	23 895.8	40 456.1	55 479.0	66 266.5	70 357.9	65 954.6	71 573.0	68 435.9	109.0%
Total expenses	25 628.5	42 131.5	57 392.9	68 164.6	72 724.6	68 083.4	74 240.3	71 055.3	108.5%
Surplus/(Deficit)	(3 021.0)	(19 452.0)	(24 344.0)	(34 958.0)	(37 435.0)	(34 741.0)	(37 010.0)	(35 549.0)	
Statement of financial position									
Carrying value of assets	313.7	281.8	301.8	227.2	270.4	215.8	325.1	266.9	81.9%
<i>of which:</i>									
Acquisition of assets	(82.5)	(57.6)	(90.8)	(40.9)	(95.6)	(33.0)	(100.3)	(100.3)	62.8%
Inventory	3.4	4.9	5.2	5.7	6.1	5.7	6.4	6.0	105.7%
Loans	148.6	140.9	149.2	147.1	156.0	160.9	165.3	170.6	100.1%
Accrued investment interest	36.8	4.4	4.6	9.5	10.1	7.2	10.7	7.6	46.2%
Receivables and prepayments	5 107.0	5 887.1	8 330.3	7 361.8	7 361.8	7 156.5	7 699.0	7 447.5	97.7%
Cash and cash equivalents	149.5	1 048.2	1 666.2	2 044.3	1 691.1	1 652.4	1 682.3	1 681.3	123.8%
Total assets	5 758.9	7 367.3	10 457.4	9 795.8	9 495.5	9 198.5	9 888.9	9 580.0	101.0%
Accumulated surplus/(deficit)	(52 159.1)	(110 377.1)	(134 667.5)	(145 335.5)	(183 074.9)	(180 077.0)	(220 155.7)	(215 218.0)	110.3%
Capital and reserves	123.6	130.5	130.5	83.4	83.4	84.1	83.4	84.1	90.8%
Trade and other payables	533.6	259.1	12 100.0	248.6	256.9	278.1	272.3	281.2	8.1%
Provisions	57 260.8	117 354.8	132 894.5	154 799.2	192 230.1	188 913.3	229 688.9	224 432.7	112.0%
Total equity and liabilities	5 758.9	7 367.3	10 457.4	9 795.8	9 495.5	9 198.5	9 888.9	9 580.0	101.0%

Statements of estimates of financial performance and position

Table 35.29 Road Accident Fund statements of estimates of financial performance and position

Statement of financial performance									Average: Expenditure/ Total (%)
	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Revenue									
Non-tax revenue	81.3	7.4%	0.3%	82.0	82.1	82.1	0.3%	0.2%	
Other non-tax revenue	81.3	7.4%	0.3%	82.0	82.1	82.1	0.3%	0.2%	
Tax revenue: fuel levy	35 425.3	16.1%	99.7%	42 308.1	45 296.5	47 523.3	10.3%	99.8%	
Total revenue	35 506.6	16.1%	100.0%	42 390.2	45 378.6	47 605.3	10.3%	100.0%	
Expenses									
Current expenses	2 619.4	16.1%	3.4%	2 838.3	3 128.8	3 489.7	10.0%	3.6%	
Compensation of employees	1 362.5	8.0%	2.0%	1 471.5	1 589.2	1 716.4	8.0%	1.8%	
Goods and services	971.1	26.3%	1.0%	1 054.6	1 195.7	1 393.8	12.8%	1.4%	
Depreciation	49.2	2.9%	0.1%	44.9	41.8	38.2	-8.1%	0.1%	
Interest, dividends and rent on land	236.6	52.1%	0.3%	267.4	302.1	341.4	13.0%	0.3%	
Transfers and subsidies	68 435.9	19.2%	96.6%	73 514.4	84 061.2	96 107.7	12.0%	96.4%	
Total expenses	71 055.3	19.0%	100.0%	76 352.7	87 190.0	99 597.4	11.9%	100.0%	
Surplus/(Deficit)	(35 549.0)			(33 963.0)	(41 811.0)	(51 992.0)			
Statement of financial position									
Carrying value of assets	266.9	-1.8%	2.8%	327.4	396.2	474.2	21.1%	3.3%	
<i>of which:</i>									
Acquisition of assets	(100.3)	20.3%	-0.7%	(105.4)	(110.6)	(116.2)	5.0%	-1.0%	
Inventory	6.0	6.8%	0.1%	6.4	6.8	7.2	6.0%	0.1%	
Loans	170.6	6.6%	1.7%	180.8	191.6	203.1	6.0%	1.7%	
Accrued investment interest	7.6	20.5%	0.1%	8.1	8.6	9.1	6.0%	0.1%	
Receivables and prepayments	7 447.5	8.2%	77.7%	8 606.4	9 323.7	9 833.0	9.7%	79.6%	
Cash and cash equivalents	1 681.3	17.1%	17.7%	1 682.0	1 682.1	1 682.1	0.0%	15.3%	
Total assets	9 580.0	9.1%	100.0%	10 811.1	11 609.0	12 208.6	8.4%	100.0%	
Accumulated surplus/(deficit)	(215 218.0)	24.9%	-1 796.5%	(249 246.8)	(291 128.4)	(343 195.0)	16.8%	-2 467.7%	
Capital and reserves	84.1	-13.6%	1.1%	84.1	84.1	84.1	-	0.8%	
Trade and other payables	281.2	2.8%	3.0%	298.0	315.9	334.9	6.0%	2.8%	
Provisions	224 432.7	24.1%	1 892.4%	259 675.7	302 337.4	354 984.7	16.5%	2 564.2%	
Total equity and liabilities	9 580.0	9.1%	100.0%	10 811.1	11 609.0	12 208.6	8.4%	100.0%	

Personnel information

Table 35.30 Road Accident Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)					
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
Road Accident Fund		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost	Unit cost	Number	Cost	Unit cost		
Salary level	2 917	2 917	2 830	1 261.6	0.4	2 917	1 362.5	0.5	2 917	1 471.5	0.5	2 951	1 589.2	0.5	2 951	1 716.4	0.6	8.0%	100.0%
1 – 6	353	353	353	52.5	0.1	353	57.4	0.2	353	62.0	0.2	353	66.9	0.2	353	72.3	0.2	8.0%	12.0%
7 – 10	2 067	2 067	1 980	758.2	0.4	2 067	813.1	0.4	2 067	878.2	0.4	2 067	948.3	0.5	2 067	1 024.3	0.5	8.0%	70.5%
11 – 12	390	390	390	309.2	0.8	390	337.6	0.9	390	364.7	0.9	424	393.9	0.9	424	425.3	1.0	8.0%	13.9%
13 – 16	99	99	99	115.5	1.2	99	126.1	1.3	99	136.2	1.4	99	147.1	1.5	99	158.8	1.6	8.0%	3.4%
17 – 22	8	8	8	26.2	3.3	8	28.3	3.5	8	30.6	3.8	8	33.0	4.1	8	35.6	4.5	8.0%	0.3%

1. Rand million.

South African National Roads Agency

Mandate

The South African National Roads Agency is a schedule 3A public entity established by the South African National Roads Agency Limited and National Roads Act (1998). The agency is responsible for the planning, design, construction, operation, management, control, maintenance and rehabilitation of the South African national road network, including the financing of these functions. This includes both toll and non-toll roads.

Selected performance indicators

Table 35.31 South African National Roads Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Smooth travel exposure: Percentage of travel undertaken each year on national roads with roughness less than 4.2 on international roughness index	Routine maintenance	Entity mandate	96%	96%	97%	97%	95%	95%	95%
Low rut exposure: Percentage of travel undertaken per year on national roads with rut depth less than 20mm	Routine maintenance		99%	96%	99%	99%	95%	95%	95%
High texture exposure: Percentage of travel undertaken per year on national roads with macro texture higher than 0.4mm	Routine maintenance		99%	99%	99%	99%	95%	95%	95%
Bridge condition exposure index: Percentage of travel over or under bridges on national roads with overall condition index higher than 80	Routine maintenance		92%	93%	94%	93%	90%	90%	90%
Length of network with active routine road maintenance contracts (km)	Routine maintenance		21 403	21 490	22 197	22 197	22 197	22 197	22 197
Resurface length: Length of road resealed/overlayed per year (km)	Routine maintenance	Outcome 6: An efficient, competitive and responsive economic infrastructure network	851	1 563	1 891	900	1 000	1 100	1 100
Length of road strengthened/improved per year (km)	Strengthening		687	370	575	450	475	500	500

Expenditure analysis

Over the medium term, the South African National Roads Agency intends to focus on undertaking preventative maintenance to improve and preserve the national road network. This is in line with outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term

strategic framework.

Accordingly, over the MTEF period, the agency plans to resurface 3 200 kilometres of road, strengthen or improve 1 475 kilometres of road, and build new interchanges and bridges. The agency's total expenditure is expected to increase at an average annual rate of 2.4 per cent over the MTEF period, from R34.7 billion in 2017/18 to R37.2 billion in 2020/21. Payments to service providers for road maintenance and/or construction accounts for the bulk of the agency's total expenditure, which is expected to increase at an average annual rate of 30 per cent over the medium term, from R3.7 billion in 2017/18 to R8.1 billion in 2020/21. This increase is due to upgrades to the N3 Marianhill and N2 North and South coast roads.

The agency's staff complement is expected to remain constant at 390 over the MTEF period. Spending on compensation of employees is expected to increase at an average annual rate of 10.5 per cent, from R312 million in 2017/18 to R421.5 million in 2020/21.

The agency has two areas from which it generates revenue, transfers from the department for non-toll business and revenue generated from toll fees. Non-toll business is funded through transfers from the department, which amounts to R29.1 billion over the medium term. Toll revenue is expected to increase at an average annual rate of 5 per cent, from R4.9 billion in 2017/18 to R5.7 billion in 2020/21.

Programmes/Objectives/Activities

Table 35.32 South African National Roads Agency expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	8 527.3	8 253.7	13 410.0	13 989.1	17.9%	54.5%	15 082.8	16 265.3	17 549.7	7.9%	45.5%
Routine maintenance	2 490.8	888.3	4 222.7	9 004.8	53.5%	17.2%	8 129.8	7 758.8	5 886.1	-13.2%	22.4%
Strengthening	1 290.0	1 522.9	1 110.2	2 248.1	20.3%	7.8%	1 553.2	547.0	476.6	-40.4%	3.5%
Improvements	1 064.6	1 586.3	1 134.1	3 679.7	51.2%	8.5%	2 935.3	3 775.0	8 079.3	30.0%	13.1%
New facilities	832.4	2 347.8	2 053.4	5 781.8	90.8%	12.0%	4 969.4	5 273.3	5 250.1	-3.2%	15.4%
Total	14 205.1	14 599.0	21 930.5	34 703.6	34.7%	100.0%	32 670.5	33 619.4	37 241.7	2.4%	100.0%

Statements of historical financial performance and position

Table 35.33 South African National Roads Agency statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	4 692.5	7 727.2	5 099.8	6 554.1	6 357.1	7 924.2	5 338.8	6 974.6	135.8%
Sale of goods and services other than capital assets	4 546.0	6 678.1	4 441.6	5 007.4	5 839.2	5 422.3	5 320.5	5 446.3	111.9%
<i>of which:</i>									
<i>Sales by market establishment</i>	4 221.4	6 376.2	4 091.6	4 683.5	5 369.7	4 959.0	4 995.4	4 959.8	112.3%
<i>Toll Income</i>	4 193.5	6 331.8	4 044.9	4 632.9	5 295.4	4 910.5	4 911.4	4 911.4	112.7%
<i>Concession income</i>	-	7.8	7.1	2.9	-	1.0	-	-	163.4%
<i>Rental income on leased properties</i>	27.9	36.6	39.7	47.7	74.3	47.4	83.9	48.4	79.8%
<i>Other sales</i>	324.6	302.0	350.0	323.9	469.6	463.3	325.2	486.5	107.2%
Other non-tax revenue	146.4	1 049.1	658.2	1 546.7	517.8	2 501.9	18.2	1 528.2	494.2%
Transfers received	8 197.9	5 369.4	12 542.5	6 841.5	13 915.6	9 044.1	15 944.8	15 944.8	73.5%
Total revenue	12 890.4	13 096.6	17 642.3	13 395.6	20 272.7	16 968.3	21 283.6	22 919.4	92.1%
Expenses									
Current expenses	23 362.8	14 205.1	17 771.3	14 599.0	26 295.5	21 930.5	29 661.9	34 703.6	88.0%
Compensation of employees	200.3	223.2	244.6	256.6	275.2	296.0	312.0	312.0	105.4%
Goods and services	18 123.7	7 720.9	11 565.6	7 794.2	19 546.3	13 932.7	22 926.6	26 298.3	77.3%
Depreciation	1 594.9	2 536.3	2 559.1	2 902.9	2 866.2	3 133.3	3 296.2	3 296.2	115.0%
Interest, dividends and rent on land	3 444.0	3 724.7	3 402.0	3 645.2	3 607.7	4 568.6	3 127.0	4 797.0	123.2%
Total expenses	23 362.8	14 205.1	17 771.3	14 599.0	26 295.5	21 930.5	29 661.9	34 703.6	88.0%
Surplus/(Deficit)	(10 472.0)	(1 108.0)	(129.0)	(1 203.0)	(6 023.0)	(4 962.0)	(8 378.0)	(11 784.0)	

Table 35.33 South African National Roads Agency statements of historical financial performance and position

Statement of financial position									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
R million	2014/15		2015/16		2016/17		2017/18		
Carrying value of assets	277 511.4	310 250.7	314 083.7	316 826.5	322 546.5	345 545.2	284 412.0	354 266.0	110.7%
<i>of which:</i>									
Acquisition of assets	(12 199.2)	(9 131.6)	(12 381.0)	(7 301.4)	(10 650.9)	(7 658.0)	(13 312.1)	(8 074.3)	66.3%
Investments	596.1	712.5	464.1	925.9	294.3	646.9	593.2	695.1	153.0%
Receivables and prepayments	2 357.8	4 608.1	4 157.8	7 050.2	3 956.9	5 366.8	3 457.6	5 903.5	164.6%
Cash and cash equivalents	3 939.0	9 479.4	5 939.0	9 490.1	4 433.7	6 570.0	4 502.4	7 949.7	178.0%
Non-current assets held for sale	139.6	27.0	139.6	20.1	146.6	74.2	–	75.0	46.1%
Total assets	284 543.9	325 077.7	324 784.2	334 312.8	331 377.9	358 203.1	292 965.1	368 889.3	112.4%
Accumulated surplus/(deficit)	(4 611.6)	(8 873.2)	(4 860.9)	(9 243.8)	(3 939.0)	(14 205.8)	(711.6)	(6 910.9)	277.8%
Capital and reserves	210 590.3	240 179.9	239 681.1	241 083.5	239 681.1	263 393.5	239 681.1	269 951.0	109.1%
Capital reserve fund	31 559.0	–	34 559.0	–	37 219.3	–	44 373.2	–	–
Borrowings	36 627.0	47 114.8	38 144.2	48 845.2	39 749.3	48 754.7	–	51 192.4	171.1%
Finance lease	–	0.4	–	0.8	–	0.2	–	–	–
Deferred income	1 061.2	35 979.8	7 347.8	41 886.6	7 949.1	46 647.5	6 545.7	48 404.7	755.0%
Trade and other payables	2 730.3	2 954.7	2 930.6	3 838.5	3 777.9	4 803.5	3 076.7	4 923.6	132.0%
Provisions	28.6	420.4	43.9	379.1	50.6	385.8	–	403.8	1 291.1%
Managed funds (e.g. poverty alleviation fund)	469.5	–	849.1	–	800.0	–	–	–	–
Derivatives financial instruments	6 089.5	7 300.9	6 089.5	7 523.0	6 089.5	8 423.7	–	924.7	132.3%
Total equity and liabilities	284 543.9	325 077.7	324 784.2	334 312.8	331 377.9	358 203.1	292 965.1	368 889.3	112.4%

Statements of estimates of financial performance and position**Table 35.34 South African National Roads Agency statements of estimates of financial performance and position**

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Average: Expend- iture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expend- iture/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	11 934.4	15.6%	46.3%	12 500.8	13 095.5	13 719.8	4.8%	42.0%
Sale of goods and services other than capital assets	10 406.2	15.9%	36.0%	10 923.6	11 466.8	12 037.1	5.0%	36.7%
<i>of which:</i>								
Sales by market establishment	4 959.8	-8.0%	33.6%	5 206.4	5 465.2	5 737.0	5.0%	17.5%
Toll Income	4 911.4	-8.1%	33.3%	5 157.0	5 414.9	5 685.6	5.0%	17.3%
Rental income on leased properties	48.4	9.7%	0.3%	49.4	50.4	51.4	2.0%	0.2%
Other sales	486.5	17.2%	2.4%	510.8	536.4	563.2	5.0%	1.7%
Other non-tax revenue	1 528.2	13.4%	10.2%	1 577.2	1 628.7	1 682.7	3.3%	5.3%
Transfers received	15 944.8	43.7%	53.7%	15 624.2	19 305.5	20 386.1	8.5%	58.0%
Total revenue	27 879.2	28.6%	100.0%	28 125.0	32 401.0	34 105.9	7.0%	100.0%
Expenses								
Current expenses	34 703.6	34.7%	100.0%	32 670.5	33 619.4	37 241.7	2.4%	100.0%
Compensation of employees	312.0	11.8%	1.4%	348.4	383.2	421.5	10.5%	1.1%
Goods and services	26 298.3	50.5%	61.8%	23 659.5	23 959.1	26 879.8	0.7%	72.9%
Depreciation	3 296.2	9.1%	15.4%	3 625.8	3 988.4	4 387.2	10.0%	11.1%
Interest, dividends and rent on land	4 797.0	8.8%	21.5%	5 036.9	5 288.7	5 553.1	5.0%	15.0%
Total expenses	34 703.6	34.7%	100.0%	32 670.5	33 619.4	37 241.7	2.4%	100.0%
Surplus/(Deficit)	(6 824.0)			(4 546.0)	(1 218.0)	(3 136.0)		
Statement of financial position								
Carrying value of assets	354 266.0	4.5%	95.7%	363 172.5	372 305.0	381 663.5	2.5%	95.6%
<i>of which:</i>								
Acquisition of assets	(8 074.3)	-4.0%	-2.3%	(8 479.0)	(8 903.8)	(9 348.7)	5.0%	-2.3%
Investments	695.1	-0.8%	0.2%	747.3	803.9	865.2	7.6%	0.2%
Receivables and prepayments	5 903.5	8.6%	1.7%	6 493.9	7 143.3	7 857.6	10.0%	1.8%
Cash and cash equivalents	7 949.7	-5.7%	2.4%	8 744.7	9 619.1	10 581.1	10.0%	2.4%
Non-current assets held for sale	75.0	40.6%	0.0%	76.0	77.0	78.0	1.3%	0.0%
Total assets	368 889.3	4.3%	100.0%	379 234.4	389 948.2	401 045.3	2.8%	100.0%
Accumulated surplus/(deficit)	(6 910.9)	-8.0%	-2.8%	(7 928.4)	(9 028.9)	(10 228.2)	14.0%	-2.2%
Capital and reserves	269 951.0	4.0%	73.2%	276 672.5	283 562.1	290 623.8	2.5%	72.8%
Borrowings	51 192.4	2.8%	14.1%	53 752.1	56 439.6	59 261.6	5.0%	14.3%
Deferred income	48 404.7	10.4%	12.4%	50 294.1	52 332.8	54 539.7	4.1%	13.4%
Trade and other payables	4 923.6	18.6%	1.2%	5 046.7	5 172.9	5 302.2	2.5%	1.3%
Provisions	403.8	-1.3%	0.1%	426.3	450.2	475.6	5.6%	0.1%
Derivatives financial instruments	924.7	-49.8%	1.8%	970.9	1 019.5	1 070.5	5.0%	0.3%
Total equity and liabilities	368 889.3	4.3%	100.0%	379 234.4	389 948.2	401 045.3	2.8%	100.0%

Personnel information

Table 35.35 South African National Roads Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
South African National Roads Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	390	390	349	296.0	0.8	390	312.0	0.8	390	348.4	0.9	390	383.2	1.0	390	421.5	1.1	10.5%	100.0%
1 – 6	14	14	10	2.1	0.2	14	2.5	0.2	14	2.8	0.2	14	3.1	0.2	14	3.4	0.2	10.8%	3.6%
7 – 10	219	219	196	92.9	0.5	219	101.5	0.5	219	113.8	0.5	219	125.4	0.6	219	138.2	0.6	10.8%	56.2%
11 – 12	54	54	39	39.9	1.0	54	51.8	1.0	54	57.6	1.1	54	63.5	1.2	54	69.9	1.3	10.5%	13.8%
13 – 16	96	96	97	146.6	1.5	96	141.7	1.5	96	158.2	1.6	96	173.7	1.8	96	190.7	2.0	10.4%	24.6%
17 – 22	7	7	7	14.5	2.1	7	14.5	2.1	7	16.0	2.3	7	17.6	2.5	7	19.3	2.8	10.0%	1.8%

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Air Traffic and Navigation Services Company** provides safe, orderly and efficient air traffic navigational and associated services to the air traffic management community. The company's estimated expenditure for 2018/19 is R1.7 billion.
- The **Cross-Border Road Transport Agency** is a schedule 3A public entity established in terms of the Cross Border-Road Transport Act (1998). The agency's legislative mandate requires it to advise the Minister of Transport on cross-border road transport policy, regulate access to the market by the road transport freight and passenger industry in respect of cross-border road transport by issuing permits, undertake road transport law enforcement, and play a facilitative role in contributing to economic prosperity of the region. The agency's estimated expenditure for 2018/19 is R194.3 million.
- The **driving licence card account** manufactures credit card format driving licences, based on orders received from driving licence testing centres, and generates its own revenue through the sale of the licence cards. The entity's estimated expenditure for 2018/19 is R233 million.
- The **Ports Regulator of South Africa** performs functions that relate mainly to the regulation of pricing and other aspects of economic regulation, the promotion of equal access to ports facilities and services, the monitoring of the industry's compliance with the regulatory framework, and the hearing of any complaints and appeals lodged with it. The regulator's estimated expenditure for 2018/19 is R26 million.
- The **Railway Safety Regulator** oversees and promotes safe railway operations through appropriate support, monitoring and enforcement, guided by an enabling regulatory framework, including regulations for all rail operators in South Africa and those of neighbouring countries whose rail operations enter South Africa. The regulator's estimated expenditure for 2018/19 is R286.1 million.
- The **Road Traffic Infringement Agency** promotes road traffic quality by providing for a scheme to discourage road traffic infringements to support the prosecution of offences in terms of national and provincial laws relating to road traffic, and implements a points demerit system. The agency's estimated expenditure for 2018/19 is R318 million.
- The **Road Traffic Management Corporation** pools national and provincial government resources for the provision of road traffic management. This includes cooperative and coordinated road traffic strategic planning, regulation, facilitation and law enforcement. The corporation's estimated expenditure for 2018/19 is R1.2 billion.
- The **South African Civil Aviation Authority** promotes, regulates and enforces civil aviation safety and security standards across the aviation industry. The entity's estimated expenditure for 2018/19 is R735.5 million.

- The **South African Maritime Safety Authority** promotes South Africa's maritime interests, ensures the safety of life and property at sea, and prevents and combats the pollution of the marine environment by ships. Functions of the entity are also defined as per international maritime conventions to which South Africa is a signatory. The entity's estimated expenditure for 2018/19 is R411.9 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate			
				2014/15	2015/16		2016/17	2018/19	2019/20	2020/21
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
South African National Roads Agency	Development and upkeep of national road network	Various	-	8 180.8	8 891.9	9 329.4	11 112.4	9 682.3	13 030.9	12 747.1
Passenger Rail Agency of South Africa	Maintenance and rehabilitation of passenger rail infrastructure	Construction	-	11 059.0	11 595.4	10 438.3	9 300.2	7 976.2	6 324.9	6 672.4
Public transport infrastructure grant	Provision of public transport infrastructure and systems for municipalities	Various	-	4 678.0	-	-	-	-	-	-
Passenger Rail Agency of South Africa: Rolling stock	Provision of new rolling stock	Various	-	6 048.0	2 560.5	4 170.3	4 420.5	4 676.9	7 623.7	8 043.0
Provincial roads maintenance grant	Maintenance of provincial road infrastructure	Various	-	9 361.5	9 531.7	10 478.2	10 753.7	11 035.7	11 481.7	12 112.7
Public transport network grant	Funding for accelerated construction and improvement of public and non-motorised transport infrastructure	Various	-	-	5 953.1	5 592.7	6 159.6	6 253.7	6 114.2	6 450.2
Total			-	39 327.2	38 532.6	40 008.9	41 746.2	39 624.7	44 575.4	46 025.3

Vote 36

Water and Sanitation

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 714.6	1 630.4	20.9	63.3	1 808.0	1 921.9
Water Planning and Information Management	862.1	785.3	1.3	75.5	964.8	1 029.8
Water Infrastructure Development	12 496.2	392.4	8 609.4	3 494.4	13 232.5	13 958.5
Water Sector Regulation	498.6	485.8	1.6	11.2	461.4	498.8
Total expenditure estimates	15 571.5	3 293.8	8 633.3	3 644.4	16 466.6	17 409.0
Executive authority	Minister of Water and Sanitation					
Accounting officer	Director General of Water and Sanitation					
Website address	www.dwa.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Ensure the availability of water resources to facilitate equitable and sustainable socioeconomic development, and ensure universal access to water and sanitation services.

Mandate

The mandate of the Department of Water and Sanitation is set out in the National Water Act (1998) and the Water Services Act (1997). The department's legislative mandate is to ensure that the country's water resources are protected, managed, used, developed, conserved and controlled by regulating and supporting the delivery of effective water supply and sanitation. This is done in accordance with the requirements of water-related policies and legislation that are critical in delivering on the people's right to have sufficient food and water, growing the economy, and eradicating poverty.

Selected performance indicators

Table 36.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of reports on progress analysed against the approved annual international relations implementation plan per year	Administration	Departmental mandate	-1	-1	4	-2	-2	-2	-2
Number of river systems with water resources classes and determined resource quality objectives per year	Water Planning and Information Management	Outcome 10: Protect and enhance our environmental assets and natural resources	-1	-1	2	1	4	2	3

Table 36.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of mega regional bulk infrastructure project phases completed per year	Water Infrastructure Development	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- ¹	- ¹	0 ³	0 ³	1	1	1
Number of large regional bulk infrastructure project phases completed per year	Water Infrastructure Development		- ¹	- ¹	0 ³	16	10	12	15
Number of small regional bulk infrastructure project phases completed per year	Water Infrastructure Development		- ¹	- ¹	31	10	4	18	11
Number of small projects completed through the Accelerated Community Infrastructure Programme subprogramme per year	Water Infrastructure Development		- ¹	- ¹	20	1	- ⁴	- ⁴	- ⁴
Number of small projects completed through the water services infrastructure grant per year	Water Infrastructure Development		- ¹	- ¹	316	30	0	115	65
Number of existing bucket sanitation backlog systems in formal settlements replaced with adequate sanitation services per year	Water Infrastructure Development	Outcome 9: Responsive, accountable, effective and efficient developmental local government	20 581	28 365	6 978	13 538	11 844	- ⁴	- ⁴
Number of waste water systems assessed for compliance with the green drop regulatory standards per year	Water Sector Regulation	Departmental mandate	967	- ⁵	- ⁵	963	963	963	963
Number of water supply systems assessed for compliance with blue drop regulatory standards per year	Water Sector Regulation	Departmental mandate	913	- ⁵	763	1 036	1 010	1 010	1 010
Percentage of water use authorisation applications finalised within 300 working days of application	Water Sector Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	23% (375/1 652)	91% (262/288)	68% (275/404)	80%	80%	80%	80%

1. No historical data available.

2. Indicator discontinued.

3. Project could not be implemented due to funding limitations.

4. Programme ends.

5. No blue or green drop assessments were conducted in 2015/16.

Expenditure analysis

Chapter 4 of the National Development Plan (NDP) sets out a vision for South Africa that recognises access to water and sanitation, and the appropriate management and provision of services relating to water and sanitation, as key components of socioeconomic development. This is given expression by outcome 6 (an efficient, competitive and responsive economic infrastructure network), outcome 9 (responsive, accountable, effective and efficient local government system) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. The work of the Department of Water and Sanitation is directly aligned with these outcomes. Over the medium term, the department will continue to focus on making transfers to the Water Trading Entity for the maintenance of raw and bulk water services infrastructure; and for planning, managing, monitoring and protecting water resources

and infrastructure, and regulating the entire water value chain.

The department's total expenditure is expected to increase at an average annual rate of 3.7 per cent, from R15.6 billion in 2017/18 to R17.4 billion in 2020/21, with allocations to the *Water Infrastructure Development* programme accounting for 80.6 per cent (R39.7 billion) of this amount. Spending in this programme is mainly driven by transfers to water boards for the provision of regional bulk infrastructure, transfers to the Water Trading Entity, the regional bulk and water services infrastructure grants and the *Accelerated Community Infrastructure Programme* subprogramme. As a result of Cabinet approved reductions of R3.1 billion to these transfers and subprogrammes over the medium term, allocations to the *Water Infrastructure Development* programme increase at below inflation, at an average annual rate of 3 per cent, from R12.8 billion in 2017/18 to R14 billion in 2020/21.

To fill critical positions for engineers and programme managers in the *Water Infrastructure Development* programme, the department expects to increase its number of personnel from 3 529 in 2017/18 to 3 597 in 2020/21. As a result, spending on compensation of employees is expected to increase from R1.6 billion in 2017/18 to R2 billion in 2020/21, at an average annual rate of 8.2 per cent, accounting for an estimated 11 per cent (R5.6 billion) of the department's total budget over the MTEF period.

Sustainable water infrastructure development

Transfers to departmental agencies and accounts is the fastest growing expenditure item in the department's budget. This is mainly due to increases in transfers to the Water Trading Entity in the *Water Infrastructure Development* programme. These transfers are expected to increase at an average annual rate of 10.3 per cent, from R1.9 billion in 2017/18 to R2.5 billion in 2020/21, mainly for the acid mine drainage project, which purifies mine water and pumps it to augment the yield of the Vaal River system; and to subsidise capital for the operations and maintenance of infrastructure for water resources.

For the construction of 3 mega, 37 large and 33 small regional bulk water and sanitation projects, disbursements from the *regional bulk infrastructure grant* are expected to amount to R17.6 billion over the medium term.

Funding from the *water services infrastructure grant* is expected to be used to replace the remaining 11 844 bucket sanitation systems in Free State and Northern Cape with waterborne sanitation services in 2018/19, and construct 180 small interim water and sanitation systems across the country. Allocations to the grant are expected to increase at an average annual rate of 2.4 per cent, from R4.4 billion in 2017/18 to R4.7 billion in 2020/21.

Enhancing project planning and strengthening regulatory oversight

Over the next three years, the department plans to finalise the water and sanitation master plan, which will serve as a roadmap for the planning and implementation of water and sanitation projects. To strengthen integrated planning, the department has reallocated R391.4 million over the medium term from goods and services items across all programmes towards infrastructure planning and services in the *Water Planning and Information Management* programme. As a result, expenditure in the programme is expected to increase from R802.4 million in 2017/18 to R1 billion in 2020/21, at an average annual rate of 8.7 per cent.

Assessing 963 wastewater systems per year over the MTEF period, in line with the green drop regulatory standards, and 1 010 water supply systems per year, in line with the blue drop regulatory standards, is expected to drive an increase in spending in the *Compliance Monitoring and Enforcement* subprogramme. As a result, allocations to the *Water Sector Regulation* programme are set to increase at an average annual rate of 8.1 per cent, from R394.8 million in 2017/18 to R498.8 million in 2020/21.

To ensure more equitable allocation of water resources for social and economic development, the department aims to finalise 80 per cent of authorised water use licence applications within 300 days of receipt over the medium term. As a result of the anticipated increase in licence applications, spending in the *Water Use Authorisation and Administration* subprogramme in the *Water Sector Regulation* programme is expected to increase from R65.5 million in 2017/18 to R86.2 million in 2020/21, at an average annual rate of 9.6 per cent.

Expenditure trends

Table 36.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Water Planning and Information Management														
3. Water Infrastructure Development														
4. Water Sector Regulation														
Programme														
R million	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Audited outcome	2016/17	Adjusted appropriation	Audited outcome	2017/18	Adjusted appropriation	Revised estimate		
Programme 1	-	1 404.0	1 335.6	1 526.2	1 487.5	1 448.1	1 642.7	1 591.9	1 557.9	1 628.4	1 649.9	1 649.9	124.9%	97.7%
Programme 2	-	853.6	812.5	814.0	744.0	701.0	853.7	831.0	815.4	816.5	802.4	802.4	126.0%	96.9%
Programme 3	-	11 199.3	9 310.9	13 875.0	13 230.4	13 147.0	12 430.0	12 782.4	12 953.9	12 251.7	12 760.4	12 760.4	124.9%	96.4%
Programme 4	-	190.5	157.6	231.3	284.6	260.9	318.8	319.2	308.2	410.8	394.8	394.8	116.7%	94.3%
Total	-	13 647.4	11 616.7	16 446.5	15 746.5	15 557.0	15 245.3	15 524.6	15 635.4	15 107.4	15 607.4	15 607.4	124.8%	96.5%
Change to 2017 Budget estimate										500.0				
Economic classification														
Current payments	-	3 058.5	2 595.6	3 175.0	3 122.2	2 902.3	3 319.2	3 205.9	3 139.9	3 301.5	3 167.3	3 167.3	120.5%	94.0%
Compensation of employees	-	1 388.0	1 275.7	1 492.1	1 428.4	1 360.4	1 667.3	1 540.2	1 439.9	1 651.9	1 571.9	1 571.9	117.4%	95.3%
Goods and services	-	1 670.3	1 318.8	1 682.9	1 687.2	1 535.4	1 651.9	1 665.6	1 699.9	1 649.6	1 583.8	1 583.8	123.1%	92.9%
Interest and rent on land	-	0.1	1.1	-	6.5	6.5	-	0.1	0.1	-	11.6	11.6	-	105.2%
Transfers and subsidies	-	4 563.9	4 588.8	6 086.4	5 072.6	5 078.3	7 480.3	7 484.2	7 482.9	8 114.5	8 416.1	8 416.1	117.9%	100.1%
Provinces and municipalities	-	1 033.3	1 051.4	2 155.4	2 305.5	2 305.7	4 695.4	4 695.4	4 681.3	5 194.9	5 195.2	5 195.2	109.9%	100.0%
Departmental agencies and accounts	-	2 737.8	2 739.5	2 516.8	1 739.2	1 744.8	1 713.7	1 713.7	1 725.9	1 586.1	1 886.1	1 886.1	-	-
Higher education institutions	-	-	-	0.6	2.0	1.0	-	-	-	-	-	-	166.7%	50.0%
Foreign governments and international organisations	-	185.2	185.2	180.9	189.3	189.2	188.4	188.4	188.3	197.7	197.7	197.7	134.1%	100.0%
Public corporations and private enterprises	-	580.0	579.9	1 200.0	802.0	801.7	844.8	844.8	844.8	1 098.5	1 098.5	1 098.5	105.8%	100.0%
Non-profit institutions	-	1.9	1.8	1.9	2.0	0.7	2.8	2.8	3.3	1.2	1.2	1.2	119.0%	89.1%
Households	-	25.7	31.0	30.7	32.7	35.2	35.3	39.3	39.3	36.1	37.5	37.5	140.0%	105.8%
Payments for capital assets	-	6 025.0	4 432.2	7 185.1	7 551.8	7 571.4	4 445.8	4 834.5	5 012.6	3 691.5	4 024.1	4 024.1	137.3%	93.8%
Buildings and other fixed structures	-	5 937.3	4 368.4	7 084.7	7 419.0	7 456.0	4 334.6	4 697.3	4 926.7	3 561.2	3 884.2	3 884.2	137.7%	94.1%
Machinery and equipment	-	83.4	53.5	74.0	92.3	86.5	87.7	109.3	62.0	87.2	113.0	113.0	126.6%	79.1%
Land and sub-soil assets	-	0.9	-	-	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	3.4	10.3	26.5	40.4	29.0	23.4	27.9	24.0	43.1	26.9	26.9	97.0%	91.5%
Payments for financial assets	-	-	0.1	-	-	4.8	-	-	0.0	-	-	-	-	-
Total	-	13 647.4	11 616.7	16 446.5	15 746.5	15 557.0	15 245.3	15 524.6	15 635.4	15 107.4	15 607.4	15 607.4	124.8%	96.5%

Expenditure estimates

Table 36.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Water Planning and Information Management									
3. Water Infrastructure Development									
4. Water Sector Regulation									
Programme									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2018/19	2019/20	2020/21			
Programme 1	1 649.9	5.5%	10.3%	1 714.6	1 808.0	1 921.9	5.2%	10.9%	
Programme 2	802.4	-2.0%	5.4%	862.1	964.8	1 029.8	8.7%	5.6%	
Programme 3	12 760.4	4.4%	82.5%	12 496.2	13 232.5	13 958.5	3.0%	80.6%	
Programme 4	394.8	27.5%	1.9%	498.6	461.4	498.8	8.1%	2.8%	
Total	15 607.4	4.6%	100.0%	15 571.5	16 466.6	17 409.0	3.7%	100.0%	
Change to 2017 Budget estimate				(989.3)	(1 048.2)	(1 106.2)			

Table 36.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2019/20	2020/21		
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Current payments	3 167.3	1.2%	20.2%	3 293.8	3 464.5	3 687.7	5.2%	20.9%
Compensation of employees	1 571.9	4.2%	9.7%	1 720.2	1 851.3	1 990.2	8.2%	11.0%
Goods and services	1 583.8	-1.8%	10.5%	1 573.6	1 613.2	1 697.5	2.3%	9.9%
Interest and rent on land	11.6	336.0%	0.0%	–	–	–	-100.0%	0.0%
Transfers and subsidies	8 416.1	22.6%	43.8%	8 633.3	9 160.5	9 664.1	4.7%	55.1%
Provinces and municipalities	5 195.2	71.3%	22.7%	5 438.6	5 736.2	6 051.6	5.2%	34.5%
Departmental agencies and accounts	1 886.1	-11.7%	13.9%	2 269.8	2 396.2	2 528.0	10.3%	14.0%
Foreign governments and international organisations	197.7	2.2%	1.3%	209.2	220.9	233.1	5.6%	1.3%
Public corporations and private enterprises	1 098.5	23.7%	5.7%	694.7	782.9	825.8	-9.1%	5.2%
Non-profit institutions	1.2	-15.3%	0.0%	1.0	0.9	0.9	-7.5%	0.0%
Households	37.5	13.4%	0.2%	20.0	23.4	24.7	-13.0%	0.2%
Payments for capital assets	4 024.1	-12.6%	36.0%	3 644.4	3 841.5	4 057.2	0.3%	23.9%
Buildings and other fixed structures	3 884.2	-13.2%	35.3%	3 520.1	3 715.0	3 919.3	0.3%	23.1%
Machinery and equipment	113.0	10.6%	0.5%	96.8	100.6	107.6	-1.6%	0.6%
Software and other intangible assets	26.9	99.4%	0.2%	27.5	26.0	30.3	4.0%	0.2%
Total	15 607.4	4.6%	100.0%	15 571.5	16 466.6	17 409.0	3.7%	100.0%

Expenditure trends and estimates for significant spending items

Table 36.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Water resource and bulk infrastructure	6 438 842	7 230 058	7 718 063	7 648 986	5.9%	49.7%	7 153 222	8 057 298	8 503 470	3.6%	48.2%
Regional and local water and sanitation services	2 345 918	3 829 097	3 506 527	4 195 290	21.4%	23.8%	4 529 231	4 311 552	4 548 527	2.7%	27.0%
Total	8 784 760	11 059 155	11 224 590	11 844 276	27.3%	73.5%	11 682 453	12 368 850	13 051 997	6.3%	75.2%

Goods and services expenditure trends and estimates

Table 36.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Administrative fees	5 341	10 545	11 848	15 643	43.1%	0.7%	16 383	16 796	18 677	6.1%	1.0%
Advertising	38 383	33 825	55 133	32 770	-5.1%	2.6%	29 491	40 087	36 512	3.7%	2.1%
Minor assets	5 905	10 764	15 745	19 409	48.7%	0.8%	15 290	15 831	20 686	2.1%	1.1%
Audit costs: External	22 955	29 313	36 225	21 659	-1.9%	1.8%	33 745	35 295	32 986	15.1%	1.9%
Bursaries: Employees	3 382	3 710	4 119	6 073	21.5%	0.3%	4 604	4 863	7 975	9.5%	0.4%
Catering: Departmental activities	6 130	11 250	11 386	12 745	27.6%	0.7%	12 446	10 201	13 527	2.0%	0.8%
Communication	42 814	57 692	38 777	39 604	-2.6%	2.9%	43 207	47 301	53 470	10.5%	2.8%
Computer services	126 921	100 511	148 730	105 857	-5.9%	7.9%	131 365	126 737	136 749	8.9%	7.7%
Consultants: Business and advisory services	171 052	97 868	154 826	174 579	0.7%	9.7%	118 552	92 015	122 975	-11.0%	7.9%
Infrastructure and planning services	142 003	241 215	145 374	159 022	3.8%	11.2%	258 404	284 351	266 381	18.8%	15.0%
Laboratory services	3 729	4 438	6 558	8 992	34.1%	0.4%	12 229	13 175	12 434	11.4%	0.7%
Legal services	6 827	8 109	6 777	7 513	3.2%	0.5%	8 504	8 737	9 472	8.0%	0.5%
Science and technological services	–	1 777	910	455	–	0.1%	130	137	145	-31.7%	–
Contractors	112 230	160 910	259 960	70 331	-14.4%	9.8%	57 238	64 182	53 342	-8.8%	3.8%
Agency and support/outsourced services	45 340	40 033	7 191	43 848	-1.1%	2.2%	35 547	42 278	33 261	-8.8%	2.4%
Entertainment	177	673	426	424	33.8%	–	1 569	1 484	1 274	44.3%	0.1%
Fleet services (including government motor transport)	1 724	1 554	3 092	26 095	147.4%	0.5%	14 995	15 867	16 134	-14.8%	1.1%
Housing	–	44	–	–	–	–	–	–	–	–	–

Table 36.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Inventory: Clothing material and accessories	2 987	4 329	5 733	4 835	17.4%	0.3%	4 479	5 079	5 331	3.3%	0.3%
Inventory: Farming supplies	72	79	137	126	20.5%	-	256	315	333	38.3%	-
Inventory: Food and food supplies	117	399	471	100	-5.1%	-	247	229	242	34.3%	-
Inventory: Fuel, oil and gas	1 868	2 515	6 271	3 951	28.4%	0.2%	5 297	7 188	7 583	24.3%	0.4%
Inventory: Learner and teacher support material	9	2 468	1 298	11	6.9%	0.1%	59	581	64	79.9%	-
Inventory: Materials and supplies	6 791	14 598	6 607	4 176	-15.0%	0.5%	6 369	8 371	8 470	26.6%	0.4%
Inventory: Medical supplies	119	183	269	658	76.8%	-	502	464	499	-8.8%	-
Inventory: Medicine	-	108	30	25	-	-	300	319	336	137.8%	-
Medsas inventory interface	-	-	35	-	-	-	316	333	352	-	-
Inventory: Other supplies	16 790	6 377	13 599	15 059	-3.6%	0.8%	7 388	6 733	6 696	-23.7%	0.6%
Consumable supplies	6 167	13 436	19 309	29 753	69.0%	1.1%	16 411	19 876	20 824	-11.2%	1.3%
Consumables: Stationery, printing and office supplies	14 705	24 208	30 057	32 702	30.5%	1.7%	28 420	35 879	35 248	2.5%	2.0%
Operating leases	231 764	275 322	304 928	372 303	17.1%	19.3%	388 310	407 925	432 317	5.1%	24.7%
Rental and hiring	2 331	4 615	2 828	4 739	26.7%	0.2%	2 882	2 940	4 387	-2.5%	0.2%
Property payments	48 250	121 681	90 238	99 574	27.3%	5.9%	108 364	108 701	116 892	5.5%	6.7%
Transport provided: Departmental activity	620	3 561	2 557	1 567	36.2%	0.1%	7 440	4 015	4 221	39.1%	0.3%
Travel and subsistence	207 033	176 382	235 374	199 268	-1.3%	13.3%	133 068	114 669	134 015	-12.4%	9.0%
Training and development	17 405	36 237	33 757	32 410	23.0%	2.0%	31 620	36 854	43 841	10.6%	2.2%
Operating payments	17 184	17 553	23 041	21 137	7.1%	1.3%	20 134	19 713	26 016	7.2%	1.3%
Venues and facilities	9 684	17 157	16 313	16 394	19.2%	1.0%	18 073	13 648	13 845	-5.5%	1.0%
Total	1 318 809	1 535 439	1 699 929	1 583 806	6.3%	100.0%	1 573 634	1 613 169	1 697 512	2.3%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 36.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	10 996	8 869	11 168	20 728	23.5%	0.2%	4 368	4 540	4 798	-38.6%	0.1%
Employee social benefits	10 996	8 869	11 083	20 728	23.5%	0.2%	4 368	4 540	4 798	-38.6%	0.1%
Other transfer	-	-	85	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	168 627	174 116	181 408	176 173	1.5%	2.7%	185 862	196 270	207 065	5.5%	2.1%
Energy and Water Services Sector	2 204	3 037	2 202	2 674	6.7%	-	2 828	2 986	3 150	5.6%	-
Education and Training Authority	2 178	4	-	-	-100.0%	-	-	-	-	-	-
Water information management	-	6 704	12 206	-	-	0.1%	-	-	-	-	-
Water trading entity	164 245	164 371	165 000	173 000	1.7%	2.6%	183 034	193 284	203 915	5.6%	2.1%
Water Research Commission	-	-	2 000	499	-	-	-	-	-	-100.0%	-
Capital	2 570 909	1 570 722	1 544 461	1 709 881	-12.7%	28.9%	2 083 894	2 199 959	2 320 957	10.7%	23.2%
Water Trading Entity	2 570 909	1 570 722	1 544 461	1 709 881	-12.7%	28.9%	2 083 894	2 199 959	2 320 957	10.7%	23.2%
Households											
Other transfers to households											
Current	20 016	26 288	28 159	16 759	-5.7%	0.4%	15 630	18 832	19 868	5.8%	0.2%
Employee social benefits	5 174	-	12 624	-	-100.0%	0.1%	-	-	-	-	-
Bursaries for non-employees	13 486	15 726	15 535	16 759	7.5%	0.2%	15 630	18 832	19 868	5.8%	0.2%
Resource poor farmers	1 356	10 562	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions											
Current	1 803	681	3 337	1 160	-13.7%	-	1 026	872	919	-7.5%	-
Women in water awards	700	100	700	-	-100.0%	-	-	-	-	-	-
South African youth water prize	25	22	24	25	-	-	26	27	28	3.8%	-
Various Institutions: 2020 vision for water education programme	430	556	1 813	1 135	38.2%	-	-	-	-	-100.0%	-
Water Institute of Southern Africa	648	-	800	-	-100.0%	-	1 000	845	891	-	-
Non-profit Institution	-	3	-	-	-	-	-	-	-	-	-

Table 36.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Foreign governments and international organisations											
Current	185 176	189 231	188 250	197 743	2.2%	3.0%	209 212	220 927	233 078	5.6%	2.4%
Orange-Senqu River Basin Commission	608	546	611	638	1.6%	-	675	713	752	5.6%	-
African Ministers' Council on Water	-	97	102	106	-	-	112	118	124	5.4%	-
Limpopo Watercourse Commission	300	350	87	176	-16.3%	-	186	196	207	5.6%	-
Komati River Basin Water Authority	184 268	188 238	187 450	196 823	2.2%	3.0%	208 239	219 900	231 995	5.6%	2.4%
Provinces and municipalities											
Municipal bank accounts											
Current	563	660	546	707	7.9%	-	523	552	573	-6.8%	-
Vehicle licences	557	657	546	707	8.3%	-	523	552	573	-6.8%	-
Other transfers to households	6	3	-	-	-100.0%	-	-	-	-	-	-
Capital	1 050 790	2 305 029	4 680 773	5 194 464	70.3%	51.8%	5 438 056	5 735 679	6 050 977	5.2%	62.5%
Regional bulk infrastructure grant	-	-	1 849 791	1 865 000	-	14.5%	1 957 000	2 066 360	2 180 005	5.3%	22.5%
Water services infrastructure grant	1 050 790	2 305 029	2 830 982	3 329 464	46.9%	37.2%	3 481 056	3 669 319	3 870 972	5.2%	40.0%
Higher education institutions											
Current	-	1 000	-	-	-	-	-	-	-	-	-
Stellenbosch University	-	500	-	-	-	-	-	-	-	-	-
University of Western Cape	-	500	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Capital	579 919	801 748	844 773	1 098 503	23.7%	13.0%	694 715	782 891	825 829	-9.1%	9.5%
Amatola Water Board: Regional bulk infrastructure	150 000	169 060	-	88 554	-16.1%	1.6%	92 386	185 000	-	-100.0%	1.0%
Magalies Water Board: Regional bulk infrastructure	70 000	150 000	142 769	58 385	-5.9%	1.6%	36 000	65 373	100 000	19.6%	0.7%
Umgeni Water Board: Regional bulk infrastructure	216 719	279 140	423 004	518 405	33.7%	5.6%	132 329	320 000	590 829	4.5%	4.4%
Sedibeng Water Board: Regional bulk infrastructure	143 200	203 548	279 000	433 159	44.6%	4.1%	434 000	212 518	135 000	-32.2%	3.4%
Total	4 588 799	5 078 344	7 482 875	8 416 118	22.4%	100.0%	8 633 286	9 160 522	9 664 064	4.7%	100.0%

Personnel information

Table 36.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																				
1. Administration																				
2. Water Planning and Information Management																				
3. Water Infrastructure Development																				
4. Water Sector Regulation																				
	Number of posts estimated for 31 March 2018			Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
				2016/17			2017/18			2018/19		2019/20		2020/21		2017/18 - 2020/21				
				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Water and Sanitation	3 707	281		3 517	1 439.9	0.4	3 529	1 571.9	0.4	3 604	1 720.2	0.5	3 597	1 851.3	0.5	3 597	1 990.2	0.6	0.6%	100.0%
Salary level																				
1 - 6	1 472	139		1 485	262.1	0.2	1 488	286.0	0.2	1 514	313.6	0.2	1 509	337.8	0.2	1 514	362.7	0.2	0.6%	42.1%
7 - 10	1 447	100		1 330	493.7	0.4	1 334	541.1	0.4	1 367	598.0	0.4	1 367	645.2	0.5	1 360	691.5	0.5	0.6%	37.9%
11 - 12	582	41		542	479.2	0.9	544	522.4	1.0	559	571.8	1.0	557	614.8	1.1	559	664.7	1.2	0.9%	15.5%
13 - 16	206	1		160	205.0	1.3	163	222.2	1.4	164	236.9	1.4	164	253.7	1.5	164	271.3	1.7	0.2%	4.6%
Programme	3 707	281		3 517	1 439.9	0.4	3 529	1 571.9	0.4	3 604	1 720.2	0.5	3 597	1 851.3	0.5	3 597	1 990.2	0.6	0.6%	100.0%
Programme 1	1 833	100		1 720	670.2	0.4	1 710	722.8	0.4	1 692	769.1	0.5	1 690	827.8	0.5	1 685	890.0	0.5	-0.5%	47.3%
Programme 2	964	48		909	390.3	0.4	881	412.4	0.5	913	457.9	0.5	913	492.8	0.5	920	529.7	0.6	1.5%	25.3%
Programme 3	476	12		465	213.5	0.5	436	214.5	0.5	472	253.1	0.5	470	272.4	0.6	468	292.8	0.6	2.4%	12.9%
Programme 4	434	121		423	165.9	0.4	502	222.1	0.4	527	240.1	0.5	524	258.4	0.5	524	277.8	0.5	1.4%	14.5%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 36.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	15 333	11 008	20 964	7 386	7 386	-21.6%	100.0%	7 632	8 031	8 196	3.5%	100.0%
Sales of goods and services produced by department	2 356	2 546	3 164	2 009	2 009	-5.2%	18.4%	2 422	2 471	2 486	7.4%	30.0%
Sales by market establishments	935	920	877	733	733	-7.8%	6.3%	733	747	750	0.8%	9.5%
of which:												
Market establishment: Rental dwelling	722	656	567	539	539	-9.3%	4.5%	540	550	550	0.7%	7.0%
Market establishment: Non-residential building	23	78	123	8	8	-29.7%	0.4%	6	7	10	7.7%	0.1%
Market establishment: Rental parking	190	186	187	186	186	-0.7%	1.4%	187	190	190	0.7%	2.4%
Administrative fees	67	102	65	61	61	-3.1%	0.5%	65	65	65	2.1%	0.8%
of which:												
Services rendered: Transport fees	52	50	50	50	50	-1.3%	0.4%	50	50	50	-	0.6%
Sales: Tender documents	11	36	-	-	-	-100.0%	0.1%	-	-	-	-	-
Sales: Maps	-	12	10	7	7	-	0.1%	11	11	10	12.6%	0.1%
Replacement of security cards	4	4	4	4	4	-	-	4	4	5	7.7%	0.1%
Sales: Water potable	-	-	1	-	-	-	-	-	-	-	-	-
Other sales	1 354	1 524	2 222	1 215	1 215	-3.5%	11.5%	1 624	1 659	1 671	11.2%	19.7%
of which:												
Rental capital assets	22	67	70	78	78	52.5%	0.4%	75	77	78	-	1.0%
Sales: Departmental publications and production	3	3	7	2	2	-12.6%	-	4	4	4	26.0%	-
Services rendered: Commission on insurance and garnishee	772	803	748	756	756	-0.7%	5.6%	760	762	764	0.4%	9.7%
Sales: Meals and refreshments	557	510	989	340	340	-15.2%	4.4%	510	502	505	14.1%	5.9%
Services rendered: Boarding service	-	141	408	39	39	-	1.1%	275	314	320	101.7%	3.0%
Sales of scrap, waste, arms and other used current goods	4	30	-	12	12	44.2%	0.1%	10	10	10	-5.9%	0.1%
of which:												
Sales: Scrap	4	28	-	12	12	44.2%	0.1%	10	10	10	-5.9%	0.1%
Sales: Waste paper	-	2	-	-	-	-	-	-	-	-	-	-
Transfers received	63	-	-	-	-	-100.0%	0.1%	-	-	-	-	-
Interest, dividends and rent on land	2 544	2 428	1 384	2 575	2 575	0.4%	16.3%	2 600	2 800	2 900	4.0%	34.8%
Interest	2 544	2 428	1 384	2 575	2 575	0.4%	16.3%	2 600	2 800	2 900	4.0%	34.8%
Sales of capital assets	-	31	-	96	96	-	0.2%	-	-	-	-100.0%	0.3%
Transactions in financial assets and liabilities	10 366	5 973	16 416	2 694	2 694	-36.2%	64.8%	2 600	2 750	2 800	1.3%	34.7%
Total	15 333	11 008	20 964	7 386	7 386	-21.6%	100.0%	7 632	8 031	8 196	3.5%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department. Develop and promote international relations on water resources with neighbouring countries.

Objectives

- Improve regional water resource management by monitoring progress quarterly against the annual international relations implementation plan, as approved by the Department of International Relations and Cooperation.
- Facilitate targeted and sustained African and global cooperation in support of the national water and sanitation agenda by evaluating the implementation of the approved Africa and global international relations plan annually.

Subprogrammes

- *Ministry* provides administrative and logistical support to the minister, the deputy minister and their support staff, and makes provision for their salaries.
- *Departmental Management* provides policy and strategic direction for water and sanitation management. This includes enterprise-wide support services comprising administrative support to the director general,

corporate planning, and monitoring and evaluation; and the provision of salaries and operational budgets for the department's regional office heads.

- *Internal Audit* provides independent, objective assurance and advisory services to improve the department's operations.
- *Corporate Services* provides enterprise-wide support comprising human resources, legal services, communications, the learning and development academy, and transformation policy and coordination.
- *Financial Management* ensures the efficient management of daily financial operations, processes and systems.
- *Office Accommodation* makes payments for rental charges on all leased office space occupied by the department, and for municipal services such as electricity, water, and sewage and waste removal.
- *Programme Management Unit* provides for improved coordination and governance in the management of departmental projects.
- *International Water Support* strategically coordinates, promotes and manages international relations on water and sanitation between countries through bilateral and multilateral cooperation instruments and organisations, in line with legislative provisions. This subprogramme also pursues national interests in African and global multilateral organisations and forums.

Expenditure trends and estimates

Table 36.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Ministry	43.3	45.9	52.3	42.1	-0.9%	3.1%	48.5	51.9	55.5	9.6%	2.8%
Departmental Management	135.4	91.6	105.5	88.3	-13.3%	7.0%	90.0	93.6	100.0	4.2%	5.2%
Internal Audit	21.1	29.8	36.3	40.3	24.1%	2.1%	39.3	40.4	43.7	2.7%	2.3%
Corporate Services	598.7	626.8	718.6	741.4	7.4%	44.8%	745.2	789.7	843.9	4.4%	44.0%
Financial Management	208.5	196.3	232.0	219.9	1.8%	14.3%	253.4	271.9	286.2	9.2%	14.5%
Office Accommodation	253.7	374.1	346.9	411.2	17.5%	23.1%	439.2	461.9	487.3	5.8%	25.4%
Programme Management Unit	42.2	46.5	28.1	61.3	13.2%	3.0%	48.0	48.0	51.3	-5.8%	2.9%
International Water Support	32.7	37.2	38.2	45.1	11.3%	2.6%	51.0	50.5	53.9	6.1%	2.8%
Total	1 335.6	1 448.1	1 557.9	1 649.9	7.3%	100.0%	1 714.6	1 808.0	1 921.9	5.2%	100.0%
Change to 2017 Budget estimate				21.4			(38.9)	(38.7)	53.9		
Economic classification											
Current payments	1 280.7	1 367.1	1 483.9	1 561.5	6.8%	95.0%	1 630.4	1 724.7	1 830.4	5.4%	95.1%
Compensation of employees	616.1	617.7	670.2	722.8	5.5%	43.8%	769.1	827.8	890.0	7.2%	45.2%
Goods and services ¹	663.6	742.9	813.7	838.6	8.1%	51.1%	861.3	896.9	940.5	3.9%	49.9%
of which:											
Audit costs: External	22.1	29.3	36.2	21.7	-0.7%	1.8%	33.7	35.3	33.0	15.1%	1.7%
Computer services	79.6	38.2	58.4	62.2	-7.9%	4.0%	93.8	97.2	102.3	18.1%	5.0%
Contractors	33.9	41.0	51.8	29.8	-4.3%	2.6%	35.1	34.2	32.8	3.4%	1.9%
Operating leases	230.7	272.3	302.1	369.8	17.0%	19.6%	385.7	404.8	428.4	5.0%	22.4%
Property payments	46.0	119.6	78.6	83.1	21.8%	5.5%	89.7	92.1	99.4	6.1%	5.1%
Travel and subsistence	88.6	72.6	72.3	79.6	-3.5%	5.2%	53.4	45.9	51.0	-13.8%	3.2%
Interest and rent on land	1.0	6.5	-	-	-100.0%	0.1%	-	-	-	-	-
Transfers and subsidies¹	21.3	21.8	21.9	22.0	1.2%	1.5%	20.9	24.4	25.7	5.3%	1.3%
Provinces and municipalities	0.0	0.0	0.0	0.0	31.5%	-	0.1	0.1	0.1	50.4%	-
Departmental agencies and accounts	4.4	3.0	2.2	2.7	-15.2%	0.2%	2.8	3.0	3.2	5.6%	0.2%
Higher education institutions	-	1.0	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	0.9	1.0	0.8	0.9	0.4%	0.1%	1.0	1.0	1.1	5.6%	0.1%
Non-profit institutions	0.7	0.1	0.7	-	-100.0%	-	-	-	-	-	-
Households	15.3	16.7	18.2	18.4	6.4%	1.1%	17.1	20.3	21.4	5.1%	1.1%
Payments for capital assets	33.6	59.2	52.1	66.4	25.5%	3.5%	63.3	58.9	65.8	-0.3%	3.6%
Machinery and equipment	23.7	30.1	29.1	40.4	19.4%	2.1%	36.8	34.0	36.6	-3.2%	2.1%
Software and other intangible assets	9.8	29.0	23.0	26.0	38.2%	1.5%	26.5	24.9	29.2	3.9%	1.5%
Payments for financial assets	0.1	-	0.0	-	-100.0%	-	-	-	-	-	-
Total	1 335.6	1 448.1	1 557.9	1 649.9	7.3%	100.0%	1 714.6	1 808.0	1 921.9	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	11.5%	9.3%	10.0%	10.6%	-	-	11.0%	11.0%	11.0%	-	-

Table 36.9 Administration expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4.4	3.0	2.2	2.7	-15.0%	0.2%	2.8	3.0	3.2	5.6%	0.2%
Energy and Water Services Sector	2.2	3.0	2.2	2.7	6.7%	0.2%	2.8	3.0	3.2	5.6%	0.2%
Education and Training Authority											
Communication	2.2	0.0	–	–	-100.0%	–	–	–	–	–	–
Households											
Other transfers to households											
Current	13.5	15.7	15.5	16.8	7.5%	1.0%	15.6	18.8	19.9	5.8%	1.0%
Bursaries for non-employees	13.5	15.7	15.5	16.8	7.5%	1.0%	15.6	18.8	19.9	5.8%	1.0%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Water Planning and Information Management

Programme purpose

Ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and the environment, by developing a knowledge base and implementing effective policies, procedures and integrated planning strategies for both water resources and water services.

Objectives

- Protect the integrity of freshwater ecosystems by determining the water resource classes and quality objectives for 9 river systems by March 2021.
- Enhance the efficiency of water use and the management of water quality by assessing 8 large water systems for water losses annually.
- Ensure a coordinated approach to water and sanitation infrastructure planning, monitoring and evaluation by developing and implementing the water and sanitation master plan by March 2019.
- Protect water resources and improve water quality by developing and implementing the integrated water quality management strategy by March 2019.

Subprogrammes

- *Water Planning, Information Management and Support* provides strategic leadership and overall management to the programme.
- *Integrated Planning* develops comprehensive plans that guide infrastructure development, systems and services management in the water sector.
- *Water Ecosystems* develops and implements measures to protect water resources. This entails determining measures to manage water resources by classifying water resource systems, determining reserves, conducting resource quality assessments, and developing guidelines and protocols for pollution control and rehabilitation.
- *Water Information Management* ensures the development and maintenance of systems and programmes for the acquisition and management of data and information, and builds the knowledge base on all aspects of water for informed decisions on water management.
- *Water Services and Local Water Management* entails the formulation and development of strategies, guidelines and plans for water services and management at local level.
- *Sanitation Planning and Management* provides a national strategy for the planning of sanitation services and supports municipalities to plan for the provision of sustainable sanitation services.

- *Policy and Strategy* develops, monitors and reviews the implementation of the water and sanitation sector policies and strategies.

Expenditure trends and estimates

Table 36.10 Water Planning and Information Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Water Planning, Information Management and Support	5.6	3.9	5.0	6.2	3.6%	0.7%	6.5	7.3	7.9	8.0%	0.8%
Integrated Planning	217.7	159.0	93.0	103.9	-21.8%	18.3%	95.7	128.6	122.4	5.6%	12.3%
Water Ecosystems	48.0	50.2	50.4	54.4	4.3%	6.5%	58.1	66.6	67.0	7.2%	6.7%
Water Information Management	527.1	456.0	517.7	496.9	-1.9%	63.8%	491.0	531.1	584.6	5.6%	57.5%
Water Services and Local Water Management	–	–	112.6	108.1	–	7.0%	173.5	188.6	202.6	23.3%	18.4%
Sanitation Planning and Management	1.8	–	11.6	12.1	87.7%	0.8%	15.9	19.0	20.2	18.5%	1.8%
Policy and Strategy	12.3	31.9	25.1	20.7	19.0%	2.9%	21.5	23.7	25.3	6.8%	2.5%
Total	812.5	701.0	815.4	802.4	-0.4%	100.0%	862.1	964.8	1 029.8	8.7%	100.0%
Change to 2017 Budget estimate				(14.0)			44.9	39.4	18.2		
Economic classification											
Current payments	754.9	632.4	758.1	721.7	-1.5%	91.6%	785.3	881.4	941.9	9.3%	91.0%
Compensation of employees	373.8	350.7	390.3	412.4	3.3%	48.8%	457.9	492.8	529.7	8.7%	51.7%
Goods and services ¹	381.1	281.6	367.7	309.3	-6.7%	42.8%	327.4	388.6	412.2	10.0%	39.3%
<i>of which:</i>											
Communication	8.7	8.0	6.6	7.9	-3.4%	1.0%	7.3	10.4	11.0	11.8%	1.0%
Computer services	46.3	48.9	78.4	41.6	-3.5%	6.9%	20.4	20.3	29.4	-10.9%	3.1%
Consultants: Business and advisory services	31.9	17.6	20.4	32.1	0.1%	3.3%	18.7	22.6	32.1	0.1%	2.9%
Infrastructure and planning services	124.2	84.9	100.1	108.6	-4.4%	13.3%	178.3	221.4	214.8	25.5%	19.8%
Contractors	29.1	19.1	13.8	8.3	-34.2%	2.2%	7.4	8.4	7.3	-4.1%	0.9%
Travel and subsistence	70.7	43.4	72.1	36.0	-20.2%	7.1%	28.2	27.7	32.6	-3.2%	3.4%
Transfers and subsidies ¹	11.5	8.7	13.9	2.7	-38.4%	1.2%	1.3	1.4	1.5	-18.1%	0.2%
Provinces and municipalities	0.6	0.7	0.5	0.7	7.3%	0.1%	0.4	0.5	0.5	-10.6%	0.1%
Departmental agencies and accounts	–	6.7	12.2	–	–	0.6%	–	–	–	–	–
Households	11.0	1.3	1.2	2.0	-43.4%	0.5%	0.8	0.9	1.0	-21.5%	0.1%
Payments for capital assets	46.1	55.0	43.4	78.1	19.2%	7.1%	75.5	82.0	86.5	3.5%	8.8%
Buildings and other fixed structures	28.5	26.0	26.0	31.7	3.7%	3.6%	31.0	35.5	37.4	5.6%	3.7%
Machinery and equipment	17.2	29.0	16.4	45.4	38.2%	3.4%	43.6	45.4	47.9	1.9%	5.0%
Software and other intangible assets	0.4	0.0	0.9	1.0	29.2%	0.1%	1.0	1.1	1.1	5.4%	0.1%
Payments for financial assets	–	4.8	–	–	–	0.2%	–	–	–	–	–
Total	812.5	701.0	815.4	802.4	-0.4%	100.0%	862.1	964.8	1 029.8	8.7%	100.0%
Proportion of total programme expenditure to vote expenditure	7.0%	4.5%	5.2%	5.1%	–	–	5.5%	5.9%	5.9%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	6.7	12.2	–	–	0.6%	–	–	–	–	–
Water Information Management	–	6.7	12.2	–	–	0.6%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Water Infrastructure Development

Programme purpose

Develop, rehabilitate and refurbish raw water resources and water services infrastructure to meet the socioeconomic and environmental needs of South Africa.

Objectives

- Ensure the effective and sustainable management of water resources by transferring and monitoring funds transferred to the Water Trading Entity for the design, construction, commissioning and rehabilitation of bulk raw water infrastructure, including dam safety rehabilitation, on an ongoing basis.
- Ensure adequate water availability through the development and management of infrastructure for water

resources; and enhance the provision of sustainable and reliable water supply and sanitation through the *regional bulk infrastructure grant*, the *water services infrastructure grant* and the *Accelerated Community Infrastructure Programme* subprogramme on a continual basis.

Subprogrammes

- *Strategic Infrastructure Development and Management* provides for the design, construction, commissioning and management of new and existing water resource infrastructure.
- *Operation of Water Resources* funds expenditure on activities for water resources management conducted by the department or catchment management agencies within water management areas.
- *Regional Bulk Infrastructure Grant* provides for the development of new infrastructure, and the refurbishment, upgrading and replacing of ageing infrastructure servicing extensive areas across municipal boundaries.
- *Water Services Infrastructure Grant* provides for the construction of new infrastructure and the rehabilitation of existing water and sanitation infrastructure through the grant transfer of water services schemes to water service institutions. The allocation prioritises the 27 poorest district municipalities.
- *Accelerated Community Infrastructure Programme* provides for rapid emergency interventions related to the refurbishment of infrastructure for wastewater treatment, water conservation and water demand management, and municipal water supply; and supports farmers without proper access to resources.

Expenditure trends and estimates

Table 36.11 Water Infrastructure Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Strategic Infrastructure Development and Management	2 755.2	1 759.0	1 731.9	1 906.7	-11.5%	16.9%	2 292.1	2 419.9	2 553.0	10.2%	17.5%
Operation of Water Resources	164.2	164.4	165.0	173.0	1.7%	1.4%	183.0	193.3	203.9	5.6%	1.4%
Regional Bulk Infrastructure Grant	3 941.2	5 408.0	6 258.2	6 018.8	15.2%	44.9%	5 617.4	5 975.4	6 303.2	1.6%	45.6%
Water Services Infrastructure Grant	2 085.3	5 401.6	4 117.7	4 418.3	28.4%	33.3%	4 273.3	4 504.2	4 748.7	2.4%	34.2%
Accelerated Community Infrastructure Programme	365.0	414.1	681.1	243.5	-12.6%	3.5%	130.3	139.8	149.8	-15.0%	1.3%
Total	9 310.9	13 147.0	12 953.9	12 760.4	11.1%	100.0%	12 496.2	13 232.5	13 958.5	3.0%	100.0%
Change to 2017 Budget estimate				508.6			(975.4)	(1 027.9)	(1 153.5)		
Economic classification											
Current payments	404.4	647.2	602.8	503.9	7.6%	4.5%	392.4	412.8	434.3	-4.8%	3.3%
Compensation of employees	188.2	216.2	213.5	214.5	4.4%	1.7%	253.1	272.4	292.8	10.9%	2.0%
Goods and services ¹	216.2	431.0	389.2	277.9	8.7%	2.7%	139.3	140.4	141.6	-20.1%	1.3%
of which:											
Consultants: Business and advisory services	95.1	49.6	62.3	54.8	-16.8%	0.5%	21.8	16.4	19.6	-29.0%	0.2%
Infrastructure and planning services	9.0	154.2	43.3	47.9	74.9%	0.5%	13.2	11.6	9.8	-41.2%	0.2%
Contractors	49.0	99.4	188.7	30.5	-14.6%	0.8%	13.0	20.0	11.5	-27.8%	0.1%
Consumables: Stationery, printing and office supplies	2.3	5.8	4.2	6.1	37.3%	-	6.6	7.1	7.9	9.1%	0.1%
Property payments	0.1	0.0	6.4	12.8	426.2%	-	12.8	13.5	14.3	3.6%	0.1%
Travel and subsistence	33.1	40.6	47.1	43.5	9.5%	0.3%	19.6	19.1	23.2	-18.8%	0.2%
Interest and rent on land	-	-	0.1	11.6	-	-	-	-	-	-100.0%	-
Transfers and subsidies¹	4 555.2	5 046.9	7 441.9	8 390.3	22.6%	52.8%	8 609.4	9 133.3	9 635.3	4.7%	68.2%
Provinces and municipalities	1 050.8	2 305.0	4 680.8	5 194.5	70.3%	27.5%	5 438.1	5 735.7	6 051.0	5.2%	42.7%
Departmental agencies and accounts	2 735.2	1 735.1	1 709.5	1 882.9	-11.7%	16.7%	2 266.9	2 393.2	2 524.9	10.3%	17.3%
Foreign governments and international organisations	184.3	188.2	187.5	196.8	2.2%	1.6%	208.2	219.9	232.0	5.6%	1.6%
Public corporations and private enterprises	579.9	801.7	844.8	1 098.5	23.7%	6.9%	694.7	782.9	825.8	-9.1%	6.5%
Non-profit institutions	0.4	0.6	1.8	1.1	38.2%	-	-	-	-	-100.0%	-
Households	4.7	16.2	17.6	16.4	52.0%	0.1%	1.5	1.6	1.7	-53.5%	-

Table 36.11 Water Infrastructure Development expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
Households											
Payments for capital assets	4 351.2	7 453.0	4 909.3	3 866.2	-3.9%	42.7%	3 494.4	3 686.4	3 888.8	0.2%	28.5%
Buildings and other fixed structures	4 339.8	7 430.0	4 900.6	3 852.4	-3.9%	42.6%	3 489.1	3 679.5	3 881.9	0.3%	28.4%
Machinery and equipment	11.4	23.0	8.7	13.8	6.5%	0.1%	5.3	6.9	6.9	-20.6%	0.1%
Payments for financial assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Total	9 310.9	13 147.0	12 953.9	12 760.4	11.1%	100.0%	12 496.2	13 232.5	13 958.5	3.0%	100.0%
Proportion of total programme expenditure to vote expenditure	80.2%	84.5%	82.8%	81.8%	-	-	80.3%	80.4%	80.2%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	1.4	10.6	12.6	-	-100.0%	0.1%	-	-	-	-	-
Employee social benefits	-	-	12.6	-	-	-	-	-	-	-	-
Resource poor farmers	1.4	10.6	-	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	164.2	164.4	165.0	173.0	1.7%	1.4%	183.0	193.3	203.9	5.6%	1.4%
Water Trading Entity	164.2	164.4	165.0	173.0	1.7%	1.4%	183.0	193.3	203.9	5.6%	1.4%
Capital	2 570.9	1 570.7	1 544.5	1 709.9	-12.7%	15.4%	2 083.9	2 200.0	2 321.0	10.7%	15.9%
Water Trading Entity	2 570.9	1 570.7	1 544.5	1 709.9	-12.7%	15.4%	2 083.9	2 200.0	2 321.0	10.7%	15.9%
Foreign governments and international organisations											
Current	184.3	188.2	187.5	196.8	2.2%	1.6%	208.2	219.9	232.0	5.6%	1.6%
Komati River Basin Water Authority	184.3	188.2	187.5	196.8	2.2%	1.6%	208.2	219.9	232.0	5.6%	1.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	579.9	801.7	844.8	1 098.5	23.7%	6.9%	694.7	782.9	825.8	-9.1%	6.5%
Amatola Water Board: Regional bulk infrastructure	150.0	169.1	-	88.6	-16.1%	0.8%	92.4	185.0	-	-100.0%	0.7%
Magalies Water Board: Regional bulk infrastructure	70.0	150.0	142.8	58.4	-5.9%	0.9%	36.0	65.4	100.0	19.6%	0.5%
Umgeni Water Board: Regional bulk infrastructure	216.7	279.1	423.0	518.4	33.7%	3.0%	132.3	320.0	590.8	4.5%	3.0%
Sedibeng Water Board: Regional bulk infrastructure	143.2	203.5	279.0	433.2	44.6%	2.2%	434.0	212.5	135.0	-32.2%	2.3%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	1 050.8	2 305.0	4 680.8	5 194.5	70.3%	27.5%	5 438.1	5 735.7	6 051.0	5.2%	42.7%
Regional bulk infrastructure grant	-	-	1 849.8	1 865.0	-	7.7%	1 957.0	2 066.4	2 180.0	5.3%	15.4%
Water services infrastructure grant	1 050.8	2 305.0	2 831.0	3 329.5	46.9%	19.8%	3 481.1	3 669.3	3 871.0	5.2%	27.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Water Sector Regulation

Programme purpose

Ensure the development, implementation, monitoring and review of regulations across the water supply value chain.

Objectives

- Create an enabling environment for the economic and social regulation of water by revising the water pricing strategy in 2018/19 and drafting legislation for the establishment of the independent water economic regulator by March 2020.
- Strengthen the governance and oversight of water resource management functions by establishing an operationally and financially viable catchment agency by March 2019.
- Ensure the equitable allocation of water resources for social and economic development by processing

80 per cent of water use authorisation applications within 300 working days from the date of receipt by March 2019.

- Strengthen oversight on an ongoing basis by implementing monitoring programmes for drinking water quality, wastewater quality and mine water quality; and implementing mitigation measures in catchments with potential for acid mine drainage.
- Ensure the protection of water resources by coordinating and monitoring compliance with standards, licence conditions and regulations across all sectors on an ongoing basis.
- Ensure the effective enforcement of compliance with water legislation on an ongoing basis by monitoring water use, conducting investigations and providing legal support in cases of unlawful water use.

Subprogrammes

- *Water Sector Regulation Management and Support* provides strategic leadership and overall management to the programme.
- *Economic and Social Regulation* ensures that pricing is efficient, equitable and cost reflective to protect the interests of consumers and the sector through the provision of sustainable water resources and water services.
- *Water Use Authorisation and Administration* enables equitable access to water using various regulatory instruments.
- *Water Supply Services and Sanitation Regulation* regulates the provision of drinking water and the management of wastewater.
- *Compliance Monitoring and Enforcement* coordinates and monitors compliance to value chain standards, licence conditions and regulations for the water sector, and enforces compliance with licence conditions. This includes the management of mine water in South Africa, with specific emphasis on acid mine management.
- *Institutional Oversight* provides institutional governance and oversight of all water institutions, and facilitates their establishment and development.

Expenditure trends and estimates

Table 36.12 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Water Sector Regulation Management and Support	3.4	34.1	37.3	39.4	125.7%	10.2%	38.0	38.1	40.7	1.1%	8.4%
Economic and Social Regulation	4.5	12.3	28.4	22.9	72.3%	6.1%	39.8	28.5	30.8	10.5%	6.6%
Water Use Authorisation and Administration	62.6	44.4	58.5	65.5	1.5%	20.6%	83.4	77.6	86.2	9.6%	16.9%
Water Supply Services and Sanitation Regulation	16.0	15.7	20.3	25.0	15.9%	6.9%	33.7	30.4	35.7	12.6%	6.7%
Compliance Monitoring and Enforcement	35.8	83.5	86.9	123.0	50.9%	29.3%	126.4	135.3	152.1	7.3%	29.0%
Institutional Oversight	35.3	70.9	76.9	119.0	50.0%	26.9%	177.4	151.3	153.3	8.8%	32.4%
Total	157.6	260.9	308.2	394.8	35.8%	100.0%	498.6	461.4	498.8	8.1%	100.0%
Change to 2017 Budget estimate				(16.0)			(19.9)	(21.1)	(24.8)		
Economic classification											
Current payments	155.6	255.7	295.2	380.2	34.7%	96.9%	485.8	445.7	481.0	8.2%	96.7%
Compensation of employees	97.6	175.8	165.9	222.1	31.5%	59.0%	240.1	258.4	277.8	7.7%	53.9%
Goods and services ¹	57.9	79.9	129.3	158.0	39.7%	37.9%	245.7	187.2	203.3	8.8%	42.8%
<i>of which:</i>											
Computer services	0.9	0.5	0.2	1.4	18.4%	0.3%	11.4	8.6	8.8	83.0%	1.6%
Consultants: Business and advisory services	23.1	20.1	37.3	59.3	36.9%	12.5%	73.1	46.2	61.5	1.2%	13.0%
Infrastructure and planning services	8.0	1.4	0.1	2.5	-32.4%	1.1%	66.9	51.3	41.8	156.2%	8.8%
Laboratory services	0.0	0.6	1.6	3.3	936.2%	0.5%	5.9	6.0	6.3	23.8%	1.2%
Agency and support/outsourced services	0.2	2.1	8.0	5.6	203.1%	1.4%	8.5	5.6	6.0	2.1%	1.4%
Travel and subsistence	14.6	19.8	43.9	40.3	40.1%	10.6%	31.9	22.0	27.1	-12.3%	6.5%

Table 36.12 Water Sector Regulation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Transfers and subsidies¹	0.8	1.0	5.2	1.2	15.3%	0.7%	1.6	1.5	1.6	10.3%	0.3%
Departmental agencies and accounts	–	–	2.0	0.5	–	0.2%	–	–	–	-100.0%	–
Non-profit institutions	0.6	0.0	0.8	–	-100.0%	0.1%	1.0	0.8	0.9	–	0.1%
Households	0.1	0.9	2.4	0.7	81.6%	0.4%	0.6	0.6	0.7	0.2%	0.1%
Payments for capital assets	1.3	4.3	7.8	13.4	118.2%	2.4%	11.2	14.2	16.2	6.4%	3.0%
Buildings and other fixed structures	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	1.2	4.3	7.8	13.4	123.6%	2.4%	11.2	14.2	16.2	6.4%	3.0%
Total	157.6	260.9	308.2	394.8	35.8%	100.0%	498.6	461.4	498.8	8.1%	100.0%
Proportion of total programme expenditure to vote expenditure	1.4%	1.7%	2.0%	2.5%	–	–	3.2%	2.8%	2.9%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	–	2.0	0.5	–	0.2%	–	–	–	-100.0%	–
Water Research Commission	–	–	2.0	0.5	–	0.2%	–	–	–	-100.0%	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

Consolidated water boards

Mandate

The water boards derive their mandate from the Water Services Act (1997) and are categorised as national government business enterprises in terms of schedule 3B of the Public Finance Management Act (1999). There are nine water boards that provide bulk potable water services to the municipalities in which they operate, and to other water service institutions and major customers within designated service areas. Water boards vary considerably in size, activities, customer mix, revenue base and capacity. In 2014/15, three water boards (Botshelo, Pelladrift and Bushbuckridge) were disestablished as part of an institutional realignment and reform process. Botshelo and Pelladrift were incorporated into Sedibeng Water, and Bushbuckridge into Rand Water.

Most of the older and more established water boards are located in areas where there are significant urban development nodes (such as Rand Water, Umgeni Water and Magalies Water), while other boards operate in more demographically diverse areas, with a combination of urban and rural customers. In addition to providing bulk treated water to municipalities, in some cases, the boards also provide retail water and sanitation services on behalf of municipalities.

Selected performance indicators

Table 36.13 Consolidated water boards volume of bulk treated water sales

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Volume of bulk water sales by Amatola water board per year ¹	Water board activities	Outcome 6. An efficient, competitive and responsive economic infrastructure network	33 189	33 630	33 208	33 674	41 347	44 174	48 174
Volume of bulk water sales by Bloem water board per year ¹	Water board activities		91 737	79 993	74 922	91 409	92 323	93 246	94 179
Volume of bulk water sales by Lepelle water board per year ¹	Water board activities		97 637	97 809	89 388	93 920	115 731	116 023	116 023
Volume of bulk water sales by Magalies water board per year ¹	Water board activities		82 038	81 959	83 221	88 728	90 678	92 944	95 268
Volume of bulk water sales by Mhlatuze water board per year	Water board activities		40 208	55 305	42 067	56 210	56 210	56 210	56 210

¹ This section has been compiled with the latest available information from the entities concerned.

Table 36.13 Consolidated water boards volume of bulk treated water sales

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Volume of bulk water sales by Overberg water board per year ¹	Water board activities	Outcome 6. An efficient, competitive and responsive economic infrastructure network	4 270	4 253	4 126	4 226	4 331	4 440	4 551
Volume of bulk water sales by Rand water board per year ¹	Water board activities		1 608 229	1 709 519	1 611 234	1 603 823	1 630 778	1 658 205	1 686 112
Volume of bulk water sales by Sedibeng water board per year ¹	Water board activities		96 524	117 562	115 433	116 011	122 551	129 904	137 699
Volume of bulk water sales by Umgeni water board per year ¹	Water board activities		446 548	435 726	409 887	449 828	459 372	469 597	476 641

1. Measured in thousand kilolitres.

Expenditure analysis

The focus of the water boards over the medium term will still be on the extraction and purification of raw water into potable bulk water, and wastewater treatment services. The activities of the water boards play a key role in the water value chain to support outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (responsive, accountable, effective and efficient local government system) of government's 2014-2019 medium-term strategic framework.

Rand Water and Umgeni Water are the largest water boards, supplying 80 per cent of the boards' total volume of water. They respectively account for 64.1 per cent and 19.9 per cent of the boards' total capital expenditure (R21.6 billion), and 70.1 per cent and 11.1 per cent of expenditure on goods and services. Expenditure on core water board activities is expected to increase from R13.3 billion in 2017/18 to R17.9 billion in 2020/21, at an average annual rate of 10.4 per cent, mainly due to costs for energy for pumping water, chemicals for purifying water, labour, and the purchase of raw water.

Water boards are set to derive 96.3 per cent of their revenue from the sale of bulk water to mines, industries and municipalities. This revenue is expected to increase from R20.7 billion in 2017/18 to R27.8 billion in 2020/21, at an average annual rate of 10.3 per cent. Receivables and prepayments is also expected to increase at an average annual rate of 3.7 per cent, from R5.1 billion in 2017/18 to R5.7 billion in 2020/21, due to historical debt repayment agreements with water users. Other non-tax revenue and interest, dividends, and rent on land comprise the remainder of the boards' revenue over the medium term.

Programmes/Objectives/Activities

Table 36.14 Consolidated water boards expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2017/18 - 2020/21	
Administration	3 230.4	3 279.0	3 830.4	4 109.3	8.4%	23.3%	4 331.0	4 596.5	4 857.4	5.7%	22.5%
Water board activities	10 743.2	11 396.6	11 980.5	13 288.8	7.3%	76.7%	14 548.4	16 148.9	17 866.0	10.4%	77.5%
Total	13 973.7	14 675.6	15 810.9	17 398.1	7.6%	100.0%	18 879.3	20 745.4	22 723.4	9.3%	100.0%

Statements of historical financial performance and position

Table 36.15 Consolidated water boards statements of historical financial performance and position

Statement of financial performance										Average: Outcome/Budget (%)
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18	
	2014/15		2015/16		2016/17		2017/18			
Revenue										
Non-tax revenue	15 960.8	16 654.2	18 048.1	18 074.3	18 192.8	19 327.9	20 742.2	21 570.1	103.7%	
Sale of goods and services other than capital assets	15 117.1	15 663.1	17 213.0	16 781.9	17 651.7	18 315.8	20 115.9	20 809.8	102.1%	
of which:										
Administrative fees	0.2	20.3	17.2	16.0	44.3	44.3	46.0	46.0	117.6%	
Sales of bulk water	15 116.9	15 642.8	17 135.1	16 765.9	17 566.5	18 271.5	20 032.6	20 726.5	102.2%	
Other sales	—	—	60.7	—	40.9	—	37.3	37.3	26.8%	
Other non-tax revenue	843.8	991.1	835.1	1 292.5	541.0	1 012.2	626.3	760.3	142.5%	
Transfers received	—	—	13.9	—	—	—	—	—	—	
Total revenue	15 960.8	16 654.2	18 062.1	18 074.3	18 192.8	19 327.9	20 742.2	21 570.1	103.7%	

Table 36.15 Consolidated water boards statements of historical financial performance and position

Statement of financial performance									
R million	Audited		Audited		Audited		Budget	Revised	Average: Outcome/ Budget (%)
	Budget	outcome	Budget	outcome	Budget	outcome	estimate	estimate	
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Expenses									
Current expenses	13 745.2	13 915.8	15 565.9	14 580.9	15 337.3	15 705.3	16 920.6	17 280.4	99.9%
Compensation of employees	2 702.2	3 078.1	3 011.6	3 166.8	3 344.3	3 496.9	3 541.0	3 651.2	106.3%
Goods and services	10 249.8	10 026.9	11 476.8	10 509.0	10 808.1	11 036.8	11 989.0	12 358.9	98.7%
Depreciation	664.9	768.3	895.0	806.7	1 061.0	948.2	1 229.3	1 112.1	94.4%
Interest, dividends and rent on land	128.3	42.5	182.4	98.4	123.9	223.5	161.3	158.2	87.7%
Transfers and subsidies	–	57.9	–	94.7	106.8	105.6	117.7	117.7	167.4%
Total expenses	13 745.2	13 973.7	15 565.9	14 675.6	15 444.1	15 810.9	17 038.3	17 398.1	100.1%
Surplus/(Deficit)	2 216.0	2 680.0	2 496.0	3 399.0	2 749.0	3 517.0	3 704.0	4 172.0	
Statement of financial position									
Carrying value of assets	25 838.4	26 840.4	29 622.7	31 787.4	37 954.5	35 665.4	44 162.7	42 567.1	99.5%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(5 171.8)</i>	<i>(5 433.0)</i>	<i>(6 461.7)</i>	<i>(5 829.0)</i>	<i>(6 109.5)</i>	<i>(4 291.8)</i>	<i>(7 142.3)</i>	<i>(6 473.0)</i>	<i>88.5%</i>
Investments	1 622.4	2 760.4	2 171.6	2 954.0	1 729.9	2 878.1	1 965.9	2 518.5	148.3%
Inventory	115.2	199.3	186.9	237.4	216.8	513.3	232.3	234.3	157.7%
Loans	5.7	4.6	4.6	5.2	85.1	4.6	69.1	5.1	11.8%
Accrued investment interest	0.0	33.8	–	28.4	28.4	35.6	28.4	28.4	222.2%
Receivables and prepayments	2 340.7	4 843.6	3 998.0	5 928.1	4 673.7	5 963.5	4 901.8	5 123.0	137.4%
Cash and cash equivalents	1 966.0	2 243.8	2 325.6	2 733.1	2 466.7	2 257.0	2 618.1	2 833.3	107.4%
Non-current assets held for sale	13.5	1.5	1.5	0.4	–	0.5	–	–	16.2%
Defined benefit plan assets	–	26.4	–	30.1	45.4	58.9	46.2	61.9	193.6%
Total assets	31 902.0	36 953.8	38 311.0	43 704.1	47 200.4	47 377.0	54 024.6	53 371.5	105.8%
Accumulated surplus/(deficit)	18 082.4	19 380.1	20 056.8	22 671.0	25 397.7	26 132.7	29 093.3	29 848.8	105.8%
Capital and reserves	2 045.3	3 577.6	3 555.7	3 631.6	4 039.8	4 075.0	4 796.4	4 535.9	109.6%
Capital reserve fund	–	166.0	–	212.7	70.2	116.6	70.2	70.2	402.7%
Borrowings	6 314.5	5 413.9	6 646.3	6 980.6	7 771.8	6 785.5	9 643.3	7 665.8	88.4%
Finance lease	–	0.9	0.4	0.1	1.3	–	0.5	–	41.0%
Accrued interest	28.6	26.8	59.7	58.9	58.2	57.5	56.8	56.8	98.3%
Deferred income	1 351.5	1 401.4	1 643.8	1 655.2	2 125.9	2 331.5	2 383.4	2 562.7	105.9%
Trade and other payables	3 324.8	5 815.7	5 184.4	7 424.8	6 683.9	6 780.2	6 840.2	7 377.3	124.3%
Benefits payable	–	–	1.2	–	1.5	–	1.6	1.6	37.3%
Taxation	–	20.0	7.1	43.8	7.1	6.1	7.8	6.5	348.5%
Provisions	688.6	1 084.7	1 152.2	956.7	967.4	979.5	1 050.1	1 139.4	107.8%
Managed funds (e.g. poverty alleviation fund)	–	–	–	–	5.0	–	5.0	–	–
Derivatives financial instruments	66.2	66.8	3.2	68.7	70.6	112.3	76.0	106.3	163.9%
Total equity and liabilities	31 902.0	36 953.8	38 311.0	43 704.1	47 200.4	47 377.0	54 024.6	53 371.5	105.8%

Statements of estimates of financial performance and position**Table 36.16 Consolidated water boards statements of estimates of financial performance and position**

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
Revenue									
Non-tax revenue	21 570.1	9.0%	100.0%	23 656.5	26 121.4	28 895.2	10.2%	100.0%	
Sale of goods and services other than capital assets	20 809.8	9.9%	94.5%	22 847.2	25 286.3	27 896.9	10.3%	96.6%	
<i>of which:</i>									
<i>Administrative fees</i>	<i>46.0</i>	<i>31.3%</i>	<i>0.2%</i>	<i>47.5</i>	<i>48.7</i>	<i>51.9</i>	<i>4.1%</i>	<i>0.2%</i>	
<i>Sales of bulk water</i>	<i>20 726.5</i>	<i>9.8%</i>	<i>94.3%</i>	<i>22 776.9</i>	<i>25 216.7</i>	<i>27 822.8</i>	<i>10.3%</i>	<i>96.3%</i>	
<i>Other sales</i>	<i>37.3</i>	<i>–</i>	<i>0.0%</i>	<i>22.9</i>	<i>20.9</i>	<i>22.2</i>	<i>-15.9%</i>	<i>0.1%</i>	
Other non-tax revenue	760.3	-8.5%	5.5%	809.4	835.1	998.2	9.5%	3.4%	
Total revenue	21 570.1	9.0%	100.0%	23 656.5	26 121.4	28 895.2	10.2%	100.0%	
Expenses									
Current expenses	17 280.4	7.5%	99.4%	18 751.1	20 605.7	22 571.1	9.3%	99.3%	
Compensation of employees	3 651.2	5.9%	21.7%	3 923.3	4 231.9	4 545.5	7.6%	20.5%	
Goods and services	12 358.9	7.2%	71.1%	13 469.0	14 865.6	16 381.7	9.8%	71.5%	
Depreciation	1 112.1	13.1%	5.8%	1 247.9	1 387.9	1 529.7	11.2%	6.6%	
Interest, dividends and rent on land	158.2	55.0%	0.8%	110.9	120.2	114.1	-10.3%	0.6%	
Transfers and subsidies	117.7	26.7%	0.6%	128.2	139.7	152.3	9.0%	0.7%	
Total expenses	17 398.1	7.6%	100.0%	18 879.3	20 745.4	22 723.4	9.3%	100.0%	
Surplus/(Deficit)	4 172.0			4 777.0	5 376.0	6 172.0			

Table 36.16 Consolidated water boards statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Carrying value of assets	42 567.1	16.6%	75.1%	49 535.0	55 762.2	62 585.6	13.7%	81.2%
of which:								
Acquisition of assets	(6 473.0)	6.0%	-12.3%	(7 831.3)	(7 123.6)	(7 604.9)	5.5%	-11.4%
Investments	2 518.5	-3.0%	6.3%	2 175.0	2 439.0	2 036.8	-6.8%	3.6%
Inventory	234.3	5.5%	0.7%	250.1	266.4	283.9	6.6%	0.4%
Loans	5.1	3.8%	0.0%	5.1	5.1	5.0	-0.5%	0.0%
Accrued investment interest	28.4	-5.6%	0.1%	28.4	28.4	28.4	-	0.0%
Receivables and prepayments	5 123.0	1.9%	12.2%	5 117.3	5 338.1	5 714.6	3.7%	8.3%
Cash and cash equivalents	2 833.3	8.1%	5.6%	3 462.2	5 137.2	5 071.8	21.4%	6.3%
Defined benefit plan assets	61.9	32.8%	0.1%	37.9	37.9	37.9	-15.1%	0.1%
Total assets	53 371.5	13.0%	100.0%	60 610.8	69 014.2	75 764.1	12.4%	100.0%
Accumulated surplus/(deficit)	29 848.8	15.5%	53.9%	34 586.9	39 891.2	46 305.7	15.8%	58.0%
Capital and reserves	4 535.9	8.2%	8.8%	5 290.0	6 040.0	5 974.1	9.6%	8.5%
Capital reserve fund	70.2	-24.9%	0.3%	70.2	70.2	-	-100.0%	0.1%
Borrowings	7 665.8	12.3%	14.8%	8 735.9	10 658.0	10 594.1	11.4%	14.6%
Accrued interest	56.8	28.4%	0.1%	54.3	55.3	33.8	-15.9%	0.1%
Deferred income	2 562.7	22.3%	4.3%	2 958.7	3 098.5	3 258.0	8.3%	4.6%
Trade and other payables	7 377.3	8.3%	15.2%	7 559.2	7 741.0	8 117.4	3.2%	12.1%
Benefits payable	1.6	-	0.0%	1.8	-	-	-100.0%	0.0%
Taxation	6.5	-31.1%	0.0%	7.0	7.4	7.9	6.6%	0.0%
Provisions	1 139.4	1.7%	2.3%	1 235.7	1 335.8	1 445.7	8.3%	2.0%
Derivatives financial instruments	106.3	16.8%	0.2%	111.3	116.7	27.5	-36.3%	0.1%
Total equity and liabilities	53 371.5	13.0%	100.0%	60 610.8	69 014.2	75 764.1	12.4%	100.0%

Rand Water

Mandate

Rand Water was established in terms of the Water Services Act (1997) and is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). The core mandate of the entity is to abstract raw water from the Vaal River system; and treat, transport, store and deliver potable water to municipalities, mines and industries in and around Gauteng. The entity's supply of water also extends to areas in Limpopo, North West, Mpumalanga, and northern Free State. The entity serves between 16 million and 19 million people. An estimated 98 per cent of its water abstracted from the Vaal River system.

Selected performance indicators

Table 36.17 Rand Water performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Net debt to equity ratio per year	Administration	Outcome 6: An efficient, competitive and responsive economic infrastructure network	0.4	0.3	0.3	0.4	0.3	0.3	0.3
Debt service ratio per year	Administration		8.5	6.9	9.2	7.7	7.8	6.6	5.3
Cost of debt per year ¹	Administration		7%	9%	10%	10%	9%	9%	11%
			(269 049/3 674 901)	(405 320/4 418 735)	(438 042/4 418 735)	(440 765/4 488 898)	(553 222/6 462 143)	(813 515/9 204 041)	(1 129 877/10 397 822)
Cost per kilolitre per year	Bulk water		R5.90	R6.53	R7.56	R8.33	R9.09	R9.88	R10.74
Avoidable water loss as a percentage of total water produced (non-revenue water) per year	Bulk water		3%	3.2%	3.7%	3.5%	3.5%	3.5%	3.5%
Volume of water sold per year ²	Bulk water		1 686 057	1 709 519	1 611 234	1 603 823	1 630 778	1 658 205	1 686 112

1. Measured in rand thousand.

2. Measured in thousand kilolitres.

Expenditure analysis

Rand Water manages the water infrastructure network and its supply capacity, and connects households in Gauteng, Limpopo, North West, Mpumalanga and Free State to affordable, safe water and decent sanitation. This directly contributes to the NDP's vision for universal access to clean, potable water for all by 2030, and outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. The focus of the entity over the medium term will continue to be on providing bulk water. This accounts for an estimated 83.6 per cent (R32.7 billion) of the entity's total expenditure over the medium term.

Expenditure in the bulk water programme is expected to increase from R8.7 billion in 2017/18 to R12.1 billion in 2020/21 due to anticipated increases in the costs of raw water, energy for pumping water, chemicals for treatment, and labour. As a result, expenditure on goods and services is expected to increase from R8.1 billion in 2017/18 to R11.1 billion in 2020/21, at an average annual rate of 11 per cent. To increase the entity's capacity to deliver 82 782 kilolitres of potable water and maintain water losses at 3.5 per cent per year over the medium term, spending on infrastructure upgrades, rehabilitation, renovations, refurbishment, maintenance and repairs is estimated to be R11.7 billion. The entity's largest capital project is the Zuikerbosch pumping station 5 augmentation scheme, which is expected to cost R1.5 billion over the MTEF period.

The entity plans to increase its number of personnel from 3 512 in 2017/18 to 3 750 in 2021, mainly to fill key vacancies, and provide additional personnel for Zuikerbosch pumping station 5 and Rand Water Mpumalanga, as well as backup staff to ensure uninterrupted water supply. Therefore, compensation of employees is expected to increase at an average annual rate of 8.1 per cent, from R1.9 billion in 2018/19 to R2.4 billion in 2020/21.

The entity's revenue is derived mainly from the sale of bulk water and work done on behalf of municipalities. The entity expects revenue to increase from R13.6 billion in 2017/18 to R18.6 billion in 2020/21, at an average annual rate of 10.9 per cent, mainly due to expected tariff increases from R8.33 per kilolitre in 2017/18 to R10.74 per kilolitre in 2020/21.

Programmes/Objectives/Activities

Table 36.18 Rand Water expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	1 364.3	1 509.2	1 790.2	1 704.0	7.7%	16.7%	1 767.4	1 898.9	2 032.2	6.0%	15.0%
Bulk water	7 043.4	7 470.4	7 916.1	8 708.2	7.3%	81.7%	9 759.1	10 865.6	12 104.4	11.6%	83.6%
Secondary activities	145.0	146.2	150.6	161.2	3.6%	1.6%	169.9	179.2	192.6	6.1%	1.4%
Total	8 552.7	9 125.8	9 857.0	10 573.3	7.3%	100.0%	11 696.4	12 943.7	14 329.2	10.7%	100.0%

Statements of historical financial performance and position

Table 36.19 Rand Water statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	9 904.6	9 990.7	11 742.3	11 256.4	10 909.3	12 231.8	12 655.0	13 613.7	104.2%
Sale of goods and services other than capital assets	9 342.1	9 802.5	11 248.3	10 950.9	10 712.0	11 856.8	12 367.9	13 366.1	105.3%
of which:									
Sales of bulk water	9 342.1	9 802.5	11 248.3	10 950.9	10 712.0	11 856.8	12 367.9	13 366.1	105.3%
Other non-tax revenue	562.5	188.2	494.0	305.5	197.3	374.9	287.1	247.6	72.4%
Total revenue	9 904.6	9 990.7	11 742.3	11 256.4	10 909.3	12 231.8	12 655.0	13 613.7	104.2%
Expenses									
Current expenses	8 679.4	8 552.7	10 128.1	9 125.8	8 982.1	9 857.0	9 921.2	10 573.3	101.1%
Compensation of employees	1 535.3	1 842.4	1 682.1	1 724.0	1 813.1	1 837.3	1 865.2	1 920.3	106.2%
Goods and services	6 831.7	6 387.4	7 982.4	6 969.2	6 703.9	7 400.2	7 539.1	8 146.2	99.5%
Depreciation	312.3	323.0	463.6	360.5	433.0	438.5	516.9	463.1	91.8%
Interest, dividends and rent on land	—	—	—	72.2	32.2	181.0	—	43.8	923.4%
Total expenses	8 679.4	8 552.7	10 128.1	9 125.8	8 982.1	9 857.0	9 921.2	10 573.3	101.1%
Surplus/(Deficit)	1 225.0	1 438.0	1 614.0	2 131.0	1 927.0	2 375.0	2 734.0	3 040.0	
Statement of financial position									
Carrying value of assets	15 454.0	15 143.0	14 835.6	17 988.5	20 727.4	20 077.1	24 656.0	23 708.0	101.6%
of which:									
Acquisition of assets	(2 602.3)	(2 579.7)	(2 579.7)	(2 914.3)	(2 722.7)	(2 222.2)	(3 902.6)	(3 331.3)	93.6%
Investments	—	482.3	482.3	461.7	389.8	458.9	389.8	354.9	139.3%
Inventory	64.0	122.4	122.5	129.7	137.3	409.7	144.5	144.1	172.1%
Loans	5.7	4.6	4.6	5.2	5.1	4.6	5.1	5.1	94.7%
Receivables and prepayments	1 058.3	1 764.5	1 765.1	1 934.7	1 825.0	2 243.6	2 056.2	2 036.8	119.0%
Cash and cash equivalents	1 017.2	1 154.1	1 154.1	1 470.2	1 045.0	805.1	1 102.9	1 473.5	113.5%
Non-current assets held for sale	—	1.5	1.5	0.4	—	0.5	—	—	162.0%
Defined benefit plan assets	—	—	—	—	21.4	10.4	22.2	37.9	110.8%
Total assets	17 599.1	18 672.4	18 365.6	21 990.3	24 151.0	24 010.0	28 376.8	27 760.3	104.5%

Table 36.19 Rand Water statements of historical financial performance and position

Statement of financial position									Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
R million	2014/15		2015/16		2016/17		2017/18		
Accumulated surplus/(deficit)	10 809.0	11 145.0	11 158.5	13 235.8	15 272.3	15 650.0	18 006.1	18 664.6	106.2%
Borrowings	4 495.0	3 672.4	3 675.2	4 418.7	4 815.6	4 414.7	5 913.5	4 431.5	89.6%
Deferred income	108.7	491.2	170.2	427.4	503.6	409.1	530.0	528.5	141.4%
Trade and other payables	2 128.5	2 970.1	2 970.5	3 834.0	3 458.2	3 467.0	3 819.2	4 012.8	115.4%
Taxation	–	2.5	–	–	–	–	–	–	–
Provisions	–	330.3	391.2	8.9	30.7	–	31.9	46.8	85.1%
Derivatives financial instruments	57.8	60.9	–	65.5	70.6	69.2	76.0	76.0	132.8%
Total equity and liabilities	17 599.1	18 672.4	18 365.6	21 990.3	24 151.0	24 010.0	28 376.8	27 760.3	104.5%

Statements of estimates of financial performance and position**Table 36.20 Rand Water statements of estimates of financial performance and position**

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	13 613.7	10.9%	100.0%	15 090.7	16 779.0	18 546.6	10.9%	100.0%
Sale of goods and services other than capital assets	13 366.1	10.9%	97.6%	14 811.2	16 376.5	18 108.0	10.7%	97.9%
of which:								
Sales of bulk water	13 366.1	10.9%	97.6%	14 811.2	16 376.5	18 108.0	10.7%	97.9%
Other non-tax revenue	247.6	9.6%	2.4%	279.5	402.6	438.6	21.0%	2.1%
Total revenue	13 613.7	10.9%	100.0%	15 090.7	16 779.0	18 546.6	10.9%	100.0%
Expenses								
Current expenses	10 573.3	7.3%	100.0%	11 696.4	12 943.7	14 329.2	10.7%	100.0%
Compensation of employees	1 920.3	1.4%	19.3%	2 070.1	2 239.8	2 423.5	8.1%	17.5%
Goods and services	8 146.2	8.4%	75.8%	9 063.0	10 039.4	11 140.2	11.0%	77.5%
Depreciation	463.1	12.8%	4.1%	563.2	664.5	765.5	18.2%	4.9%
Interest, dividends and rent on land	43.8	–	0.8%	–	–	–	-100.0%	0.1%
Total expenses	10 573.3	7.3%	100.0%	11 696.4	12 943.7	14 329.2	10.7%	100.0%
Surplus/(Deficit)	3 040.0			3 394.0	3 835.0	4 217.0		
Statement of financial position								
Carrying value of assets	23 708.0	16.1%	83.0%	28 134.7	32 702.6	37 746.6	16.8%	84.9%
of which:								
Acquisition of assets	(3 331.3)	8.9%	-12.1%	(4 486.0)	(4 539.0)	(4 867.0)	13.5%	-12.1%
Investments	354.9	-9.7%	2.0%	393.5	435.5	481.8	10.7%	1.2%
Inventory	144.1	5.6%	0.9%	151.9	160.3	169.2	5.5%	0.4%
Loans	5.1	3.8%	0.0%	5.1	5.1	5.0	-0.5%	0.0%
Receivables and prepayments	2 036.8	4.9%	8.7%	2 269.1	2 480.4	2 733.5	10.3%	6.7%
Cash and cash equivalents	1 473.5	8.5%	5.4%	1 829.8	3 427.8	3 185.4	29.3%	6.7%
Defined benefit plan assets	37.9	–	0.0%	37.9	37.9	37.9	–	0.1%
Total assets	27 760.3	14.1%	100.0%	32 821.9	39 249.5	44 359.4	16.9%	100.0%
Accumulated surplus/(deficit)	18 664.6	18.8%	63.1%	22 058.9	25 894.2	30 111.6	17.3%	67.1%
Borrowings	4 431.5	6.5%	18.5%	5 591.5	7 849.2	8 436.6	23.9%	18.0%
Deferred income	528.5	2.5%	2.0%	557.1	587.7	620.6	5.5%	1.6%
Trade and other payables	4 012.8	10.5%	15.6%	4 485.7	4 783.2	5 143.7	8.6%	13.0%
Provisions	46.8	-47.9%	0.5%	46.8	46.8	46.8	–	0.1%
Derivatives financial instruments	76.0	7.7%	0.3%	81.9	88.2	–	-100.0%	0.2%
Total equity and liabilities	27 760.3	14.1%	100.0%	32 821.9	39 249.5	44 359.4	16.9%	100.0%

Personnel information**Table 36.21 Rand Water personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)		
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	
Rand Water	3 586	3 586	3 425	1 837.3	0.5	3 512	1 920.3	0.5	3 606	2 070.1	0.6	3 700	2 239.8	0.6	3 750	2 423.5	0.6
Salary level																	
1 – 6	415	415	412	173.0	0.4	412	177.1	0.4	418	193.6	0.5	453	221.5	0.5	453	236.8	0.5
7 – 10	2 544	2 544	2 433	989.4	0.4	2 500	1 033.3	0.4	2 562	1 124.0	0.4	2 616	1 206.0	0.5	2 656	1 301.7	0.5
11 – 12	341	341	325	295.6	0.9	330	308.7	0.9	338	333.1	1.0	339	355.9	1.0	339	380.5	1.1
13 – 16	274	274	243	341.7	1.4	258	370.1	1.4	276	386.9	1.4	280	421.2	1.5	290	466.5	1.6
17 – 22	12	12	12	37.5	3.1	12	31.2	2.6	12	32.5	2.7	12	35.2	2.9	12	38.0	3.2

1. Rand million.

Trans-Caledon Tunnel Authority

Mandate

The Trans-Caledon Tunnel Authority was established in 1986 as a specialised liability management entity. Its mandate is derived from the National Water Act (1998). It is responsible for financing and implementing the development of bulk raw water infrastructure, and providing treasury management services to the department and water boards. The authority also plays an important role in the provision of financial advisory services (structuring and raising project finance, debt management and tariff setting), project implementation services, and other technical support to the department and water boards.

Selected performance indicators

Table 36.22 Trans-Caledon Tunnel Authority performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Milestones achieved towards the completion of 160km of pipeline per year	Berg River Voëlvlei water augmentation scheme	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- ¹	- ¹	- ¹	Directive received	Construction contract awarded	Construction commenced	Completed
Percentage of 40km pipeline completed per year	Olifants River water resource development project: Phase 2C		99%	99%	100%	- ²	- ²	- ²	- ²
Milestones achieved towards the completion of 160km pipeline per year	Mokolo and Crocodile River water augmentation project: Phase 2A		- ¹	- ¹	Transfer capacity determined	Professional service provider contract awarded	Environmental assessment report submitted to the Department of Environmental Affairs	Construction contract awarded	20% of 160km completed
Implementation of long-term solution for acid mine drainage	Acid mine drainage		- ¹	- ¹	- ¹	Identify system receiving points for acid mine drainage	Tender evaluation	Construction commences	Construction continues

1. No historical data available.

2. Project construction completed.

Expenditure analysis

The Trans-Caledon Tunnel Authority is responsible for debt and risk management services to ensure efficient and sustainable financing and implementation of water infrastructure projects on behalf of the department. Over the medium term, the authority will focus on the implementation and financing of meter augmentation projects. Through this work, the authority contributes to the NDP's vision of universal access to affordable, sufficient and safe water and decent sanitation by 2030. The authority also actively contributes to the achievement of outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework.

The authority will continue to protect and augment the water supply of the Vaal River system. The work of the Vaal River system programme includes the planning of activities for phase 2 of the Lesotho Highlands water project, which is aimed at increasing the delivery of water from the Polihali Dam in Lesotho to the Vaal. Expenditure in this programme is expected to increase from R5.3 billion in 2017/18 to R6.2 billion in 2020/21, at an average annual rate of 5.3 per cent, to repay debt incurred for the completion of phase 1 of the project. Construction of phase 2 is expected to commence in 2019/20.

The authority also aims to fund a long-term solution for acid mine drainage with R10.5 billion over the medium term through a combination of borrowing and transfers from the Water Trading Entity. Expenditure in this regard relates to the construction of reverse osmosis desalination plants, the pumping of mine water, and the operations and maintenance of related infrastructure.

Over the MTEF period, the authority plans to implement phase 2A of the Mokolo Crocodile water augmentation project, which is aimed at providing additional water for domestic use, power generation, and coal mining in the Waterberg region. Expenditure on the project is expected to increase from R602.9 million in 2017/18 to R3.5 billion in 2020/21, at an average annual rate of 80.1 per cent. The project is expected to become operational

in 2020/21. The authority plans to fast-track the construction of phase 2C of the Olifants River water resource development project to improve water supply and for mining activities. Expenditure on the project is expected to decrease from R1.6 billion in 2017/18 to R34 million in 2020/21 as the construction of the 40 kilometre pipeline for phase 2C is expected to be completed by March 2019.

To minimise the impact of the drought in Western Cape, the authority also plans to fast-track the Berg River Voëlvlei augmentation project to abstract and pump water from the Berg River to the Voëlvlei Dam through a 6.3 kilometre pipeline. This project is expected to improve the Voëlvlei Dam's yield by 23 million cubic metres per year, and has a budget of R405 million over the medium term.

The authority will continue to manage the debt of the Vaal River system, the Berg water project, the Vaal River eastern subsystem augmentation project, the Komati water scheme augmentation project, phase 2 of the Mooi-Mgeni transfer scheme, and the Mokolo and Crocodile River water augmentation project. As a result, the authority's borrowings are expected to increase from R33.2 billion in 2017/18 to R41.8 billion in 2020/21, at an average annual rate of 8 per cent. The authority manages debt prudently to ensure that increases in borrowings are counteracted by decreases in interest payments, which are expected to decrease from R4.5 billion in 2017/18 to R4.3 billion in 2020/21.

The authority expects its number of personnel to remain constant at 195 over the medium term. Expenditure on compensation of employees is expected to increase from R208.2 million in 2017/18 to R244.7 million in 2020/21, at an average annual rate of 5.5 per cent.

Programmes/Objectives/Activities

Table 36.23 Trans-Caledon Tunnel Authority expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Vaal River System	3 121.0	4 206.9	3 631.8	5 308.9	19.4%	58.7%	6 166.8	6 891.5	6 189.8	5.3%	52.9%
Berg water project	92.7	88.1	90.8	83.1	-3.6%	1.3%	116.4	58.4	71.9	-4.7%	0.8%
Vaal River eastern subsystem augmentation project	367.8	383.4	383.5	472.2	8.7%	5.9%	627.4	336.0	320.6	-12.1%	4.1%
Mooi-Mgeni transfer scheme	567.6	472.0	333.4	276.6	-21.3%	6.4%	211.3	185.2	176.9	-13.8%	1.9%
Olifants River water resource development project	513.7	304.2	140.2	1 635.1	47.1%	8.0%	73.1	23.5	34.0	-72.5%	4.4%
Komati water scheme augmentation project	132.6	124.3	129.9	494.7	55.1%	2.9%	180.8	137.4	136.4	-34.9%	2.2%
Mokolo Crocodile water augmentation project	273.8	420.4	252.1	602.9	30.1%	5.4%	436.5	1 684.1	3 520.4	80.1%	11.4%
Acid mine drainage	574.8	1 145.4	390.7	1 202.7	27.9%	11.4%	841.9	4 976.1	4 639.5	56.8%	21.6%
Kriel	-	1.7	3.3	2.5	-	0.0%	46.7	0.4	0.1	-64.6%	0.1%
Berg River Voëlvlei Augmentation Project	-	-	-	-	-	-	30.7	187.9	186.4	-	0.7%
Total	5 643.9	7 146.2	5 355.7	10 078.5	21.3%	100.0%	8 731.7	14 480.6	15 276.1	14.9%	100.0%

Statements of historical financial performance and position

Table 36.24 Trans-Caledon Tunnel Authority statements of historical financial performance and position

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18		
R million									
Revenue									
Non-tax revenue	8 103.8	5 453.7	4 418.5	5 424.3	7 241.4	7 659.9	16 281.9	16 922.2	98.4%
Sale of goods and services other than capital assets	6 355.7	2 547.5	4 871.6	2 904.2	4 490.1	2 071.1	5 536.4	5 571.8	61.6%
of which:									
Construction revenue	6 355.7	2 547.5	4 871.6	2 904.2	4 490.1	2 071.1	5 536.4	5 571.8	61.6%
Other non-tax revenue	1 748.0	2 906.2	(453.1)	2 520.0	2 751.2	5 588.8	10 745.6	11 350.4	151.2%
Total revenue	8 103.8	5 453.7	4 418.5	5 424.3	7 241.4	7 659.9	16 281.9	16 922.2	98.4%
Expenses									
Current expenses	8 750.3	5 643.9	7 630.3	7 146.2	9 959.2	5 355.7	9 472.7	10 078.5	78.8%
Compensation of employees	181.0	146.1	212.0	168.2	241.7	170.7	208.2	208.2	82.2%
Goods and services	6 106.7	2 392.7	4 648.2	2 730.0	4 224.7	1 894.7	5 308.8	5 321.2	60.8%
Depreciation	9.8	10.2	11.4	6.1	23.7	5.7	19.4	7.9	46.4%
Interest, dividends and rent on land	2 452.7	3 095.0	2 758.7	4 242.0	5 469.1	3 284.6	3 936.4	4 541.2	103.7%
Total expenses	8 750.3	5 643.9	7 630.3	7 146.2	9 959.2	5 355.7	9 472.7	10 078.5	78.8%
Surplus/(Deficit)	(647.0)	(190.0)	(3 212.0)	(1 722.0)	(2 718.0)	2 304.0	6 809.0	6 844.0	

Table 36.24 Trans-Caledon Tunnel Authority statements of historical financial performance and position

Statement of financial position								Average: Outcome/ Budget (%)	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2014/15 - 2017/18
R million	2014/15		2015/16		2016/17		2017/18		
Carrying value of assets	34.1	13.0	23.0	11.8	23.0	26.2	14.1	14.1	69.1%
<i>of which:</i>									
Acquisition of assets	–	(1.1)	(11.0)	(4.3)	–	(16.2)	–	–	195.7%
Investments	4 569.1	4 011.0	11 499.0	1 588.1	9 346.2	3 052.1	8 012.4	–	25.9%
Receivables and prepayments	32 515.2	28 987.8	36 127.7	25 929.5	29 489.5	27 389.4	35 564.3	35 598.8	88.2%
Cash and cash equivalents	–	–	–	3 118.3	–	2 558.9	–	8 012.4	–
Taxation	–	47.5	–	40.7	–	2.1	–	–	–
Total assets	37 118.4	33 059.3	47 649.7	30 688.4	38 858.7	33 028.7	43 590.9	43 625.4	84.0%
Accumulated surplus/(deficit)	4 948.0	2 084.3	8 747.0	362.1	(2 596.3)	2 667.4	7 944.0	7 944.0	68.6%
Capital and reserves	–	–	–	–	–	–	–	34.5	–
Borrowings	31 110.7	27 882.0	38 129.3	28 439.9	40 849.5	28 741.0	35 359.0	33 184.7	81.3%
Trade and other payables	1 040.3	2 618.0	773.4	1 439.3	605.5	1 164.5	287.9	2 462.2	283.8%
Taxation	–	108.0	–	101.1	–	116.2	–	–	–
Provisions	–	367.1	–	343.5	–	339.6	–	–	–
Derivatives financial instruments	–	–	–	2.5	–	(0.0)	–	–	–
Total equity and liabilities	37 099.0	33 059.3	47 649.7	30 688.4	38 858.7	33 028.7	43 590.9	43 625.4	84.0%

Statements of estimates of financial performance and position**Table 36.25 Trans-Caledon Tunnel Authority statements of estimates of financial performance and position**

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
R million	2017/18	2014/15	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	16 922.2	45.9%	100.0%	6 778.6	13 536.5	13 723.2	-6.7%	100.0%
Sale of goods and services other than capital assets	5 571.8	29.8%	40.1%	3 719.5	10 606.3	10 026.1	21.6%	59.8%
<i>of which:</i>								
Construction revenue	5 571.8	29.8%	40.1%	3 719.5	10 606.3	10 026.1	21.6%	59.8%
Other non-tax revenue	11 350.4	57.5%	59.9%	3 059.1	2 930.2	3 697.1	-31.2%	40.2%
Total revenue	16 922.2	45.9%	100.0%	6 778.6	13 536.5	13 723.2	-6.7%	100.0%
Expenses								
Current expenses	10 078.5	21.3%	100.0%	8 731.7	14 480.6	15 276.1	14.9%	100.0%
Compensation of employees	208.2	12.5%	2.5%	220.5	235.7	244.7	5.5%	2.0%
Goods and services	5 321.2	30.5%	42.2%	4 158.3	11 155.7	10 680.6	26.1%	61.8%
Depreciation	7.9	-8.1%	0.1%	15.1	8.0	3.1	-26.8%	0.1%
Interest, dividends and rent on land	4 541.2	13.6%	55.1%	4 337.8	3 081.2	4 347.6	-1.4%	36.1%
Total expenses	10 078.5	21.3%	100.0%	8 731.7	14 480.6	15 276.1	14.9%	100.0%
Surplus/(Deficit)	6 844.0			(1 953.0)	(944.0)	(1 553.0)		
Statement of financial position								
Carrying value of assets	14.1	2.9%	0.0%	6.5	0.9	0.1	-78.8%	0.0%
<i>of which:</i>								
Acquisition of assets	–	-100.0%	-0.0%	(2.0)	(2.1)	(2.2)	–	-0.0%
Investments	–	-100.0%	6.6%	1 055.2	933.6	1 561.0	–	2.3%
Receivables and prepayments	35 598.8	7.1%	84.2%	25 072.5	28 814.8	32 764.9	-2.7%	77.7%
Cash and cash equivalents	8 012.4	–	9.1%	4 256.5	7 656.6	12 686.0	16.6%	20.0%
Total assets	43 625.4	9.7%	100.0%	30 390.7	37 405.8	47 012.0	2.5%	100.0%
Accumulated surplus/(deficit)	7 944.0	56.2%	8.4%	1 526.1	582.1	(970.9)	-149.6%	5.7%
Capital and reserves	34.5	–	0.0%	–	–	–	-100.0%	0.0%
Capital reserve fund	–	–	–	1 219.1	2 012.2	2 914.6	–	3.9%
Borrowings	33 184.7	6.0%	85.0%	26 706.6	33 850.8	41 822.3	8.0%	85.9%
Trade and other payables	2 462.2	-2.0%	5.4%	938.9	960.7	3 246.1	9.7%	4.6%
Total equity and liabilities	43 625.4	9.7%	100.0%	30 390.7	37 405.8	47 012.0	2.5%	100.0%

Personnel information

Table 36.26 Trans-Caledon Tunnel Authority personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21						
Trans-Caledon Tunnel Authority			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	195	195	142	170.7	1.2	195	208.2	1.1	195	220.5	1.1	195	235.7	1.2	195	244.7	1.3	5.5%	100.0%
1-6	17	17	3	0.6	0.2	17	2.7	0.2	17	2.8	0.2	17	3.0	0.2	17	3.1	0.2	5.7%	8.7%
7-10	72	72	40	19.7	0.5	72	37.0	0.5	72	39.3	0.5	72	44.8	0.6	72	43.7	0.6	5.7%	36.9%
11-12	19	19	29	25.6	0.9	19	16.7	0.9	19	17.7	0.9	19	18.7	1.0	19	19.7	1.0	5.7%	9.7%
13-16	73	73	62	97.1	1.6	73	112.4	1.5	73	119.2	1.6	73	125.6	1.7	73	132.5	1.8	5.6%	37.4%
17-22	14	14	8	27.6	3.5	14	39.4	2.8	14	41.6	3.0	14	43.6	3.1	14	45.6	3.3	5.0%	7.2%

1. Rand million.

Umgeni Water

Mandate

Umgeni Water was established in terms of the Water Services Act (1997) to provide water and sanitation services in its service area, which comprises mostly rural areas in KwaZulu-Natal, as well as eThekweni. The entity supplies water to about 6 million consumers.

Selected performance indicators

Table 36.27 Umgeni Water performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Net debt to equity ratio per year	Bulk activities	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-0.1	0.0019	0.12	0.135	0.164	0.133	0.102
Debt service ratio per year	Bulk activities		5.7	4.6	2.9	2.9	3.5	4.6	6.6
Costs per kilolitre (R/kl) per year	Bulk activities		R2.85	R3.25	R3.66	R4.58	R4.95	R5.24	R5.44
Weighted average cost of capital per year	Bulk activities		R9.47	R10.53	R10.59	R10.51	R10.89	R11.04	R11.06
Volume of water sold (thousand kl) per year	Bulk activities		446 548	435 726	409 887	449 828	459 372	469 597	476 641

Expenditure analysis

Umgeni Water's strategic functions include the development of infrastructure to increase capacity and improve access to water in its service area in KwaZulu-Natal. This is in line with the NDP's vision that all South Africans have access to affordable, sufficient, safe and decent water and sanitation, and outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework.

The entity's focus over the medium term will continue to be on developing and maintaining regional bulk infrastructure in its service areas. As a result, expenditure on the abstraction, treatment and distribution of bulk water in the bulk activities programme is expected to increase at an average annual rate of 11.1 per cent, from R1.2 billion in 2017/18 to R1.6 billion in 2020/21. Capital expenditure is set to decrease from R1.5 billion in 2017/18 to R1.3 billion in 2020/21 due to Cabinet's approved reductions of R683.4 million over the medium term from the regional bulk infrastructure allocation to Umgeni Water. These reductions are also set to lead to delays in project implementation. In addition to capital expenditure, bulk water costs such as energy, labour, raw water purchases and chemicals drive overall expenditure in the bulk activities programme. Expenditure on goods and services is set to increase at an average annual rate of 8 per cent, from R1.3 billion in 2017/18 to R1.7 billion in 2020/21. An increase in projects being implemented on behalf of municipalities are set to drive an increase in expenditure in the wastewater programme from R127.4 million in 2017/18 to R163.6 million in 2020/21, at an average annual rate of 8.7 per cent.

Umgeni Water expects to maintain its number of personnel at 1 129 over the medium term. Spending on compensation of employees is expected to increase from R550.4 million in 2017/18 to R686 million in 2020/21, at an average annual rate of 7.6 per cent.

The entity receives its income primarily from the sale of bulk water. Revenue is expected to increase from R3.1 billion in 2017/18 to R4.2 billion in 2020/21, at an average annual rate of 10.9 per cent. This is driven by the anticipated increase in the volume of water sold, from 449 828 kilolitres in 2017/18 to 476 641 kilolitres in 2020/21 due to increased demand, and an increase in the cost per kilolitre from R4.58 in 2017/18 to R5.44 in 2020/21.

Programmes/Objectives/Activities

Table 36.28 Umgeni Water expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	680.1	730.0	771.5	1 020.8	14.5%	41.5%	1 109.0	1 134.1	1 093.0	2.3%	41.3%
Bulk activities	794.3	856.5	937.0	1 174.8	13.9%	48.8%	1 299.3	1 447.3	1 609.2	11.1%	52.0%
Waste water	62.2	75.3	88.2	127.4	27.0%	4.5%	138.0	150.4	163.6	8.7%	5.5%
Other activities	93.6	109.0	153.7	22.8	-37.5%	5.2%	34.9	37.0	39.3	19.8%	1.3%
Total	1 630.1	1 770.8	1 950.4	2 345.9	12.9%	100.0%	2 581.2	2 768.8	2 905.1	7.4%	100.0%

Statements of historical financial performance and position

Table 36.29 Umgeni Water statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	2 282.0	2 415.3	2 437.8	2 552.0	2 686.7	2 696.5	3 083.6	3 090.0	102.5%
Sale of goods and services other than capital assets	2 231.5	2 245.5	2 391.1	2 377.3	2 599.9	2 509.5	3 031.3	3 001.8	98.8%
of which:									
Sales of bulk water	2 231.5	2 245.5	2 391.1	2 377.3	2 599.9	2 509.5	3 031.3	3 001.8	98.8%
Other non-tax revenue	50.5	169.7	46.6	174.7	86.7	187.0	52.3	88.1	262.3%
Total revenue	2 282.0	2 415.3	2 437.8	2 552.0	2 686.7	2 696.5	3 083.6	3 090.0	102.5%
Expenses									
Current expenses	1 857.7	1 572.3	1 915.3	1 676.1	1 985.1	1 844.8	2 251.8	2 228.2	91.4%
Compensation of employees	463.6	426.0	437.7	473.0	496.3	560.2	540.1	550.4	103.7%
Goods and services	1 215.1	1 005.4	1 271.2	1 044.5	1 237.8	1 112.7	1 340.1	1 335.8	88.8%
Depreciation	108.3	138.1	76.7	157.4	228.9	170.6	292.8	275.8	105.0%
Interest, dividends and rent on land	70.7	2.8	129.6	1.2	22.0	1.4	78.8	66.3	23.8%
Transfers and subsidies	–	57.9	–	94.7	106.8	105.6	117.7	117.7	167.4%
Total expenses	1 857.7	1 630.1	1 915.3	1 770.8	2 091.9	1 950.4	2 369.5	2 345.9	93.5%
Surplus/(Deficit)	424.0	785.0	522.0	781.0	595.0	746.0	714.0	744.0	
Statement of financial position									
Carrying value of assets	4 984.8	5 556.2	7 201.0	7 144.0	8 892.7	7 911.5	9 809.3	9 404.7	97.2%
of which:									
Acquisition of assets	(1 204.2)	(1 693.0)	(2 133.4)	(2 034.3)	(1 977.9)	(1 172.3)	(1 476.1)	(1 503.4)	94.3%
Investments	1 075.9	1 661.6	1 003.2	1 928.0	729.3	1 807.7	807.6	1 362.7	186.9%
Inventory	9.6	12.1	12.4	14.7	17.5	15.7	20.5	20.5	105.0%
Accrued investment interest	0.0	33.8	–	28.4	28.4	35.6	28.4	28.4	222.2%
Receivables and prepayments	298.5	345.0	338.0	398.8	411.2	427.9	468.5	476.1	108.7%
Cash and cash equivalents	1.3	37.9	13.7	43.9	13.2	24.9	15.9	16.8	279.7%
Non-current assets held for sale	13.5	–	–	–	–	–	–	–	–
Total assets	6 383.6	7 646.6	8 568.2	9 557.7	10 092.4	10 223.3	11 150.1	11 309.2	107.0%
Accumulated surplus/(deficit)	3 894.9	4 796.3	5 141.2	5 540.9	6 100.2	6 380.5	6 729.3	6 901.1	108.0%
Capital and reserves	442.8	442.8	442.8	442.8	442.8	442.8	442.8	442.8	100.0%
Borrowings	1 181.5	1 171.8	1 943.3	2 029.4	1 950.6	1 950.7	2 320.9	2 320.9	101.0%
Accrued interest	28.6	26.8	59.7	58.9	58.2	57.5	56.8	56.8	98.3%
Trade and other payables	289.7	606.5	389.5	776.5	769.6	626.5	757.9	713.9	123.4%
Provisions	537.6	596.5	588.5	706.1	770.8	722.3	842.4	843.3	104.7%
Derivatives financial instruments	8.4	5.9	3.2	3.2	–	43.1	–	30.3	714.7%
Total equity and liabilities	6 383.6	7 646.6	8 568.2	9 557.7	10 092.4	10 223.3	11 150.1	11 309.2	107.0%

Statements of estimates of financial performance and position

Table 36.30 Umgeni Water statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
					2017/18	2014/15 - 2017/18	2018/19		
R million									
Revenue									
Non-tax revenue		3 090.0	8.6%	100.0%	3 434.8	3 812.8	4 215.2	10.9%	100.0%
Sale of goods and services other than capital assets		3 001.8	10.2%	94.1%	3 363.0	3 753.7	4 166.3	11.5%	98.1%
<i>of which:</i>									
Sales of bulk water		3 001.8	10.2%	94.1%	3 363.0	3 753.7	4 166.3	11.5%	98.1%
Other non-tax revenue		88.1	-19.6%	5.9%	71.8	59.2	48.9	-17.8%	1.9%
Total revenue		3 090.0	8.6%	100.0%	3 434.8	3 812.8	4 215.2	10.9%	100.0%
Expenses									
Current expenses		2 228.2	12.3%	95.2%	2 453.0	2 629.1	2 752.8	7.3%	94.9%
Compensation of employees		550.4	8.9%	26.3%	590.8	639.8	686.0	7.6%	23.3%
Goods and services		1 335.8	9.9%	58.7%	1 506.0	1 619.7	1 681.7	8.0%	57.9%
Depreciation		275.8	25.9%	9.5%	295.7	314.3	336.9	6.9%	11.5%
Interest, dividends and rent on land		66.3	187.0%	0.8%	60.5	55.3	48.0	-10.2%	2.2%
Transfers and subsidies		117.7	26.7%	4.8%	128.2	139.7	152.3	9.0%	5.1%
Total expenses		2 345.9	12.9%	100.0%	2 581.2	2 768.8	2 905.1	7.4%	100.0%
Surplus/(Deficit)		744.0			854.0	1 044.0	1 310.0		
Statement of financial position									
Carrying value of assets		9 404.7	19.2%	77.0%	10 632.6	11 522.3	12 690.7	10.5%	87.9%
<i>of which:</i>									
Acquisition of assets		(1 503.4)	-3.9%	-17.0%	(1 661.5)	(1 294.6)	(1 362.4)	-3.2%	-11.7%
Investments		1 362.7	-6.4%	17.9%	880.7	917.0	387.1	-34.3%	7.3%
Inventory		20.5	19.4%	0.2%	23.7	27.0	30.5	14.1%	0.2%
Accrued investment interest		28.4	-5.6%	0.3%	28.4	28.4	28.4	-	0.2%
Receivables and prepayments		476.1	11.3%	4.3%	513.7	553.9	595.5	7.7%	4.3%
Cash and cash equivalents		16.8	-23.8%	0.3%	15.7	17.3	19.5	5.2%	0.1%
Total assets		11 309.2	13.9%	100.0%	12 094.8	13 065.9	13 751.7	6.7%	100.0%
Accumulated surplus/(deficit)		6 901.1	12.9%	61.0%	7 754.7	8 798.8	10 551.8	15.2%	67.3%
Capital and reserves		442.8	-	4.7%	442.8	442.8	-	-100.0%	2.7%
Borrowings		2 320.9	25.6%	19.0%	2 191.9	2 112.7	1 433.2	-14.8%	16.3%
Accrued interest		56.8	28.4%	0.5%	54.3	55.3	33.8	-15.9%	0.4%
Trade and other payables		713.9	5.6%	7.1%	699.0	619.2	603.6	-5.4%	5.3%
Provisions		843.3	12.2%	7.4%	922.6	1 008.7	1 101.8	9.3%	7.7%
Derivatives financial instruments		30.3	72.2%	0.2%	29.4	28.5	27.5	-3.2%	0.2%
Total equity and liabilities		11 309.2	13.9%	100.0%	12 094.8	13 065.9	13 751.7	6.7%	100.0%

Personnel information

Table 36.31 Umgeni Water personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
		2016/17		Unit cost	2017/18		Unit cost	2018/19		2019/20		2020/21				2017/18 - 2020/21		
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Umgeni Water																		
Salary level	1 127	1 046	560.2	0.5	1 127	550.4	0.5	1 129	590.8	0.5	1 129	639.8	0.6	1 129	686.0	0.6	7.6%	100.0%
1 - 6	138	114	20.3	0.2	138	14.8	0.1	140	15.6	0.1	140	16.2	0.1	140	16.7	0.1	4.2%	12.4%
7 - 10	713	677	285.7	0.4	713	272.2	0.4	713	300.0	0.4	713	328.8	0.5	713	357.5	0.5	9.5%	63.2%
11 - 12	203	190	164.2	0.9	203	163.7	0.8	203	173.4	0.9	203	188.0	0.9	203	198.6	1.0	6.7%	18.0%
13 - 16	73	64	85.9	1.3	73	99.7	1.4	73	101.8	1.4	73	106.8	1.5	73	113.1	1.5	4.3%	6.5%
17 - 22	-	1	4.1	4.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Rand million.

Water Trading Entity

Mandate

The Water Trading Entity was established in 1983 to separate the sale of raw water and related services from appropriated funds in the Department of Water and Sanitation. It was converted into a trading entity, in terms of the Public Finance Management Act (1999), in 2008 to manage the recovery of usage costs to support the long-term sustainability of the country's water resources. The entity is mandated to undertake the construction of new water infrastructure and wastewater treatment infrastructure through the water infrastructure build programme; and the rehabilitation and refurbishment of existing water resources through the dam safety rehabilitation programme. It does this to ensure sustainable water supply for both domestic and industrial use. The entity is further mandated to manage water resources, which includes the management of water quality, conservation, and the allocation of water through catchment management agencies.

Selected performance indicators

Table 36.32 Water Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past		Current	Projections			
			2014/15	2015/16		2016/17	2017/18	2018/19	2019/20
Reduction in the number of days for the collection of outstanding debt per year	Administration	Outcome 12: An efficient, effective and development oriented public service	-1	150	120	100	100	100	100
Number of kilometres of conveyance systems rehabilitated per year	Operations, maintenance and refurbishment of national water resources schemes	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-1	-1	4.2km	15km	0km	45km	50km
Percentage spent on asset refurbishment and betterment against budget per year	Operations, maintenance and refurbishment of national water resources schemes		88% (642 973/ 730 651)	77% (247 549/ 321 492)	100%	-2	-2	-2	-2
Percentage of planned maintenance projects completed per year per approved asset management project	Operations, maintenance and refurbishment of national water resources schemes		-1	-1	60% (152/255)	90%	90%	90%	90%
Percentage of unscheduled maintenance projects completed per year as a proportion of planned maintenance projects	Operations, maintenance and refurbishment of national water resources schemes		-1	-1	-1	10% or less	10% or less	10% or less	10% or less
Number of raw water projects completed per year	Financing and investment in raw water infrastructure		1	1	1	0	1	0	1
Total number of dam safety rehabilitation projects completed per year	Implementation of dam safety projects	Outcome 10: Protect and enhance our environmental assets and natural resources	38	43	40	41	45	49	53
Number of dam safety rehabilitation projects completed to meet dam safety regulations per year	Implementation of dam safety projects		3	1	1	1	3	4	4
Number of rivers where the river eco-status monitoring programme has been implemented to measure the ecological health of the system per year	Implementation of water resources management activities		119	98	66	71	71	71	71

1. No historical data available.

2. Indicator discontinued.

Expenditure analysis

The Water Trading Entity's objectives to manage water resources and develop water infrastructure effectively are directly aligned with outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 10 (protect and enhance our environmental assets and natural resources) of government's 2014-2019 medium-term strategic framework. Over the medium term, the entity will focus on the maintenance and rehabilitation of conveyance systems, the collection of debt and the supply of raw water to relevant stakeholders.

The entity aims to maintain and rehabilitate 110 kilometres of conveyance systems over the medium term by rebuilding the Vlakfontein Canal, and rehabilitating the Boskop, Vaalharts, Ncora, Pongolaspoort, Nzhelele and Lindleyspoort canals; and complete 90 per cent of planned maintenance projects each year over the same

period. As a result, expenditure in the operations, maintenance and refurbishment of national water resources schemes programme is expected to increase from R1.5 billion in 2017/18 to R2 billion in 2020/21, at an average annual rate of 8.3 per cent.

The entity is expected to make payments on behalf of the department to the Trans-Caledon Tunnel Authority to repay debts for completed and new construction projects, such as the acid mine drainage long-term solution, the Lesotho Highlands water project, and phase 2 of the Mokolo and Crocodile River water augmentation project. For construction, maintenance and refurbishment over the medium term, 52.1 per cent (R22.7 billion) of the entity's total budget is provided in the financing and investment in raw water infrastructure programme. Spending in this programme is expected to increase at an average annual rate of 4.7 per cent, from R5.3 billion in 2017/18 to R6.1 billion in 2020/21.

To supply industry, water boards and municipalities with raw water, spending in the bulk water supply to strategic users programme is expected to increase from R1.8 billion in 2017/18 to R2.1 billion in 2020/21, at an average annual rate of 5.6 per cent. The entity will continue to ensure compliance with dam safety regulations by completing an estimated 12 dam safety rehabilitation projects, the main project being raising of the Clanwilliam and Tzaneen dam walls. These projects are projected to lead to spending of R1.1 billion over the medium term, increasing at an average annual rate of 10.6 per cent.

The entity plans to maintain its number of personnel at 3 440 over the medium term, with spending on compensation of employees set to increase from R972.1 million in 2017/18 to R1.2 billion in 2020/21, at an average annual rate of 6.7 per cent.

The entity derives its revenue through transfers from the department and the sale of raw water. Over the medium term, the entity aims to maintain the number of days for the payment and collection of outstanding debt at 100 days. In line with the expected increase in demand for raw water, revenue from the sale of raw water is set to increase from R9.4 billion in 2017/18 to R11.4 billion in 2020/21. The revenue generated over the MTEF period will enable the entity to increase its investment in new and existing raw water infrastructure. Transfers from the department are expected to account for 14.6 per cent (R5.7 billion) of the entity's total projected revenue of R38.9 billion over the medium term.

Programmes/Objectives/Activities

Table 36.33 The Water Services Trading Entity expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Administration	440.0	386.5	2 477.5	467.7	2.1%	7.5%	584.6	617.3	648.2	11.5%	5.3%
Implementation of water resources management activities	389.1	383.8	475.2	552.2	12.4%	4.3%	585.4	618.1	649.0	5.5%	5.5%
Operations, maintenance and refurbishment of national water resources schemes	1 380.1	1 270.8	2 311.9	1 537.7	3.7%	15.0%	1 691.4	1 860.6	1 953.6	8.3%	16.1%
Financing and investment in raw water infrastructure	5 562.5	4 457.3	6 842.3	5 290.5	-1.7%	52.2%	5 509.3	5 780.6	6 075.6	4.7%	52.1%
Bulk water supply to strategic users	1 856.8	1 538.1	3 213.4	1 765.0	-1.7%	19.1%	1 872.5	1 977.4	2 076.3	5.6%	17.7%
Implementation of dam safety projects	197.8	170.0	81.5	294.9	14.2%	1.9%	360.2	380.4	399.4	10.6%	3.3%
Total	9 826.2	8 206.6	15 401.7	9 908.0	0.3%	100.0%	10 603.4	11 234.5	11 802.1	6.0%	100.0%

Statements of historical financial performance and position

Table 36.34 The Water Services Trading Entity statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Revenue									
Non-tax revenue	7 942.5	9 919.2	9 825.9	9 534.8	8 667.9	10 298.3	9 694.2	9 761.1	109.4%
Sale of goods and services other than capital assets	7 882.8	8 965.5	9 730.9	9 061.9	8 606.5	9 592.2	9 579.4	9 646.2	104.1%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>7 882.8</i>	<i>8 965.5</i>	<i>9 730.9</i>	<i>9 061.9</i>	<i>8 606.5</i>	<i>9 592.2</i>	<i>9 579.4</i>	<i>9 646.2</i>	<i>104.1%</i>
<i>Sales of water</i>	<i>7 668.7</i>	<i>8 098.0</i>	<i>8 729.8</i>	<i>8 598.9</i>	<i>8 370.8</i>	<i>9 170.6</i>	<i>9 431.1</i>	<i>9 431.1</i>	<i>103.2%</i>
<i>Construction revenue</i>	<i>202.2</i>	<i>853.8</i>	<i>988.6</i>	<i>449.9</i>	<i>221.9</i>	<i>409.4</i>	<i>133.2</i>	<i>200.0</i>	<i>123.7%</i>
<i>Lease revenue earned</i>	<i>11.9</i>	<i>13.6</i>	<i>12.5</i>	<i>13.2</i>	<i>13.8</i>	<i>12.2</i>	<i>15.1</i>	<i>15.1</i>	<i>101.6%</i>
Other non-tax revenue	59.7	953.8	94.9	472.8	61.4	706.1	114.9	114.9	679.1%
Transfers received	2 410.7	2 399.3	1 735.1	1 522.0	1 499.5	1 499.5	1 236.7	1 651.7	102.8%
Total revenue	10 353.2	12 318.5	11 561.0	11 056.8	10 167.5	11 797.9	10 931.0	11 412.7	108.3%
Expenses									
Current expenses	7 838.9	9 826.2	7 954.4	8 206.6	9 194.8	15 401.7	9 908.0	9 908.0	124.2%
Compensation of employees	944.4	697.3	979.3	804.7	908.5	924.4	972.1	972.1	89.3%
Goods and services	2 683.4	4 764.3	2 699.3	4 741.3	5 763.2	7 958.4	6 256.3	6 256.3	136.3%
Depreciation	2 463.1	2 032.1	2 554.4	1 913.0	2 071.0	1 884.7	2 199.4	2 199.4	86.4%
Interest, dividends and rent on land	1 748.0	2 332.5	1 721.3	747.5	452.1	4 634.2	480.1	480.1	186.2%
Total expenses	7 838.9	9 826.2	7 954.4	8 206.6	9 194.8	15 401.7	9 908.0	9 908.0	124.2%
Surplus/(Deficit)	2 514.0	2 492.0	3 607.0	2 850.0	973.0	(3 604.0)	1 023.0	1 505.0	
Statement of financial position									
Carrying value of assets	103 681.9	89 625.1	91 920.7	93 473.9	95 275.7	94 532.1	96 784.4	96 784.4	96.6%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(2 599.5)</i>	<i>(1 302.5)</i>	<i>(2 610.2)</i>	<i>(2 409.3)</i>	<i>(1 950.2)</i>	<i>(1 563.5)</i>	<i>(1 899.2)</i>	<i>(1 899.2)</i>	<i>79.2%</i>
Inventory	194.4	120.0	126.9	148.0	134.3	158.8	120.8	120.8	95.0%
Receivables and prepayments	2 599.9	5 663.3	4 721.6	6 380.8	5 083.7	5 885.2	4 159.9	4 159.9	133.3%
Cash and cash equivalents	1 720.1	1 545.9	2 346.6	42.9	138.9	0.2	538.9	538.9	44.9%
Total assets	108 196.2	96 954.3	99 115.8	100 045.6	100 632.6	100 576.3	101 603.9	101 603.9	97.5%
Accumulated surplus/(deficit)	72 436.9	68 413.1	69 245.9	71 960.4	71 294.5	71 294.5	69 686.8	69 686.8	99.5%
Capital and reserves	314.9	345.3	330.3	362.6	326.3	326.3	313.0	313.0	104.9%
Borrowings	34 579.1	26 715.3	28 631.8	26 334.2	27 873.8	26 788.6	30 667.4	30 667.4	90.8%
Finance lease	16.2	50.6	17.0	50.9	48.7	4.7	46.8	46.8	119.0%
Trade and other payables	668.6	1 254.2	701.3	1 174.9	914.4	1 947.5	701.6	701.6	170.1%
Provisions	180.6	175.7	189.5	162.6	175.0	214.6	188.3	188.3	101.1%
Total equity and liabilities	108 196.2	96 954.3	99 115.8	100 045.6	100 632.6	100 576.3	101 603.9	101 603.9	97.5%

Statements of estimates of financial performance and position

Table 36.35 The Water Services Trading Entity statements of estimates of financial performance and position

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Revenue									
Non-tax revenue	9 761.1	-0.5%	84.9%	10 606.0	11 042.7	11 594.9	5.9%	85.4%	
Sale of goods and services other than capital assets	9 646.2	2.5%	80.1%	10 479.6	10 903.7	11 448.9	5.9%	84.4%	
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>9 646.2</i>	<i>2.5%</i>	<i>80.1%</i>	<i>10 479.6</i>	<i>10 903.7</i>	<i>11 448.9</i>	<i>5.9%</i>	<i>84.4%</i>	
<i>Sales of water</i>	<i>9 431.1</i>	<i>5.2%</i>	<i>76.0%</i>	<i>10 374.2</i>	<i>10 841.0</i>	<i>11 383.1</i>	<i>6.5%</i>	<i>83.5%</i>	
<i>Construction revenue</i>	<i>200.0</i>	<i>-38.4%</i>	<i>4.1%</i>	<i>88.8</i>	<i>44.4</i>	<i>46.6</i>	<i>-38.5%</i>	<i>0.8%</i>	
<i>Lease revenue earned</i>	<i>15.1</i>	<i>3.6%</i>	<i>0.1%</i>	<i>16.6</i>	<i>18.3</i>	<i>19.2</i>	<i>8.3%</i>	<i>0.1%</i>	
Other non-tax revenue	114.9	-50.6%	4.8%	126.4	139.0	146.0	8.3%	1.0%	
Transfers received	1 651.7	-11.7%	15.1%	1 792.1	1 892.0	1 996.0	6.5%	14.6%	
Total revenue	11 412.7	-2.5%	100.0%	12 398.1	12 934.7	13 590.9	6.0%	100.0%	
Expenses									
Current expenses	9 908.0	0.3%	100.0%	10 603.4	11 234.5	11 802.1	6.0%	100.0%	
Compensation of employees	972.1	11.7%	8.2%	1 040.0	1 118.9	1 180.8	6.7%	9.9%	
Goods and services	6 256.3	9.5%	55.3%	6 647.8	6 933.4	7 280.0	5.2%	62.3%	
Depreciation	2 199.4	2.7%	19.6%	2 359.2	2 508.6	2 634.0	6.2%	22.3%	
Interest, dividends and rent on land	480.1	-41.0%	16.9%	556.4	673.5	707.2	13.8%	5.5%	
Total expenses	9 908.0	0.3%	100.0%	10 603.4	11 234.5	11 802.1	6.0%	100.0%	
Surplus/(Deficit)	1 505.0			1 795.0	1 700.0	1 789.0			

Table 36.35 The Water Services Trading Entity statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2018/19	2019/20	2020/21		
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Carrying value of assets	96 784.4	2.6%	93.8%	100 765.8	105 076.0	110 329.8	4.5%	95.7%
of which:								
Acquisition of assets	(1 899.2)	13.4%	-1.8%	(2 089.1)	(2 298.1)	(2 413.0)	8.3%	-2.0%
Inventory	120.8	0.2%	0.1%	108.8	97.9	102.8	-5.3%	0.1%
Receivables and prepayments	4 159.9	-9.8%	5.5%	3 369.5	3 032.5	3 184.2	-8.5%	3.2%
Cash and cash equivalents	538.9	-29.6%	0.5%	895.8	1 384.3	1 453.5	39.2%	1.0%
Total assets	101 603.9	1.6%	100.0%	105 139.8	109 590.8	115 070.3	4.2%	100.0%
Accumulated surplus/(deficit)	69 686.8	0.6%	70.5%	70 334.1	77 720.6	81 884.2	5.5%	69.4%
Capital and reserves	313.0	-3.2%	0.3%	281.7	264.3	-	-100.0%	0.2%
Borrowings	30 667.4	4.7%	27.7%	33 593.2	30 696.5	32 231.3	1.7%	29.5%
Finance lease	46.8	-2.6%	0.0%	46.3	41.6	43.7	-2.2%	0.0%
Trade and other payables	701.6	-17.6%	1.3%	666.5	633.2	664.8	-1.8%	0.6%
Provisions	188.3	2.3%	0.2%	218.0	234.6	246.3	9.4%	0.2%
Total equity and liabilities	101 603.9	1.6%	100.0%	105 139.8	109 590.8	115 070.3	4.2%	100.0%

Personnel information

Table 36.36 Water Trading Entity personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018	Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number							
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
2016/17			2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21									
		Unit		Unit		Unit		Unit		Unit										
		Number	Cost cost	Number	Cost cost	Number	Cost cost	Number	Cost cost	Number	Cost cost	Number	Cost cost							
Water Trading Entity		4 292	4 292	3 440	924.4	0.3	3 440	972.1	0.3	3 440	1 040.0	0.3	3 440	1 118.9	0.3	3 440	1 180.8	0.3	6.7%	100.0%
Salary level																				
1 – 6	2 606	2 606	2 054	312.0	0.2	2 054	326.0	0.2	2 054	348.8	0.2	2 054	375.3	0.2	2 054	396.0	0.2	6.7%	59.7%	
7 – 10	1 560	1 560	1 274	488.5	0.4	1 274	516.0	0.4	1 274	552.0	0.4	1 274	593.8	0.5	1 274	626.8	0.5	6.7%	37.0%	
11 – 12	120	120	106	115.8	1.1	106	121.6	1.1	106	130.1	1.2	106	140.0	1.3	106	147.7	1.4	6.7%	3.1%	
13 – 16	6	6	6	8.0	1.3	6	8.5	1.4	6	9.1	1.5	6	9.8	1.6	6	10.3	1.7	6.7%	0.2%	

1. Rand million.

Other entities

Comprehensive coverage of the following public entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Breede-Gouritz Catchment Management Agency** plays a key role in the use, protection and development of water resources in the Breede-Gouritz water management area. The agency's total budget for 2018/19 is estimated to be R65.8 million.
- The **Inkomati-Usuthu Catchment Management Agency** plays a key role in the use, protection, and development of water resources in the Inkomati-Usuthu water management area. The agency's total budget for 2018/19 is estimated to be R123.5 million.
- The **Water Research Commission** was established in terms of the Water Research Act (1971) and is listed as a schedule 3A public entity. The commission's mandate is to conduct research on water by determining needs and priorities for research, stimulating and funding water research, promoting the effective transfer of information and technology, and enhancing knowledge and capacity building in the water sector. Research is informed by government policies, needs and international trends. The commission's total budget for 2018/19 is R326 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Departmental infrastructure										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
R million										
(Jozini) Pongolapoort bulk water scheme (Pipeline)	Construction of new bulk water scheme	Construction	1 376.0	359.9	290.0	95.3	114.0	30.0	–	–
Sedibeng bulk regional sewerage	Construction of new wastewater treatment works	Feasibility	3 000.0	–	26.9	44.1	21.8	67.6	197.8	152.0
De Hoop: Greater Sekhukhune district municipality regional bulk water and wastewater infrastructure	Construction of new bulk water infrastructure linking communities with the De Hoop Dam	Design	4 088.0	139.9	7.1	23.0	–	15.0	–	–
Mogalakwena bulk water supply phase 1	Upgrade of boreholes and construction of new bulk water scheme	Construction	1 650.0	180.4	252.8	161.1	145.0	70.0	183.6	195.0
Sebokeng Waste Treatment Works phase 1 and phase 2	Upgrade of existing wastewater treatment works	Construction	1 123.6	93.7	99.8	166.3	121.0	165.4	100.9	250.0
Westonaria/Randfontein regional bulk wastewater treatment works (Zuurbekom)	Construction of new wastewater treatment works	Design	1 570.0	35.6	7.1	1.3	49.8	–	190.9	160.0
Moolihoe/Tubatse bulk water supply	Augmentation of existing bulk water scheme	Construction	1 000.0	7.0	73.1	143.0	95.0	70.0	120.0	–
Nebo bulk water supply	Construction of new bulk water scheme	Construction	1 400.0	41.9	38.4	31.2	50.0	100.0	90.0	95.0
Magalies water supply to Waterberg	Construction of new bulk water scheme	Feasibility	1 891.0	0.7	–	–	2.2	–	–	–
Giyani Water Services phase 2 (Emergency)	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	2 511.4	–	799.8	912.6	540.5	104.1	–	–
Thembiile water scheme (Loskop) phase 1 of 3	Construction of new bulk water scheme	Construction	1 500.0	–	–	–	18.0	75.0	100.0	105.0
OR Tambo Mthatha King Sabata Dalindyebo district municipality bulk water supply and sanitation	Augmentation of existing bulk water scheme	Construction	22 156.8	317.8	457.5	–	–	–	–	–
Vaal Gamagara scheme	Upgrading of existing bulk water scheme	Construction	200.0	40.0	53.8	–	–	–	–	–
Polokwane wastewater treatment works	Upgrading existing wastewater treatment works	Construction	1 043.8	1.1	–	–	–	–	–	–
Umgeni Water Board: Lower Thukela bulk water supply scheme	Construction of new bulk water scheme	Construction	1 044.0	185.0	279.1	–	–	–	–	–
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Miatoks bulk water supply	Construction of new bulk water scheme	Feasibility	880.0	0.6	–	–	1.5	–	–	–
Ndlambe bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	879.0	38.2	79.6	119.9	25.0	5.0	–	–
Xhora east bulk water supply	Construction of new bulk water scheme	Construction	620.2	50.4	70.6	33.0	48.4	70.0	3.2	1.0
Meyerton wastewater treatment works phase 1	Upgrade of existing wastewater treatment works	Construction	257.5	–	41.4	40.9	35.8	41.9	7.0	105.0
Mbizana regional bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	910.8	88.9	13.4	0.9	–	–	–	–
Westonaria/Randfontein regional bulk wastewater treatment works (Hannes van Niekerk)	Upgrade of existing wastewater treatment works	Handed over	266.0	–	–	–	–	–	–	–
Western highveld regional bulk water supply	Upgrade of existing bulk water scheme	Construction	486.0	–	21.9	–	–	–	–	–
Lebalalo central and North regional water supply	Construction of new bulk water scheme	Feasibility	600.0	–	–	–	4.0	–	–	–
Nzhelele Valley bulk water supply	Construction of new bulk water scheme	Feasibility	600.0	0.2	–	–	1.5	–	–	–
Madibeng bulk water supply phase 2	Upgrade of existing bulk water scheme	Construction	446.6	41.0	53.1	76.2	50.0	80.0	70.0	135.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Upgrading of the Homevale wastewater treatment plant (Sol Plaatje wastewater treatment works)	Upgrade of existing wastewater treatment works	Construction	298.0	36.6	–	–	–	–	–	–
Nketoana bulk water supply Phase 1	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	304.0	22.9	34.0	19.6	28.0	20.0	10.0	45.0
Sterkfontein Dam scheme (phase 1)	Construction of new bulk water scheme	Construction	330.0	–	–	–	–	–	–	–
Potchefstroom water treatment works upgrade	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	400.0	7.6	–	–	6.9	12.4	50.0	–
Sinthumule Kutama bulk water augmentation phase 3	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	751.6	97.6	25.2	10.2	20.0	120.0	60.0	80.0
Moutse bulk water supply phase 1-5	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	720.0	31.3	31.3	23.3	60.0	60.0	50.0	65.0
Glen Alpine bulk water supply	Construction of new bulk water scheme	Feasibility	345.0	0.5	–	–	1.5	–	–	–
Lephalale/Eskom: Bulk water augmentation	Augmentation of existing bulk water scheme	Feasibility	330.0	1.2	–	–	2.0	–	–	–
Moretele bulk water supply phase 1 (Klipdrift)	Construction of new bulk water scheme	Construction	640.6	24.9	117.4	60.0	25.0	18.0	–	–
Bitou cross border bulk water supply	Construction of new bulk sewage conveyance pipelines	Feasibility	250.0	1.9	–	–	–	–	–	–
West Coast desalination plant	Construction of new desalination plant	Design	563.2	10.0	–	–	–	–	5.0	1.0
Mincwasa bulk water supply	Construction of new bulk water scheme	Handed over	264.2	30.5	16.2	–	–	–	–	–
Kalahari East to Mier pipeline	Supply of water	Construction	468.1	2.8	134.1	23.3	1.7	–	–	–
Emalahleni bulk water supply phase 2	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	335.6	–	–	–	1.7	–	–	–
Ohrigstad bulk water supply	Upgrade of existing bulk water scheme	Feasibility	450.0	0.1	–	–	–	–	–	–
Northern Nzikazi bulk water supply phase 1	Construction of new bulk water scheme	Construction	367.3	–	46.3	120.1	65.8	14.0	30.0	70.0
Aganang bulk water supply	Upgrade of existing bulk water scheme	Design	350.0	–	–	–	15.0	–	70.0	85.0
Sundwana water supply	Construction of new bulk water scheme	Feasibility	591.0	–	–	–	4.0	–	–	25.0
Mpumalanga Lowveld feasibility studies	Construction of new bulk water scheme	Feasibility	800.0	–	–	–	1.5	–	–	–
Ngwathe bulk sewer phase 2	Upgrade of existing waste water treatment works	Construction	300.0	4.9	19.8	3.6	4.9	10.0	25.0	20.0
Dihlabeng bulk water supply phase 2	Construction of new bulk water scheme	Construction	255.0	17.2	36.1	39.5	9.6	5.0	20.0	23.0
Dukuuku resettlement bulk water supply	Construction of new bulk water scheme	Construction	350.0	26.8	15.0	9.2	1.0	–	–	–
Giyani bulk water supply relief phase 1 (Nandoni Nsami)	Construction of new bulk water scheme	Construction	589.9	1.0	–	102.6	106.0	130.0	–	–
Mametya Sekororo bulk water supply phase 1	Construction of new bulk water scheme	Construction	310.7	18.9	24.2	33.4	30.0	50.0	70.0	79.9
Tokologo regional water supply phase 2	Upgrade of bulk water scheme	Construction	320.0	7.9	20.0	96.1	80.0	50.0	71.0	80.0
Musikalgwa regional water supply scheme (phase 1)	Construction of new bulk water scheme	Design	407.0	5.5	–	6.9	–	–	–	–
Emalahleni water treatment works (refurbishment)	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	335.6	29.1	24.8	1.2	–	–	–	–
Mafikeng South bulk water supply phase 2 (upgrade of water treatment works)	Construction of new bulk water scheme	Construction	286.6	30.1	31.5	35.1	41.0	53.0	58.3	40.0
Mathabeng bulk sewer (Welkom)	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	420.0	–	–	1.1	5.0	10.0	40.0	100.0
Thembsile water scheme (Loskop)	Construction of new bulk water scheme	Feasibility	324.4	–	4.2	–	–	–	–	–

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Western Highveld bulk water supply scheme (Rust de Winter)	Construction of new bulk water scheme	Feasibility	643.0	41.1	-	4.2	4.0	-	10.0	33.4
Welbedacht pipeline	Construction of new bulk water scheme	Tender	500.0	-	-	17.1	88.0	114.6	154.8	90.6
Bambanana pipeline	Construction of new bulk water scheme	Feasibility	-	-	-	-	-	48.9	139.0	249.6
Mooihoek/Tubatse bulk water supply	Augmentation of existing bulk water scheme	Construction	714.0	-	143.0	-	-	-	-	-
Nebo bulk water supply	Construction of new bulk water scheme	Construction	978.4	-	-	31.2	-	-	-	-
Nooitgeagat bulk water supply	Construction of new bulk water scheme	Construction	390.3	-	-	-	82.0	117.4	218.0	151.4
Driekoppies bulk water supply upgrades	Construction of new bulk water scheme	Construction	397.6	-	-	-	11.5	50.3	71.9	70.0
Nggamakwe water supply	Upgrade of existing wastewater treatment works	Construction	370.0	-	-	-	28.0	-	-	-
Kamaland Dam relocation	Augmentation of existing bulk water scheme	Construction	300.0	-	-	0.2	5.9	15.0	20.0	15.0
Masilonyana bulk water supply phase 1	Upgrade of existing bulk water scheme	Construction	304.9	-	-	-	-	15.0	70.0	100.0
Butterworth Emergency	Upgrade of existing bulk water scheme	Tender	250.0	-	-	-	200.0	10.0	-	-
Sedibeng bulk regional sewerage scheme: Sebokeng and Meyerton wastewater treatment works	Upgrading existing wastewater treatment works	Construction	856.0	93.7	141.2	-	-	-	-	-
Greater Mthonjaneni phases 1 to 3 bulk water supply	Construction of new bulk water scheme	Construction	668.5	48.8	222.1	-	-	-	-	-
Ngebo regional bulk water supply (ilembe)	Construction of new bulk water scheme	Construction	682.0	53.9	106.2	-	-	-	-	-
Namakwa bulk water supply	Upgrading of existing bulk water scheme	Construction	648.3	103.5	149.7	-	-	-	-	-
Taung/Naledi bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	839.3	111.9	63.7	-	-	-	-	-
Greater Mamusa bulk water supply	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	444.3	19.9	46.8	-	-	-	-	-
Planesberg north and south bulk water supply	Upgrading of existing bulk water scheme and construction of new bulk water scheme.	Construction	755.7	69.7	150.0	-	-	-	-	-
Chris Hani district municipality bulk water supply, Ncora cluster 4	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	353.1	84.0	72.6	-	-	-	-	-
Chris Hani district municipality: Ngcobco cluster 6	Construction of new bulk water scheme and spring protection	Construction	321.7	63.4	48.0	-	-	-	-	-
Xonxa Dam water supply to Lukhanji	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	444.0	95.7	68.3	-	-	-	-	-
Amatola Water: Refurbishment of 6 existing plants and downstream infrastructure	Upgrading of existing bulk water scheme	Feasibility	500.0	150.0	163.1	-	-	-	-	-
Mhlabatshane bulk water supply	Construction of new bulk water scheme	Construction	273.6	52.2	8.8	-	-	-	-	-
Greytown regional bulk scheme	Construction of new bulk water scheme and upgrading of existing bulk water scheme	Construction	610.6	37.8	93.6	-	-	-	-	-
Greater Bulwer Donnybrook water scheme	Upgrading of existing water treatment works	Construction	343.3	33.4	14.0	-	-	-	-	-
Kagisano Molopo bulk water supply	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	350.0	2.9	18.0	-	-	-	-	-
Nongoma bulk water supply	Construction of new bulk water scheme	Construction	529.1	31.1	-	-	-	-	-	-
Ngwathe bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	160.0	2.9	6.8	-	-	-	-	-
Driefontein Indaka bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	326.3	66.7	20.8	-	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Masilonyana bulk water supply	Upgrading of existing bulk water scheme	Design	304.9	45.8	41.9	-	-	-	-	
Emaahlani Water Treatment Works (refurbishment)	Upgrading of existing water treatment works and construction of new bulk water scheme	Construction	335.6	29.1	24.8	-	-	-	-	
Balf/Siyat/Grey/Willem/Nthor bulk water supply	Construction of new bulk water scheme	Various	531.6	7.9	7.7	-	-	-	-	
Setseto bulk water supply	Construction of new bulk water scheme	Construction	147.6	13.5	40.6	-	-	-	-	
Phumelela bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	166.0	10.0	5.8	-	-	-	-	
Small projects (total project cost of less than R250 million over the project life cycle)										
Graaff-Reinet emergency water supply scheme	Upgrade of existing bulk water scheme	Construction	50.8	0.6	2.2	17.9	24.0	5.0	3.5	2.0
Sundays River bulk water supply (Paterson)	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	106.5	6.6	8.9	2.0	2.3	9.0	-	-
Steytlerville water supply scheme	Augmentation of existing bulk water scheme	Construction	111.3	20.0	32.1	22.0	0.2	-	-	-
Ibika water supply	Construction of new bulk water scheme	Handed over	64.8	-	9.0	-	-	-	-	-
Ikwezi bulk water supply	Upgrade of existing bulk water scheme	Feasibility	50.6	2.7	0.5	3.4	0.5	5.0	2.0	15.0
Kirkwood water treatment works	Upgrade of existing bulk water scheme	Feasibility	22.2	1.0	1.1	1.9	0.5	5.0	2.0	20.0
Misgund bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Feasibility	13.6	0.4	0.4	1.6	0.5	10.0	1.0	15.0
Matatiele bulk water supply	Construction of new bulk water scheme	Construction	182.3	24.8	25.8	20.2	16.0	2.0	-	-
Mount Ayliff bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Handed over	208.8	14.4	3.3	-	-	-	-	-
Jagersfontein/Fauresmith: Bulk water supply phase 2	Construction of new bulk water scheme	Construction	60.7	7.7	6.0	2.3	2.0	2.0	-	-
Phumelela bulk water supply phase 2	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	166.0	10.0	5.8	24.7	38.0	33.0	20.0	10.0
Mooqaka bulk water supply (Streyrus Kroonstad WTW) phase 1	Construction of new bulk water scheme	Construction	90.4	8.8	32.9	9.7	17.0	2.0	10.0	-
Mooqaka bulk sewer	Construction of bulk sewer	Construction	105.0	11.1	30.6	6.4	-	-	-	-
Nala bulk sewer (Wesselsbron/Monyakeng)	Construction of bulk sewer	Feasibility	46.0	13.7	23.0	5.3	-	-	-	-
Tswelopele bulk water supply phase 1	Construction of new bulk water scheme	Construction	85.0	-	10.1	20.3	23.0	20.0	20.0	-
Ratlou bulk water supply phase 1 (Setlagole)	Upgrade of existing water treatment works and construction of new bulk water scheme	Construction	218.1	4.7	16.0	30.9	35.0	50.0	40.0	40.0
Maluti-a-Phofung bulk water supply phase 2	Construction of new bulk water scheme	Construction	240.0	34.7	34.9	26.3	46.0	30.0	40.0	30.0
Greater Eston water scheme	Construction of new bulk water scheme	Handed over	192.0	31.8	-	-	-	-	-	-
Driefontein Complex bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Handed over	196.1	14.3	-	-	-	-	-	-
Emaadlangeni bulk regional scheme	Construction of new bulk water scheme	Handed over	50.3	8.5	-	-	-	-	-	-
Hiabisa regional bulk water supply	Construction of new bulk water scheme	Handed over	166.9	38.7	8.0	-	-	-	-	-
Port Nolloth bulk water supply	Construction of new bulk water scheme	Design	44.1	1.1	-	-	-	10.0	21.8	25.0
Collesberg bulk water supply	Construction of new bulk water scheme	Design	123.8	6.9	1.3	-	-	-	-	-
Noupoort bulk water supply	Construction of new bulk water scheme	Construction	77.7	15.4	40.6	7.2	-	-	-	-
De Aar bulk water supply	Upgrade of existing bulk water scheme	Design	43.7	0.1	-	-	-	15.0	6.8	5.0
Hopetown water treatment works bulk water supply (Thembellihle)	Upgrade of existing bulk water scheme	Handed over	75.0	1.5	-	-	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Strydenburg groundwater project	Provision of groundwater development	Handed over	21.0	3.3	8.3	-	-	-	-	-
Heuningvlei scheme bulk water supply	Construction of new bulk water scheme	Handed over	142.3	5.6	9.0	-	-	-	-	-
Kuruman bulk water supply phase 1 (reservoir)	Upgrade of existing bulk water scheme	Construction	186.9	22.9	15.6	12.2	-	-	-	-
Windsonton to Holpan bulk water supply phase 1 (pipeline)	Upgrade of existing bulk water scheme	Tender	43.9	-	3.5	16.3	13.7	5.0	-	-
Nooitgedagt bulk water supply	Construction of new bulk water scheme	Design	200.0	-	-	-	82.0	-	-	-
Niekerkshoop bulk water supply	Supply of water	Handed over	11.1	0.5	-	-	-	-	-	-
Mafube bulk sewer phase 1	Construction of new bulk water scheme	Construction	126.0	6.2	47.0	13.3	8.0	10.0	20.0	30.0
Pixley ka Seme bulk water supply	Upgrade of existing groundwater water scheme	Feasibility	40.0	0.8	-	-	-	-	-	-
Marydale bulk water supply	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	11.2	-	0.9	-	5.6	-	-	-
Uppington wastewater treatment works	Construction of a new wastewater treatment works in Uppington	Feasibility	15.7	-	-	-	15.0	20.0	31.4	25.0
Kakamas wastewater treatment works	Construction of new wastewater treatment works	Feasibility	50.0	0.2	0.3	-	0.8	-	10.0	12.1
Warrenton water treatment works	Upgrade of existing water treatment works and new bulk water scheme	Feasibility	30.6	3.0	-	0.8	8.6	10.1	-	-
Gariep Dam to Norvaltspand bulk water supply	Construction of new bulk water scheme	Construction	15.1	0.6	-	2.4	-	-	-	-
Vanderkloof/Renossterberg bulk water supply phase 1	Construction of new bulk water scheme	Construction	32.1	5.4	20.0	1.4	-	-	-	-
Driekoppies bulk water supply upgrades	Construction of new bulk water scheme	Design	93.0	-	0.3	-	-	-	-	-
Acornhoek bulk water supply	Augmentation of existing bulk water scheme	Handed over	191.7	4.1	-	-	-	-	-	-
Sibange bulk water supply phase 1	Construction of new bulk water scheme	Design	108.7	-	0.5	-	8.5	50.0	50.0	4.0
Thaba Chweu groundwater development	Provision of groundwater development	Construction	8.5	-	-	-	-	-	-	-
Hoxane bulk water supply	Upgrade of existing water treatment works and construction of new bulk water scheme	Design	128.3	0.5	31.3	68.4	21.6	7.0	-	-
Wolmaranstad wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	137.8	14.3	66.0	50.1	15.0	-	-	-
Niggamakwe water supply	Upgrade of existing wastewater treatment works	Feasibility	60.0	1.8	-	-	-	2.7	20.0	30.0
Worcester bulk water supply	Construction of new bulk water scheme	Construction	190.6	13.2	-	-	-	-	-	-
Grabouw wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	61.6	5.4	2.2	-	-	-	-	-
Swellendam wastewater treatment works	Upgrade of existing wastewater treatment works	Handed over	61.2	13.1	-	-	-	-	-	-
Oudtshoorn groundwater supply	Provision of groundwater development	Feasibility	190.0	10.1	11.0	-	-	15.0	30.0	20.0
Beaufort West bulk water supply	Upgrade of existing wastewater treatment works and construction of new wastewater treatment works	Feasibility	46.3	-	-	-	-	-	5.0	15.0
Vanrhynsdorp raw water supply	Augmentation of existing bulk water scheme	Design	83.2	-	-	-	-	5.0	5.0	14.0
Klawer bulk water supply	Augmentation of existing bulk water scheme from boreholes	Design	25.7	-	-	-	-	4.9	10.0	15.0
Paarl bulk sewer phase 3	Construction of new bulk sewage conveyance pipelines	Construction	207.8	19.4	39.0	1.9	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Free State Region	Upgrade of existing wastewater treatment works	Feasibility	77.5	3.0	0.7	4.1	-	10.0	27.0	30.0
Kamaland Dam relocation	Augmentation of existing bulk water scheme	Feasibility	72.9	11.6	-	0.2	-	-	-	15.0
Moretele bulk water supply (North)	Augmentation of existing bulk water scheme	Feasibility	100.0	-	32.6	-	18.4	-	30.0	36.4
Makana bulk water supply (James Kleynhans)	Augmentation of existing bulk water scheme	Design	66.0	1.6	3.5	8.4	9.9	20.0	25.0	20.0
Ntabankulu bulk water supply	Construction of new bulk water scheme	Feasibility	245.0	1.7	-	-	1.7	-	-	30.0
Capricorn master plan	Development of master plan	Master plan	3.1	0.3	-	-	-	-	-	-
Sekhukhune master plan	Development of master plan	Master plan	3.1	0.4	-	-	-	-	-	-
Bushbuckridge master plan	Development of master plan	Master plan	3.5	1.2	-	-	-	-	-	-
Upgrade of Delmas wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Design	75.7	-	13.3	-	19.8	15.0	30.0	-
Upgrade of Botleng wastewater treatment works	Upgrade of existing wastewater treatment works	Construction	57.7	-	18.5	9.3	2.0	-	-	-
Upgrade of Balfour wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Tender	21.3	-	21.3	-	-	-	-	-
Belmont wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	142.0	-	-	-	4.0	2.5	15.0	-
Makana bulk sewer	Upgrade of existing wastewater treatment works	Feasibility	15.0	-	-	-	9.9	2.5	-	-
Mayfield wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	72.5	-	-	2.5	4.0	2.5	8.0	-
Kinira regional bulk water supply	Construction of new bulk water scheme	Feasibility	34.5	-	-	-	0.2	-	-	20.0
Mount Ayliff bulk peri-urban water supply	Construction of new bulk water scheme	Feasibility	187.4	-	2.5	49.4	19.2	65.0	35.0	25.0
Mikemane regional bulk water supply	Construction of new bulk water scheme	Feasibility	52.0	-	-	-	1.0	-	-	23.0
Trompsburg bulk sewer	Upgrade of existing wastewater treatment works	Feasibility	76.0	-	-	-	-	-	-	-
Upgrading of Deneysville wastewater treatment works	Upgrade of existing wastewater treatment works	Feasibility	150.0	-	139.9	9.3	38.0	40.0	50.0	42.0
Masilonyana bulk sewer (Brandfort and Winburg)	Upgrade of existing wastewater treatment works	Feasibility	70.0	-	-	-	3.0	-	-	-
Mantsopa bulk sewer (Ladybrand)	Upgrade of existing wastewater treatment works	Feasibility	30.0	-	20.7	-	2.0	-	-	-
Rothdene pump station and raising main	Upgrade of existing wastewater treatment works	Feasibility	37.4	-	0.0	-	16.0	17.9	-	-
Mohlakeng pump station and sewer outfall	Upgrade of existing wastewater treatment works	Feasibility	70.0	-	5.9	0.8	18.6	35.4	147.5	1.9
Koster wastewater treatment works upgrade	Upgrade of existing wastewater treatment works	Design	115.2	8.0	9.3	19.8	35.0	50.0	-	-
Ventersdorp bulk water supply	Construction of new bulk water scheme	Construction	55.0	5.9	-	-	1.3	-	-	-
Nebo bulk water supply (De Hoop Agumentation/North/South/Steelport)	Construction of new bulk water scheme	Design	150.2	-	-	-	4.0	-	-	-
Douglas water treatment works upgrading	Upgrade of existing water treatment works	Design	14.8	-	0.8	-	0.8	12.0	15.0	12.0
Ernelo bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	46.9	16.4	7.6	-	-	-	-	-
Carolina Silobela bulk water scheme	Construction of new bulk water scheme	Feasibility	200.0	0.2	189.0	-	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
R million									
Provincial high catalytic projects (Mutash Hub)	Construction of new bulk water scheme for various purposes	Feasibility	200.0	-	193.0	-	1.5	-	-
Reitz&Lindley Cons Grey PL	Construction of sewer main	Construction	45.0	-	41.0	39.7	4.0	-	-
Clocolan construction of sewer main	Construction of sewer main	Construction	70.0	-	59.0	-	41.0	-	-
Clocolan construction of pump station	Construction of pump station	Construction	10.0	-	9.3	-	-	-	-
Senekal construction of sewer main	Construction of sewer main	Construction	50.0	-	38.9	-	29.0	-	-
Petrus Steyn refurbishment of a plant	Refurbishment of a package plant	Construction	5.9	-	-	-	4.9	-	-
Dealesville construction of sewer main	Construction of sewer main	Construction	8.5	-	-	-	7.5	-	-
Water services infrastructure grant	Water supply and sanitation backlog	Construction	-	-	-	1 445.1	-	-	-
Eastern Cape Region	Construction of water supply and sanitation backlog	Construction	-	42.2	4.9	5.7	-	-	267.2
Free State Region	Construction of water supply and sanitation backlog	Construction	-	27.5	48.7	150.1	-	-	-
KwaZulu-Natal Region	Construction of water supply and sanitation backlog	Construction	-	5.3	150.6	110.6	-	-	-
Limpopo Region	Construction of water supply and sanitation backlog	Construction	-	176.0	178.4	20.3	-	-	125.0
Mpumalanga Region	Construction of water supply and sanitation backlog	Construction	-	21.0	58.2	1.3	-	-	-
North West Region	Construction of water supply and sanitation backlog	Construction	-	46.1	7.2	1.2	-	-	250.0
Accelerated community infrastructure programme	Water supply and sanitation backlog	Construction	-	-	-	7.7	-	-	-
Community Infrastructure: Water Supply	Construction of new and refurbishment of existing water infrastructures	Construction	-	69.5	51.4	-	-	-	-
Wastewater infrastructure:Refurbishment	Upgrade of existing wastewater treatment works	Construction	-	92.9	96.9	-	26.8	-	-
Bucket Eradication Programme (BEP)	Sanitation Backlog	Construction	-	-	-	-	852.1	1 048.2	-
Clanwilliam/Lambertsbaai Regional Water Supply and Desalination	Upgrade of existing bulk water scheme	Construction	61.5	-	59.3	-	-	22.7	-
Infrastructure network	Water resource infrastructure monitoring tool	Construction	200.0	-	189.3	-	-	31.0	35.5
Chris Hani district municipality bulk water supply: Quthubeni (cluster 9)	Construction of new bulk water scheme	Construction	208.0	13.8	32.9	-	-	-	-
Hofmeyer groundwater supply (phase 1 completed)	Development of borehole to augment existing bulk water scheme	Construction	47.4	23.2	12.0	-	-	-	-
Middelburg groundwater supply	Development of borehole to augment existing bulk water scheme	Construction	31.1	0.1	0.8	-	-	-	-
Mohokare bulk water supply	Construction of new bulk water scheme	Construction	170.3	10.5	22.0	28.6	-	-	-
Mantsopa-Tweespruit and Hobhouse bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	120.0	3.4	15.0	-	-	-	-
Mandlakazi bulk water supply (phase 1 to be completed) construction of water treatment works (phase 2)	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	94.0	14.8	57.0	-	-	-	-
Loeriesfontein bulk water supply	Construction of new bulk water scheme	Feasibility	40.0	8.0	4.1	-	-	-	-
Van Wyksvlei groundwater	Construction of new bulk water scheme	Design	97.6	2.9	1.8	-	-	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2020/21
R million									
Eerstehoek/Ekulindeni bulk water supply	Construction of new bulk water supply and upgrading of existing water treatment works	Feasibility	103.6	1.2	98.0	-	-	-	-
Lushuhwane bulk water scheme	Construction of new bulk water and sanitation schemes	Design	91.9	0.5	76.0	-	-	-	-
Amsterdam and Sheepmore bulk water scheme	Upgrading of existing water treatment works and new bulk water scheme	Feasibility	30.5	2.2	26.0	-	-	-	-
Citrusdal wastewater treatment works	Construction of new wastewater treatment works	Construction	35.6	6.8	19.6	-	-	-	-
Clanwilliam water treatment works	Upgrading of existing bulk water scheme	construction	16.0	1.0	0.9	2.2	-	-	-
Clanwilliam/Lamberts Bay regional water supply	Upgrading of existing bulk water scheme	Construction	59.5	9.7	21.0	0.9	-	-	-
Tulbagh bulk water supply (Witzenberg)	Construction of new bulk water scheme	Construction	73.8	20.7	8.3	0.9	-	-	-
Drakenstein wastewater treatment works	Upgrading existing wastewater treatment works	Handed over	29.0	7.0	21.0	-	-	-	-
Stellenbosch wastewater treatment works	Upgrading existing wastewater treatment works	Construction	111.0	-	10.0	18.0	-	-	-
Williston bulk water supply	Construction of new bulk water scheme	Feasibility	47.0	1.9	44.8	-	-	-	-
Matatiele bulk water supply	Construction of new bulk water scheme	Construction	182.3	-	25.8	-	-	-	-
Petrus Steyn outfall sewer	Construction of outfall sewer	Construction	27.1	-	-	-	25.1	-	-
Memel refurbishment waste water treatment works and Sewer	Refurbishment of a sewer	Construction	3.5	-	-	-	3.5	-	-
Tweling sewer pump station	Construction of sewer pumpstation	Construction	7.5	-	-	-	5.5	-	-
Rouxville outfall sewer	Construction of outfall sewer	Construction	1.7	-	-	-	1.7	-	-
Frankfort rising main	Construction of rising main	Construction	7.6	-	-	-	5.6	-	-
Dewetsdorp outfall sewer line	Construction of outfall sewer	Construction	3.1	-	-	-	3.1	-	-
Heilbron sewer and pumpstation	Construction of sewer and pumpstation	Construction	9.9	-	-	-	7.9	-	-
Hertzogville outfall sewer pumpstation	Construction of outfall sewer	Construction	1.7	-	-	-	1.7	-	-
Louisvale Pumpstation	Construction of new pumpstation	Construction	8.2	-	-	-	6.2	-	-
Louisvale Pumpstation Prefab	Refurbishment of pumpstation	Construction	4.4	-	-	-	3.4	-	-
Breipaal pumpstation	Construction of new pumpstation	Construction	4.4	-	-	-	3.4	-	-
Calitzdorp and Ladysmith waste water treatment works	Upgrades of waste water treatment works	Feasibility	77.5	-	-	-	4.0	-	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2020/21
R million									
Infrastructure transfers to other spheres, agencies and departments									
Mega projects (total project cost of at least R1 billion over the project life cycle)									
Olifants River water resources development project: De Hoop Dam (phase 2A)	Supply of water to new mining developments; augmentation of domestic water supplies to urban and rural users in the middle of the Olifants River catchment area and to various communities on the Nebo Plateau and Sekukhune	Hand over	3 074.0	152.7	19.5	17.9	-	10.0	-
Olifants River water resources development project (phases 2B and 2G)	Construction of Flag Boshielo to Mokopane pipeline and second pipeline between Flag Boshielo to Mokopane	Design	13 114.0	645.3	-	-	-	-	-
Olifants River water resources development project (phase 2C)	Supply of water to new mining developments; augmentation of domestic water supplies to urban and rural users in the middle of the Olifants River catchment area and to various communities on the Nebo Plateau and Sekukhune	Construction	2 267.0	-	154.2	-	-	80.0	-
Olifants River water resources development project (phase 2D)	Construction of second pipeline between Steelpoort weir to and Moolhoek	Tender	2 000.0	-	-	-	25.8	-	400.0
Olifants River water resources development project (phases 2E and 2F)	Construction of second pipeline parallel to Lebalelo scheme and Lebalelo Scheme to Olifantspoort	Design	3 115.9	-	-	-	66.0	53.1	-
Groot Letaba River water development project: Nwamitwa Dam	Meeting of projected growing primary supply requirements for 2025, improvement of water availability for the riverine ecosystem and building of Nwamitwa Dam	Design	3 761.0	-	25.6	177.1	-	84.9	-
Dam safety rehabilitation programme	Rehabilitation of assets and improvement of dam safety	Design	2 800.0	225.5	170.0	-	35.4	110.0	150.0
Water resources project: Raising of Clanwilliam Dam	Upgrading of existing dam to stabilise distortion and augmentation of agricultural water supply to meet increasing demands	Tender	3 300.0	177.2	196.2	-	65.7	-	331.1
Mokolo River and West Crocodile River water augmentation project (phases 2A)	Augmentation of domestic and industrial water supply to the new Eskom/independent power producer power stations to extend associated mining activities and accommodate growing population in the area	Feasibility	11 984.6	-	-	-	25.8	143.0	181.9
Acid mine drainage	Construction of water treatment works	Feasibility	-	-	-	683.8	1 110.0	350.0	300.0
OR Tambo Mthatha King Sabata Dalindyebo district municipality bulk water supply and sanitation	Augmentation of existing bulk water scheme	Construction	3 001.5	317.8	457.5	350.5	325.0	309.7	273.7
Vaal Dam	Upgrade of existing bulk water scheme	Construction	18 000.0	40.0	53.8	215.6	350.0	350.0	137.5
Polokwane wastewater treatment works	Upgrade of existing wastewater treatment works	Design	1 043.8	1.1	-	-	90.0	191.4	431.0
Polokwane bulk water supply	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	1 832.0	-	-	130.2	119.7	81.2	200.0
Umgeni Water Board: Lower Thukela bulk water supply scheme	Construction of new bulk water scheme	Construction	1 044.0	185.0	279.1	213.1	209.6	41.3	-
Umshwathi bulk water supply scheme	Construction of new bulk water scheme	Tender	2 308.7	-	-	209.9	142.0	40.0	160.0
Greater Mthonjaneni bulk water supply (phases 2)	Construction of new bulk water scheme	Construction	1 228.2	48.8	211.8	182.2	36.4	70.0	40.0
Ngcebo BWS (Lembe)	Construction of new bulk water scheme	Construction	1 420.7	53.9	106.5	156.1	145.0	75.4	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2020/21	
R million										
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Groot Letaba River water development project: Raising of Raising of Tzaneen Dam	Meeting of projected growing primary supply requirements for 2025; improvement of water availability for the riverine ecosystem and raising of Tzaneen Dam	Design	600.0	–	15.2	–	–	121.9	208.9	86.9
Mdloti River development project: Raising of Hazelmere Dam	Augmentation of water supply to Umgeni Water for treatment, for KwaZulu-Natal North coast	Construction	620.0	4.9	188.2	217.3	10.4	110.0	–	–
Mopani district municipality emergency works	Refurbishment of dilapidated infrastructure	Construction	80.0	89.1	100.7	–	–	–	–	–
Taung/Naledi bulk water supply phase 2	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	733.8	111.9	63.7	69.3	55.0	70.0	60.0	50.0
Namakwa bulk water supply phase 1	Upgrade of existing bulk water scheme	Construction	648.3	103.5	149.7	63.4	83.2	84.0	75.0	135.0
Planesberg South bulk water supply phase 2	Upgrade of existing bulk water scheme and construction of new bulk water scheme.	Construction	796.6	69.7	150.0	142.8	58.4	36.0	65.4	100.0
Amatola Water: Refurbishment of 6 existing plants and downstream infrastructure	Upgrade of existing bulk water scheme	Construction	500.0	150.0	169.1	–	88.6	92.4	–	–
Greater Mamusa bulk water supply phase 1 (Refurbishment)	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	444.3	19.9	46.8	55.0	101.0	45.0	40.0	50.0
Chris Hani district municipality Ncora bulk water supply (cluster 4)	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	421.7	84.0	72.6	68.3	45.0	40.0	8.0	8.4
Chris Hani district municipality Ngcobo bulk water supply (cluster 6)	Construction of new bulk water scheme and spring protection	Construction	321.7	63.4	48.0	63.3	35.0	20.0	5.0	5.3
Xonxa Dam BWS	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	444.0	95.7	68.3	58.0	26.0	17.0	5.0	5.3
Mhlabatshane bulk water supply	Construction of new bulk water scheme	Construction	483.5	52.2	8.8	12.8	–	–	–	–
Greytown BWS Phase 2	Construction of new bulk water scheme and upgrade of existing bulk water scheme	Construction	950.0	37.8	93.6	106.4	98.9	40.0	25.2	–
Middledrift BWS	Construction of new water treatment works	Construction	340.0	–	24.1	79.0	30.0	50.0	30.0	70.0
Greater Bulwer phase 2	Upgrade of existing water treatment works	Construction	343.3	33.4	14.0	60.0	90.0	70.0	50.0	67.5
Nongoma bulk water supply	Construction of new bulk water scheme	Construction	529.1	31.1	131.8	110.4	70.0	41.5	–	–
Dukuduku resettlement bulk water supply	Construction of new bulk water scheme	Construction	266.4	26.8	15.0	15.2	–	–	–	–
Greater Mpošana regional bulk water supply Phase 1-3	Construction of new bulk water scheme	Feasibility	469.3	–	–	–	86.8	21.0	80.0	180.7
Driefontein Phase 3 (Spioenkop to Ladysmith) bulk water supply	Construction of bulk water scheme	Feasibility	350.0	–	–	–	–	97.3	85.5	100.0
Maphumulo BWS	Construction of bulk water scheme	Feasibility	294.6	–	–	–	80.0	30.0	80.0	150.0
Chris Hani district municipality bulk water supply: Quthubeni (cluster 9) phase 1	Construction of new bulk water scheme	Construction	208.0	13.8	32.9	15.0	95.0	75.0	7.0	7.4
Middelburg groundwater supply	Development of borehole to augment existing bulk water scheme	Construction	32.5	0.1	0.8	6.4	6.0	3.0	–	–
Masilomyana bulk water supply phase 1	Upgrade of existing bulk water scheme	Design	304.9	45.8	41.9	6.9	15.0	–	–	–
Driefontein Indaka bulk water supply	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	378.5	66.7	20.8	64.0	10.0	45.0	40.0	27.4
Mandlakazi bulk water supply phase 5	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	94.0	14.8	57.0	27.7	40.0	90.0	90.0	100.0

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
R million									
Balf/Siyat/Grey/Willems/Nthor bulk water supply	Construction of new bulk water scheme	Various	590.7	7.9	7.7	36.6	42.0	20.8	100.0
Musikalgwa regional water supply scheme (phase 1)	Construction of new bulk water scheme	Design	407.0	5.5	-	-	3.0	10.0	30.0
Empuluzi and Methula bulk water scheme	Upgrade of existing bulk water scheme	Feasibility	291.0	0.1	-	-	5.0	20.0	52.3
Kagisano Molopo bulk water supply	Upgrade of existing water treatment works and new bulk water scheme	Feasibility	350.0	2.9	18.0	9.0	26.0	34.2	21.7
Stellenbosch wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Construction	304.3	18.0	48.1	32.8	-	-	-
Nooitgedagt Bulk Water Supply	Construction of new scheme	Construction	390.3	-	-	-	-	-	185.0
Goedertrouw Transfer Scheme	Construction of new scheme	Construction	350.0	-	-	-	300.0	350.0	-
Small projects (total project cost of less than R250 million over the project life cycle)									
Bushbuckridge water treatment plant, pipelines and reservoirs	Supply of water to Bushbuckridge area	Handed over	144.5	44.5	-	-	-	-	-
Zeerust water treatment plant, pipelines and reservoirs	Supply of water to Zeerust area	Handed over	14.2	17.4	-	-	-	-	-
Mzimvubu water project	Construction of two large dams and bulk distribution system in the Eastern Cape Province	Design	20 000.0	571.2	-	-	70.7	100.0	-
Abaqulusi, Nongoma and Jozini water intervention projects	Supply of water	Construction	100.0	66.8	-	-	-	-	-
Free State region	Construction of new bulk water scheme	Feasibility	128.5	-	2.5	10.4	3.0	-	-
Sterkspruit bulk water supply	Construction of new bulk water scheme	Feasibility	50.0	0.5	-	2.5	3.0	-	20.0
Coffee bay water treatment works	Upgrade of existing water treatment works	Feasibility	130.0	-	-	12.7	2.5	-	13.0
Setsoho bulk water supply phase 1 and 2	Construction of new bulk water scheme	Construction	147.6	13.5	40.6	45.7	20.0	30.0	53.1
Rouxville/Smithfield/Zastron Mohokare bulk water supply phase 1	Construction of new bulk water scheme	Construction	180.3	28.6	44.1	31.8	20.0	38.0	20.0
Mantsopa bulk water supply phase 1	Construction of new bulk water scheme to augment existing bulk water scheme	Construction	250.0	3.4	13.4	8.3	15.0	17.5	30.0
Ngwathe bulk water supply (phase 2)	Construction of new bulk water scheme	Construction	250.0	2.9	6.8	2.3	15.0	38.0	40.0
Lushuhwane bulk water scheme	Construction of new bulk water and sanitation schemes	Design	91.9	0.5	-	25.4	28.1	41.6	57.0
Upgrade of Balfour wastewater treatment works phase 2	Upgrade of existing wastewater treatment works	Tender	85.5	-	-	23.0	33.4	42.0	10.0
Bushbuckridge water services (Cunningmore to Newington BWS) phase 1	Construction of new bulk water scheme	Feasibility	190.0	-	-	40.0	3.0	15.0	40.0
Eerstehoek/Ekulindeni bulk water supply	Construction of new bulk water supply and upgrade of existing water treatment works	Feasibility	115.1	1.2	-	-	3.0	-	20.3
Amsterdam wastewater treatment works phase 1	Upgrade of existing water treatment works and construction of new bulk water scheme	Feasibility	30.5	2.2	-	12.3	5.0	25.0	40.0
Van Wyksvlei groundwater phase 1 (pipeline upgrade)	Construction of new bulk water scheme	Design	94.7	2.9	1.8	15.0	30.0	46.8	-
Hantam desalination plant (Brandvlei)	Construction of new desalination plant	Construction	66.6	-	4.1	5.3	-	27.0	21.5
Loeriesfontein bulk water supply phase 1 (pipeline)	Construction of new bulk water scheme	Construction	95.4	8.0	3.6	14.2	50.4	17.2	-

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
Ritchie wastewater treatment works bucket eradication programme	Construction of bulk water supply line and extension of the treatment works as well as associated infrastructure.	Construction	40.4	-	3.0	-	20.0	10.6	-	-
Williston bulk water supply	Construction of new bulk water scheme	Feasibility	47.0	1.9	0.5	-	-	27.0	20.0	-
Britstown oxidation ponds	Upgrade of existing waste water treatment works	Design	30.6	-	-	0.8	-	26.7	3.9	-
Danielskuil wastewater treatment works	Upgrade of existing water treatment works	Feasibility	12.6	-	-	-	-	-	12.6	40.0
Kathu bulk water supply	Construction of new bulk water scheme	Feasibility	90.0	0.1	-	-	-	21.6	31.0	51.4
Christiana wastewater treatment works	Upgrade of existing water treatment works	Feasibility	55.5	-	-	2.7	-	-	20.0	21.1
Citrusdal wastewater treatment works phase 2	Construction of new wastewater treatment works	Construction	52.7	6.8	19.6	2.7	-	-	-	-
Clanwilliam/Lamberts Bay regional water supply	Upgrade of existing bulk water scheme	Construction	61.5	0.9	-	14.4	0.6	-	-	-
Tulbagh bulk water supply (Witzenberg)	Construction of new bulk water scheme	Construction	76.8	0.9	-	27.8	13.4	9.5	19.5	-
Clanwilliam water treatment works	Upgrade of existing bulk water scheme	construction	31.3	2.2	-	4.0	4.0	-	-	-
Hofmeyer groundwater	Development of borehole to augment existing bulk water scheme	Construction	64.0	23.2	12.0	6.8	1.5	7.0	-	-
Eastern Cape region	Water supply and sanitation backlog	Construction	-	158.0	441.8	503.5	485.5	494.0	484.0	510.6
Free State region	Water supply and sanitation backlog	Construction	-	-	15.0	131.0	250.0	305.3	241.3	251.7
Gauteng region	Water supply and sanitation backlog	Design	-	-	-	70.0	150.0	195.0	184.9	195.1
KwaZulu-Natal region	Water supply and sanitation backlog	Construction	-	263.6	803.1	855.6	890.0	900.0	1 125.1	1 187.0
Limpopo region	Water supply and sanitation backlog	Construction	-	27.4	130.5	540.3	527.5	495.0	690.0	728.0
Mpumalanga region	Water supply and sanitation backlog	Construction	-	21.0	263.7	398.7	415.0	409.7	359.0	389.3
Northern Cape region	Water supply and sanitation backlog	Construction	-	64.2	87.7	141.0	260.5	288.5	205.0	208.5
North West region	Water supply and sanitation backlog	Construction	-	1.5	62.0	204.9	321.0	346.6	358.0	377.7
Western Cape region	Water supply and sanitation backlog	Construction	-	-	-	-	30.0	47.0	22.0	23.2
Total			200 711.9	8 699.6	12 518.9	11 897.5	11 802.0	11 165.7	11 805.4	12 426.2

Vote 37

Arts and Culture

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	300.8	292.7	–	8.2	319.2	338.2
Institutional Governance	416.0	127.6	63.7	224.7	427.0	451.3
Arts and Culture Promotion and Development	1 184.4	116.1	1 068.3	–	1 218.7	1 281.3
Heritage Promotion and Preservation	2 471.0	104.3	2 366.7	–	2 657.8	2 811.9
Total expenditure estimates	4 372.3	640.6	3 498.7	232.9	4 622.7	4 882.8

Executive authority Minister of Arts and Culture
Accounting officer Director General of Arts and Culture
Website address www.dac.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Contribute to sustainable economic development and enhance job creation by preserving, protecting and developing South African arts, culture and heritage to sustain a socially cohesive and democratic nation.

Mandate

The Department of Arts and Culture derives its mandate from the following legislation:

- the Heraldry Act (1962)
- the Culture Promotion Act (1983)
- the National Archives and Record Services of South Africa Act (1996)
- the Legal Deposit Act (1997)
- the South African Geographical Names Council Act (1998)
- the Cultural Institutions Act (1998)
- the National Heritage Resources Act (1999)
- the National Council for Library and Information Act (2001)
- the Use of Official Languages Act (2012).

Broadly, this legislation mandates the department to:

- preserve, develop, protect and promote the cultural, heritage and linguistic diversity and legacy of South Africa
- lead nation building and social cohesion through societal transformation
- enhance archives and records management structures and systems, and promote access to information
- provide leadership to the arts and culture sector so as to accelerate its transformation.

Selected performance indicators

Table 37.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of community conversations on social cohesion and nation building conducted per year	Institutional Governance	Outcome 14: Nation building and social cohesion	45	33	33	33	33	33	33
Number of flagship cultural events supported per year	Arts and Culture Promotion and Development		22	25	27	20	20	18	18
Number of community arts programmes supported per year	Arts and Culture Promotion and Development		10	100	150	150	150	150	150
Number of artists placed in schools per year	Arts and Culture Promotion and Development	Outcome 1: Quality basic education	240	352	321	340	340	340	340
Number of language practice bursaries awarded per year	Arts and Culture Promotion and Development	Outcome 14: Nation building and social cohesion	284	463	320	320	300	300	300
Number of bursaries in heritage studies awarded per year	Heritage Promotion and Preservation		73	71	69	65	65	65	65
Number of flagpoles and flags installed at schools per year	Heritage Promotion and Preservation		14 415	3 532	504	500	1 000	1 000	1 000
Number of community libraries built per year	Heritage Promotion and Preservation		17	44	20	26	29	32	35
Number of community libraries upgraded per year	Heritage Promotion and Preservation		20	35	43	40	45	50	55
Percentage of schools that have booklets and posters (frames) of national symbols and orders per year	Heritage Promotion and Preservation		22% (5 359/ 24 000)	27% (6 535/ 24 000)	24% (6 115/ 25 720)	27% (6 430/ 24 000)	↔	↔	↔

1. Indicator discontinued from 2018/19 due to completion of the project.

Expenditure analysis

Chapters 9 and 15 of the National Development Plan (NDP) present a vision for South Africa that entails improved education, and a transformed and united country. This vision is expressed in terms of outcome 1 (quality basic education) and outcome 14 (nation building and social cohesion) of government's 2014-2019 medium-term strategic framework. The work of the Department of Arts and Culture is closely aligned with these outcomes. As such, over the medium term, the department plans to focus on promoting and preserving heritage infrastructure, providing community library services, positioning the cultural and creative industries to contribute to economic growth, and facilitating social cohesion and nation building.

Cabinet has effected reductions of R385.4 million on the department's budget over the MTEF period. Of this amount, R109.6 million is on operational and capital transfers to 13 public entities; R38.8 million is on goods and services across all programmes; and the remaining R236.9 million is on the community library services grant. As a result of these reductions, the time taken to complete capital projects and procure certain items, such as library materials, will be extended.

Promoting and preserving heritage infrastructure

Expenditure on heritage infrastructure is designed to achieve redress for South Africa's historical imbalances and continue to contribute to social transformation, particularly the transformation of the heritage landscape to be more inclusive and reflective of all South Africans. In addition, the department's infrastructure development initiatives aim to establish and maintain world class heritage sites to boost tourism and create job opportunities in previously disadvantaged areas. As such, an estimated 99 infrastructure projects at various stages of completion are to receive financial support at a projected total cost of R1.4 billion over the MTEF period in the Institutional Governance, Arts and Culture Promotion and Development, and Heritage Promotion and Preservation programmes.

The liberation heritage route honours those who dedicated their lives to South Africa's liberation struggle. The route is expected to comprise a number of sites that express the key aspects of the South African resistance and liberation experience. R118 million is set aside over the medium term in the Heritage Promotion and Preservation programme to develop 3 sites per province, including a liberation movements museum and other forms of memorialisation. Construction of the National Heroes' Acre, which is part of the liberation heritage

route, is expected to commence in 2020/21. The department has budgeted R67.4 million for 500 bronze statues that form part of the heroes' acre. To date, 90 bronze statues have been produced.

R6.5 million is allocated over the MTEF period to expand the existing national, heritage and other honours and awards to make provision for recognising individuals, organisations and communities who have contributed significantly to social cohesion and nation building.

Community library services

The community library services grant aims to transform urban and rural community library infrastructure, facilities and services, targeting previously disadvantaged communities, through a recapitalisation programme at the provincial level. R4.5 billion is earmarked for this purpose over the medium term in the Public Library Services subprogramme in the Heritage Promotion and Preservation programme. Over the medium term, the department plans to procure 497 computers and 430 000 items of library material for provinces to ensure the consistent delivery of services to the public. A key imperative of the community library services grant is the provision or upgrading of public library infrastructure. To this end, the department plans to build 96 new libraries and upgrade 150 community libraries over the MTEF period. In collaboration with the Department of Basic Education, the department also plans to build 70 dual library service points to support school curricula and enhance learning outcomes.

Positioning the cultural and creative industries to contribute to economic development

Through the Mzansi golden economy strategy, the department aims to ensure that the arts sector contributes to inclusive economic growth, job creation, artist development and urban renewal by creating employment opportunities in the arts, culture and heritage sector, thereby stimulating the broader economy. The strategy involves activities such as arts festivals, touring ventures, public art projects, and engagement in the cultural and creative industries, through which the department can create employment. R970.4 million is allocated in the Arts and Culture Promotion and Development programme to implement the Mzansi golden economy strategy over the MTEF period. Of this allocation, 33.7 per cent (R327 million) is set aside to fund 56 flagship cultural events, 90 touring ventures and 60 public art programmes. Funding of R160 million over the MTEF period through the venture capital fund, which is administered by the National Empowerment Fund for loans to arts and culture organisations, will support the development of small, medium and micro enterprises, and sustainable arts and culture projects administered by previously disadvantaged South Africans.

R117 million in the Arts and Culture Promotion and Development programme is allocated over the medium term for interventions such as incubators, master classes and other training initiatives that aim to provide skills training, create jobs and empower artists to participate in the economy. A further R18.3 million has been set aside over the same period in the National Language Services subprogramme for the language bursary programme to fund 900 tertiary students.

Facilitating nation building and social cohesion

Community conversations provide a space for people from diverse backgrounds to find levers for social cohesion within their communities towards bridging divisions. Over the medium term, the department plans to host 99 community conversations to provide a platform for individuals and organisations to discuss their perceived differences and form a common understanding of what it means to be South African. An estimated R13.3 million is expected to be spent over the medium term in the Institutional Governance programme to host these conversations across South Africa.

The national social cohesion summit takes place every five years, with the next summit scheduled to take place in 2018/19. The summit aims to gauge progress made in achieving the resolutions adopted at the previous summit, and provides an opportunity for government, business, labour, youth formations, the media and civil society organisations to work together to address social issues. R9 million has been set aside for the summit in the Social Cohesion and Nation Building subprogramme.

The Young Patriots programme encourages young people to participate actively in building the capacity of the arts, culture and heritage sector, and gain meaningful skills through service delivery improvement and moral

regeneration initiatives, and the youth social cohesion advocates programme. Over the medium term, R28.5 million is allocated in the Social Cohesion and Nation Building subprogramme for activities related to youth development.

Expenditure trends

Table 37.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Institutional Governance														
3. Arts and Culture Promotion and Development														
4. Heritage Promotion and Preservation														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	228.3	234.4	253.2	244.0	242.4	253.9	283.5	264.9	242.7	270.7	374.6	374.6	109.5%	100.7%
Programme 2	240.1	100.0	277.5	424.1	397.6	226.5	360.7	312.2	185.2	378.8	290.3	231.0	65.6%	83.7%
Programme 3	1 032.9	1 031.5	1 000.7	1 076.2	1 076.2	978.3	1 094.7	1 077.6	1 106.4	1 162.5	1 100.8	1 090.0	95.6%	97.4%
Programme 4	2 026.5	2 158.8	1 962.9	2 175.6	2 109.9	2 303.7	2 332.0	2 407.9	2 423.2	2 637.8	2 606.0	2 600.0	101.3%	100.1%
Total	3 527.7	3 524.7	3 494.3	3 919.9	3 826.0	3 762.4	4 070.9	4 062.6	3 957.5	4 449.8	4 371.7	4 295.6	97.1%	98.3%
Change to 2017 Budget estimate												(78.1)		
Economic classification														
Current payments	693.3	609.0	538.4	640.2	634.7	590.6	597.2	588.8	541.2	631.4	669.2	660.3	91.0%	93.2%
Compensation of employees	209.9	209.9	206.3	221.9	220.4	214.4	238.3	238.3	225.9	232.4	232.4	232.4	97.4%	97.5%
Goods and services	483.4	399.1	332.0	418.4	414.4	376.1	358.8	350.5	315.2	398.9	436.8	427.9	87.4%	90.7%
Interest and rent on land	–	–	0.1	–	–	0.2	–	–	0.1	–	–	–	–	–
Transfers and subsidies	2 827.1	2 908.4	2 807.0	3 162.1	3 073.8	3 058.1	3 220.2	3 266.1	3 313.2	3 575.2	3 486.9	3 470.0	98.9%	99.3%
Provinces and municipalities	1 016.2	1 032.8	1 019.7	1 311.0	1 274.3	1 274.3	1 357.1	1 357.1	1 357.1	1 420.0	1 420.0	1 420.0	99.3%	99.7%
Departmental agencies and accounts	1 643.4	1 606.4	1 496.7	1 449.0	1 428.7	1 461.7	1 522.2	1 569.8	1 627.0	1 831.5	1 744.3	1 736.9	–	–
Higher education institutions	12.5	1.0	0.6	–	–	0.1	–	–	6.2	–	7.3	7.3	114.0%	170.8%
Foreign governments and international organisations	3.0	3.2	3.1	3.7	4.2	4.0	3.7	4.2	14.9	4.6	3.9	3.9	173.1%	167.2%
Public corporations and private enterprises	2.4	11.6	68.3	201.3	176.0	115.5	146.2	104.3	135.9	90.5	110.4	106.7	96.8%	106.0%
Non-profit institutions	121.9	205.4	194.1	166.5	162.0	181.9	163.3	205.6	154.7	198.9	170.7	164.9	106.9%	93.5%
Households	27.7	48.0	24.5	30.6	28.6	20.5	27.7	25.1	17.4	29.7	30.3	30.3	80.2%	70.2%
Payments for capital assets	7.4	7.4	148.4	117.5	117.5	113.1	253.4	207.6	102.9	243.3	215.7	165.3	85.2%	96.6%
Buildings and other fixed structures	–	–	–	107.1	107.1	–	239.8	186.9	–	221.6	–	–	–	–
Machinery and equipment	7.4	7.4	7.0	7.4	7.4	2.6	7.4	10.3	4.6	7.7	64.2	64.2	262.0%	87.8%
Heritage assets	–	–	137.8	–	–	104.4	–	2.0	94.0	9.0	146.5	96.1	4 804.0%	291.1%
Software and other intangible assets	–	–	3.6	3.0	3.0	6.0	6.2	8.4	4.4	5.0	5.0	5.0	133.7%	115.8%
Payments for financial assets	–	–	0.5	–	–	0.6	–	–	0.1	–	–	–	–	–
Total	3 527.7	3 524.7	3 494.3	3 919.9	3 826.0	3 762.4	4 070.9	4 062.6	3 957.5	4 449.8	4 371.7	4 295.6	97.1%	98.3%

Expenditure estimates

Table 37.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Institutional Governance								
3. Arts and Culture Promotion and Development								
4. Heritage Promotion and Preservation								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	374.6	16.9%	7.2%	300.8	319.2	338.2	-3.3%	7.3%
Programme 2	231.0	32.2%	5.9%	416.0	427.0	451.3	25.0%	8.4%
Programme 3	1 090.0	1.9%	26.9%	1 184.4	1 218.7	1 281.3	5.5%	26.3%
Programme 4	2 600.0	6.4%	59.9%	2 471.0	2 657.8	2 811.9	2.6%	58.0%
Total	4 295.6	6.8%	100.0%	4 372.3	4 622.7	4 882.8	4.4%	100.0%
Change to 2017 Budget estimate				(119.4)	(129.6)	(136.4)		
Economic classification								
Current payments	660.3	2.7%	15.0%	640.6	669.1	712.5	2.6%	14.8%
Compensation of employees	232.4	3.5%	5.7%	253.5	272.9	293.3	8.1%	5.8%
Goods and services	427.9	2.4%	9.4%	387.1	396.3	419.2	-0.7%	9.0%
Transfers and subsidies	3 470.0	6.1%	81.6%	3 498.7	3 681.3	3 884.8	3.8%	80.0%
Provinces and municipalities	1 420.0	11.2%	32.7%	1 423.7	1 501.2	1 584.1	3.7%	32.6%
Departmental agencies and accounts	1 736.9	2.6%	40.8%	1 707.1	1 855.8	1 956.2	4.0%	39.9%
Higher education institutions	7.3	95.7%	0.1%	7.1	7.4	7.8	2.1%	0.2%
Foreign governments and international organisations	3.9	7.1%	0.2%	4.8	5.1	5.3	10.7%	0.1%
Public corporations and private enterprises	106.7	109.3%	2.7%	156.4	102.4	114.3	2.3%	2.6%
Non-profit institutions	164.9	-7.1%	4.5%	178.9	187.0	195.1	5.8%	4.0%
Households	30.3	-14.3%	0.6%	20.7	22.5	21.9	-10.2%	0.5%
Payments for capital assets	165.3	181.6%	3.4%	232.9	272.3	285.5	20.0%	5.3%
Machinery and equipment	64.2	105.5%	0.5%	8.2	8.6	9.1	-47.8%	0.5%
Heritage assets	96.1	-	2.8%	218.5	263.6	276.4	42.2%	4.7%
Software and other intangible assets	5.0	-	0.1%	6.3	-	-	-100.0%	0.1%
Total	4 295.6	6.8%	100.0%	4 372.3	4 622.7	4 882.8	4.4%	100.0%

Expenditure trends and estimates for significant spending items

Table 37.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Social Cohesion	33 081	28 140	33 228	53 747	17.6%	1.0%	78 648	83 184	87 951	17.8%	1.7%
Mzansi Golden Economy	346 382	343 444	382 572	383 538	3.5%	9.4%	385 477	407 333	430 267	3.9%	8.8%
Community library services grant	1 016 210	1 274 314	1 357 133	1 419 960	11.8%	32.7%	1 423 684	1 501 199	1 584 122	3.7%	32.6%
P2: Capital works: Capital Works of National Archives	1 036	21 061	53 242	19 213	164.7%	0.6%	36 520	22 000	11 500	-15.7%	0.5%
P3: Capital works: Performing Arts Institutions	23 490	31 125	4 635	27 906	5.9%	0.6%	43 082	9 894	19 273	-11.6%	0.6%
P4: Capital works: Heritage Legacy Projects	156 565	129 122	47 096	150 021	-1.4%	3.1%	218 734	245 647	269 296	21.5%	4.9%
Total	1 576 764	1 827 206	1 877 906	2 054 385	202.1%	47.4%	2 186 145	2 269 257	2 402 409	19.6%	49.1%

Goods and services expenditure trends and estimates

Table 37.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	4 614	8 169	1 329	1 739	-27.8%	1.1%	2 343	2 511	2 662	15.2%	0.6%
Advertising	14 385	7 807	5 647	14 181	-0.5%	2.9%	14 845	15 325	16 165	4.5%	3.7%
Minor assets	212	204	172	316	14.2%	0.1%	350	375	394	7.6%	0.1%
Audit costs: External	8 223	12 442	11 204	12 524	15.1%	3.0%	11 425	12 281	12 952	1.1%	3.0%
Bursaries: Employees	699	519	574	774	3.5%	0.2%	824	870	918	5.9%	0.2%
Catering: Departmental activities	3 695	4 399	2 806	3 774	0.7%	1.0%	2 689	2 854	3 012	-7.2%	0.8%
Communication	9 260	8 864	8 067	9 795	1.9%	2.5%	7 408	7 770	8 288	-5.4%	2.0%
Computer services	12 567	11 428	13 444	11 752	-2.2%	3.4%	16 059	16 960	17 893	15.0%	3.8%
Consultants: Business and advisory services	4 452	12 820	28 954	22 118	70.6%	4.7%	29 594	25 518	26 921	6.8%	6.4%
Legal services	–	–	5 289	3 925	–	0.6%	5 150	5 236	5 524	12.1%	1.2%
Science and technological services	4 882	2 969	–	–	-100.0%	0.5%	–	–	–	–	–
Contractors	81 392	89 269	87 271	109 736	10.5%	25.2%	71 830	77 472	83 567	-8.7%	20.9%
Agency and support/outsourced services	51 925	20 930	10 728	9 777	-42.7%	6.4%	26 706	26 408	27 600	41.3%	5.5%
Entertainment	121	148	157	188	15.8%	–	276	289	304	17.4%	0.1%
Fleet services (including government motor transport)	2 765	2 326	2 326	2 960	2.3%	0.7%	2 859	2 925	3 085	1.4%	0.7%
Inventory: Other supplies	46 118	12 194	4 404	1 140	-70.9%	4.4%	–	–	–	-100.0%	0.1%
Consumable supplies	1 582	737	480	2 185	11.4%	0.3%	7 687	8 085	8 436	56.9%	1.6%
Consumables: Stationery, printing and office supplies	1 314	1 108	1 209	3 540	39.1%	0.5%	3 509	3 722	3 925	3.5%	0.9%
Operating leases	14 992	66 711	48 280	125 947	103.3%	17.5%	93 258	97 996	102 914	-6.5%	25.6%
Rental and hiring	44	53	159	162	54.4%	–	120	130	137	-5.4%	–
Property payments	11 271	40 087	18 174	28 752	36.6%	6.7%	35 741	32 476	34 263	6.0%	8.0%
Travel and subsistence	46 856	63 682	52 575	55 690	5.9%	15.0%	44 004	45 898	48 430	-4.5%	11.8%
Training and development	3 304	1 576	1 308	2 452	-9.5%	0.6%	2 594	2 739	2 890	5.6%	0.7%
Operating payments	4 465	4 638	3 938	4 904	3.2%	1.2%	4 776	5 257	5 548	4.2%	1.2%
Venues and facilities	2 853	2 987	6 717	8 442	43.6%	1.4%	3 065	3 176	3 352	-26.5%	1.1%
Total	331 991	376 067	315 212	436 773	9.6%	100.0%	387 112	396 273	419 180	-1.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 37.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Households											
Social benefits											
Current	3 578	1 122	639	–	-100.0%	1.4%	–	–	–	–	–
Employee social benefits	3 578	1 122	639	–	-100.0%	1.3%	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 220 381	1 276 665	1 359 967	1 606 643	9.6%	1439.5%	1 502 525	1 589 805	1 684 764	1.6%	1735.4%
Office accommodation	63 805	–	–	–	-100.0%	16.8%	–	–	–	–	–
Communication licences	7	7	–	–	-100.0%	–	–	–	–	–	–
Public Services Sector Education and Training Authority	632	–	–	–	-100.0%	0.2%	–	–	–	–	–
National Youth Development Agency	–	–	6 200	12 000	–	4.8%	9 000	9 504	10 027	-5.8%	11.0%
Constitution Hill	–	–	–	700	–	0.2%	–	–	–	-100.0%	0.2%
Pan South African Language Board	83 497	90 905	115 564	108 634	9.2%	105.0%	113 587	122 227	128 954	5.9%	128.7%
Artscape	50 755	53 090	55 904	58 699	5.0%	57.6%	60 912	64 323	67 860	5.0%	68.4%
The Market Theatre	27 810	39 089	42 419	44 540	17.0%	40.5%	46 303	48 896	51 585	5.0%	52.0%
National Arts Council	91 865	97 589	101 182	106 241	5.0%	104.6%	109 677	115 827	122 195	4.8%	123.4%
Performing Arts Centre of the Free State	37 690	39 424	41 513	47 589	8.1%	43.8%	45 322	47 860	50 493	2.0%	52.0%
The Playhouse Company	43 085	48 632	41 165	49 838	5.0%	48.1%	49 632	52 412	55 637	3.7%	56.4%
The South African State Theatre	45 028	47 099	49 595	52 075	5.0%	51.1%	55 453	58 558	61 778	5.9%	61.9%
Windybrow Theatre	10 703	28 195	–	–	-100.0%	10.2%	–	–	–	–	–

Table 37.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
National Film and Video Foundation	147 588	116 721	122 907	129 052	-4.4%	136.0%	133 472	140 946	148 698	4.8%	150.1%
Mzansi golden economy: Art bank resources	3 000	-	3 000	6 000	26.0%	3.2%	6 000	8 000	10 000	18.6%	8.2%
Mzansi golden economy: Public art	500	-	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Mzansi golden economy (Cultural events)	5 500	3 900	22 500	13 500	34.9%	12.0%	14 500	14 000	16 000	5.8%	15.8%
Various institutions: Mzansi golden economy (Touring ventures)	3 733	-	-	-	-100.0%	1.0%	-	-	-	-	-
Various institutions: Mzansi golden economy (Artists in schools)	1 000	900	960	4 000	58.7%	1.8%	2 600	2 746	2 897	-10.2%	3.3%
Various institutions: Mzansi golden economy (Entrepreneur and local content development)	-	9 700	-	30 000	-	10.5%	50 000	52 800	55 704	22.9%	51.2%
Performing Arts Institutions: Mzansi golden economy (Incubators entrepreneur and local content development)	-	-	10 158	11 000	-	5.6%	9 000	9 504	10 027	-3.0%	10.7%
Arts and Culture Industries: Local market development and promotion	-	1 920	820	-	-	0.7%	528	558	589	-	0.5%
Human languages technologies projects	4 254	-	-	-	-100.0%	1.1%	-	-	3 927	-	1.1%
Die Afrikaanse Taalmuseum en -monument: Paarl	5 308	6 521	7 754	8 711	18.0%	7.5%	9 419	9 948	10 495	6.4%	10.5%
Freedom Park: Pretoria	70 470	71 158	72 922	96 613	11.1%	82.0%	84 551	89 291	94 202	-0.8%	99.1%
Iziko Museums: Cape Town	65 331	80 768	87 844	95 644	13.5%	86.8%	86 317	91 205	96 268	0.2%	100.4%
Luthuli Museum: Stanger	8 890	9 477	10 059	14 113	16.7%	11.2%	14 828	15 634	16 491	5.3%	16.6%
KwaZulu-Natal Museum: Pietermaritzburg	17 376	21 663	23 727	36 686	28.3%	26.2%	35 224	37 188	39 240	2.3%	40.3%
National Heritage Council	55 917	58 475	82 724	64 653	5.0%	69.0%	68 493	72 329	76 307	5.7%	76.6%
National Museum: Bloemfontein	41 085	47 566	51 688	100 378	34.7%	63.4%	54 281	57 373	60 580	-15.5%	74.1%
Nelson Mandela Museum: Mthatha	20 124	21 612	24 083	26 779	10.0%	24.4%	27 103	28 625	30 199	4.1%	30.6%
Robben Island Museum: Cape Town	66 805	95 662	73 172	89 438	10.2%	85.6%	80 451	84 995	89 709	0.1%	93.7%
South African Heritage Resources Agency	46 417	48 552	51 125	57 861	7.6%	53.7%	55 650	58 767	61 999	2.3%	63.7%
The National English Literary Museum: Grahamstown	8 657	9 545	9 836	12 155	12.0%	10.6%	11 493	12 136	12 804	1.7%	13.2%
Voortrekker Museum: Pietermaritzburg	11 935	13 190	14 052	17 297	13.2%	14.9%	18 296	19 334	20 397	5.6%	20.5%
War Museum of the Boer Republics: Bloemfontein	8 613	9 907	10 604	22 084	36.9%	13.5%	12 710	13 483	14 224	-13.6%	17.0%
William Humphreys Art Gallery: Kimberley	5 960	7 546	7 713	9 967	18.7%	8.2%	10 383	10 967	11 570	5.1%	11.7%
Ditsong Museums of South Africa: Pretoria	66 350	77 880	84 164	125 777	23.8%	93.3%	87 212	92 152	97 272	-8.2%	109.4%
National Library of South Africa	84 077	102 231	115 012	135 398	17.2%	115.1%	117 805	124 643	131 766	-0.9%	138.5%
South African Library for the Blind	16 612	17 741	19 601	19 221	5.0%	19.3%	22 323	23 574	24 870	9.0%	24.5%
Radio and television licences	2	-	-	-	-100.0%	-	-	-	-	-	-
Capital	276 326	185 064	267 065	137 627	-20.7%	228.2%	204 564	265 988	271 465	25.4%	239.1%
Heritage legacy projects	43 103	-	-	-	-100.0%	11.4%	-	-	-	-	-
Gauteng Tourism Authority	-	-	200	-	-	0.1%	-	-	-	-	-
Artscape: Capital works projects	-	-	28 270	16 480	-	11.8%	4 625	1 975	14 974	-3.1%	10.3%
The South African State Theatre: Capital works projects	20 052	-	12 300	5 000	-37.1%	9.8%	5 900	17 168	9 484	23.8%	10.2%
The Playhouse Company: Capital works projects	24 400	-	13 762	1 770	-58.3%	10.5%	31 852	6 537	21 512	129.9%	16.8%
Performing Arts Centre of the Free State: Capital works projects	5 000	-	30 000	-	-100.0%	9.2%	7 738	25 976	6 667	-	11.0%
The Market Theatre: Capital works projects	15 000	-	8 417	12 000	-7.2%	9.3%	15 000	25 698	14 472	6.4%	18.3%
National Arts Council: Capital works projects	-	-	-	-	-	-	1 800	-	-	-	0.5%
National Film and Video Foundation: Capital works projects	-	-	-	-	-	-	13 248	7 750	7 736	-	7.8%
Provincial Departmental Agencies	-	-	-	1 350	-	0.4%	-	-	-	-100.0%	0.4%
Iziko Museums: Cape Town (Capital works projects)	51 690	40 206	74 740	48 537	-2.1%	56.7%	20 200	9 502	9 474	-42.0%	23.8%
Nelson Mandela Museum: Mthatha (Capital works projects)	10 230	1 303	335	1 925	-42.7%	3.6%	4 000	6 000	10 000	73.2%	6.0%
South African Heritage Resources Agency (Capital works projects)	-	25 000	-	2 000	-	7.1%	-	-	29 209	144.4%	8.5%

Table 37.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
KwaZulu-Natal Museum: Pietermaritzburg (Capital works projects)	936	–	395	–	-100.0%	0.4%	4 200	33 542	16 374	–	14.7%
Luthuli Museum: Stanger (Capital works projects)	883	–	5 967	1 250	12.3%	2.1%	–	–	–	-100.0%	0.3%
Voortrekker Museum: Pietermaritzburg (Capital works projects)	1 279	11 428	–	1 000	-7.9%	3.6%	–	3 250	1 000	–	1.4%
William Humphreys Art Gallery: Kimberley (Capital works projects)	1 200	–	1 000	1 000	-5.9%	0.8%	4 103	17 000	4 500	65.1%	7.2%
War Museum of the Boer Republics: Bloemfontein (Capital works projects)	620	1 347	1 149	1 000	17.3%	1.1%	–	1 673	6 000	81.7%	2.4%
Die Afrikaanse Taalmuseum en -monument: Paarl (Capital works projects)	1 000	420	1 030	2 000	26.0%	1.2%	1 608	3 581	17 038	104.2%	6.6%
Ditsong Museums of South Africa: Pretoria (Capital works projects)	14 343	3 974	576	–	-100.0%	5.0%	21 000	38 557	30 900	–	24.6%
National Museum: Bloemfontein (Capital works projects)	13 062	–	–	–	-100.0%	3.4%	–	9 750	9 735	–	5.3%
The National English Literary Museum: Grahamstown (Capital works projects)	36 514	63 218	45 652	2 635	-58.4%	39.0%	4 100	2 000	1 000	-27.6%	2.6%
Robben Island Museum: Cape Town (Capital works projects)	17 530	27 621	26 121	20 000	4.5%	24.0%	43 300	37 825	8 722	-24.2%	29.9%
Freedom Park: Pretoria (Capital works projects)	12 982	–	–	2 000	-46.4%	3.9%	–	(256)	10 730	75.1%	3.4%
National Library of South Africa: Capital works projects	4 353	10 547	17 151	12 914	43.7%	11.8%	9 583	11 556	34 688	39.0%	18.7%
South African Library for the Blind: Capital works projects	2 149	–	–	4 766	30.4%	1.8%	12 307	6 904	7 250	15.0%	8.5%
Households											
Other transfers to households											
Current	20 939	19 410	16 716	30 262	13.1%	23.0%	20 708	22 512	21 893	-10.2%	25.9%
Employee social benefits	–	710	–	–	–	0.2%	–	–	–	–	–
Gifts and donations	–	–	1	–	–	–	–	–	–	–	–
Kenneth Arthur Bogosi Bolokwe	–	–	98	–	–	–	–	–	–	–	–
Mzansi golden economy: Public art	830	225	952	500	-15.5%	0.7%	1 000	828	857	19.7%	0.9%
Various institutions: Mzansi golden economy (Cultural events)	710	2 166	1 041	1 901	38.9%	1.5%	2 500	2 848	2 221	5.3%	2.6%
Various institutions: Mzansi golden economy (Touring ventures)	1 214	1 397	2 901	4 657	56.5%	2.7%	2 000	2 112	2 228	-21.8%	3.0%
Various institutions: Mzansi golden economy (Export market development and promotion)	–	–	–	1 500	–	0.4%	1 500	2 584	1 671	3.7%	2.0%
Arts and Culture Industries: Local market development and promotion	6 732	1 079	1 118	9 806	13.4%	4.9%	1 785	1 885	1 987	-41.3%	4.2%
Language development projects	7 789	8 859	6 000	6 300	-6.8%	7.6%	6 000	6 000	6 330	0.2%	6.7%
Heritage projects	2 550	4 974	4 605	5 598	30.0%	4.7%	5 923	6 255	6 599	5.6%	6.6%
Projects that conserve archival material	1 114	–	–	–	-100.0%	0.3%	–	–	–	–	–
Non-profit institutions											
Current	172 004	152 166	148 591	150 201	-4.4%	164.1%	167 875	177 490	188 075	7.8%	185.8%
Various institutions	9 393	9 865	5 894	12 190	9.1%	9.8%	14 812	15 837	16 708	11.1%	16.2%
Gcwala-Ngamasiko Cultural Festival	1 000	2 000	1 700	2 360	33.1%	1.9%	2 000	2 000	2 000	-5.4%	2.3%
!Kauru African contemporary art touring exhibition	2 000	–	–	–	-100.0%	0.5%	497	637	782	–	0.5%
Voortrekker Monument	–	1 284	–	–	–	0.3%	–	–	–	–	–
Valoyi Traditional Authority Trust	500	–	–	–	-100.0%	0.1%	–	–	–	–	–
Moral Regeneration Movement	–	1 500	3 500	3 500	–	2.2%	4 000	4 000	4 193	6.2%	4.3%
Business and Arts South Africa	7 312	7 648	11 053	8 456	5.0%	9.1%	8 946	9 447	9 967	5.6%	10.0%
Mzansi golden economy: Public art	6 990	1 756	1 218	2 500	-29.0%	3.3%	2 500	1 800	2 500	–	2.5%
Various institutions: Mzansi golden economy (Cultural events)	98 382	82 664	67 253	52 799	-18.7%	79.3%	52 400	52 610	55 504	1.7%	58.0%
Various institutions: Mzansi golden economy (Touring ventures)	10 097	11 313	13 716	6 243	-14.8%	10.9%	8 000	11 508	12 223	25.1%	10.3%
Various institutions: Mzansi golden economy (National Cultural Industries Skills Academy)	–	–	9 150	12 899	–	5.8%	15 000	13 269	14 000	2.8%	15.0%

Table 37.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Various institutions: Mzansi golden economy (Artists in schools)	4 000	9 374	6 800	9 667	34.2%	7.9%	12 800	13 517	14 260	13.8%	13.7%
Various institutions: Mzansi golden economy (Community arts development)	-	-	-	6 866	-	1.8%	8 500	10 280	10 845	16.5%	9.9%
Various institutions: Mzansi golden economy (Export market development and promotion)	-	-	4 270	4 000	-	2.2%	2 500	4 640	3 785	-1.8%	4.1%
Various institutions: Mzansi golden economy (Entrepreneur and local content development)	-	-	950	1 000	-	0.5%	1 000	1 056	2 388	33.7%	1.5%
Arts and Culture Industries: Local market development and promotion	15 247	9 601	11 217	9 700	-14.0%	12.1%	13 732	14 501	15 301	16.4%	14.5%
Arts and culture industries: Community arts development	3 672	-	-	4 587	7.7%	2.2%	6 960	7 350	7 754	19.1%	7.2%
Human languages technologies projects	1 208	-	-	-	-100.0%	0.3%	-	-	-	-	-
Engelenburg House Art Collection: Pretoria	289	302	318	334	4.9%	0.3%	353	373	394	5.7%	0.4%
Blind South Africa	6 795	7 108	7 485	7 859	5.0%	7.7%	8 315	8 781	9 264	5.6%	9.3%
Various institutions: Heritage Projects	650	3 870	2 267	3 351	72.8%	2.7%	3 560	3 772	3 979	5.9%	4.0%
Library and Information Association of South Africa	4 469	2 566	1 800	1 890	-24.9%	2.8%	2 000	2 112	2 228	5.6%	2.2%
South African National Council for the Blind	-	982	-	-	-	0.3%	-	-	-	-	-
African Renaissance Institute	-	333	-	-	-	0.1%	-	-	-	-	-
Capital	22 055	29 765	6 148	20 518	-2.4%	20.7%	11 050	9 494	6 997	-30.1%	13.1%
Adams College	4 562	-	3 598	2 389	-19.4%	2.8%	-	-	-	-100.0%	0.6%
Voortrekker Monument	357	-	50	250	-11.2%	0.2%	-	-	-	-100.0%	0.1%
Liliesleaf Farm	10 600	500	-	-	-100.0%	2.9%	-	-	-	-	-
Valoyi Traditional Authority Trust	-	3 109	-	-	-	0.8%	-	-	-	-	-
National Heritage Company	-	15 000	-	-	-	4.0%	-	-	-	-	-
The Sankofa Arts Charitable Trust	-	-	2 500	-	-	0.7%	-	-	-	-	-
Steve Biko Foundation	-	996	-	3 100	-	1.1%	3 100	4 000	4 400	12.4%	4.0%
The Trevor Huddleston CR Memorial Centre	-	900	-	-	-	0.2%	-	-	-	-	-
Various institutions: Capital works projects	1 000	8 895	-	3 800	56.0%	3.6%	7 950	3 494	2 597	-11.9%	4.8%
Northern Cape Theatre	-	-	-	2 000	-	0.5%	-	-	-	-100.0%	0.5%
Non Profit Organisations	-	-	-	6 979	-	1.8%	-	-	-	-100.0%	1.9%
Caiphus Katse Semenya Foundation - Incubator	-	-	-	2 000	-	0.5%	-	2 000	-	-100.0%	1.1%
Blind South Africa: Capital works projects	1 345	365	-	-	-100.0%	0.5%	-	-	-	-	-
Die Erfenisstigting	4 191	-	-	-	-100.0%	1.1%	-	-	-	-	-
Foreign governments and international organisations											
Current	3 127	3 998	14 891	3 923	7.9%	6.8%	4 809	5 050	5 327	10.7%	5.2%
Commonwealth Foundation	2 027	2 298	1 963	2 058	0.5%	2.2%	2 865	3 025	3 191	15.7%	3.0%
African World Heritage Fund	1 100	1 700	12 928	1 865	19.2%	4.6%	1 944	2 025	2 136	4.6%	2.2%
Higher education institutions											
Current	570	130	6 171	7 342	134.4%	3.7%	7 128	7 400	7 808	2.1%	8.1%
Mzansi golden economy: Public art	480	-	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Mzansi golden economy (Cultural events)	-	80	-	-	-	-	-	-	-	-	-
Various institutions: Mzansi golden economy (Touring ventures)	90	-	-	-	-100.0%	-	-	-	-	-	-
Arts and culture industries: Entrepreneur and local content development	-	50	-	-	-	-	-	-	-	-	-
Human languages technologies projects	-	-	6 171	7 342	-	3.6%	7 128	7 400	7 808	2.1%	8.1%

Table 37.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Public corporations and private enterprises											
Other transfers to public corporations											
Current	1 920	3 098	1 124	1 383	-10.4%	2.0%	3 086	3 722	-	-100.0%	2.2%
Various institutions: Mzansi golden economy (20 years of freedom)	400	-	-	-	-100.0%	0.1%	-	-	-	-	-
Arts and culture Industries: Entrepreneur and local content development	1 520	80	-	-	-100.0%	0.4%	-	-	-	-	-
Human languages technologies projects	-	-	-	1 183	-	0.3%	-	-	-	-100.0%	0.3%
Council for Scientific and Industrial Research	-	3 018	1 124	200	-	1.1%	3 086	3 722	-	-100.0%	1.9%
Capital	-	-	-	21 777	-	5.7%	37 409	-	-	-100.0%	16.1%
National Heritage Monument	-	-	-	12 000	-	3.2%	17 409	-	-	-100.0%	8.0%
North West Development Corporation	-	-	-	1 676	-	0.4%	-	-	-	-100.0%	0.5%
Polokwane Performing Arts Centre - Incubator	-	-	-	-	-	-	20 000	-	-	-	5.4%
Mpumalanga Economic Growth Agency	-	-	-	8 101	-	2.1%	-	-	-	-100.0%	2.2%
Provinces and municipalities											
Provincial revenue funds											
Current	345 786	419 407	709 143	996 886	42.3%	651.1%	1 057 777	1 126 198	1 188 138	6.0%	1187.7%
Community library services grant: Current	345 786	419 407	709 143	996 886	42.3%	651.1%	1 057 777	1 126 198	1 188 138	6.0%	1187.7%
Capital	670 424	854 907	647 989	423 074	-14.2%	684.0%	365 907	375 001	395 984	-2.2%	424.1%
Community library services grant: Capital	670 424	854 907	647 989	423 074	-14.2%	684.0%	365 907	375 001	395 984	-2.2%	424.1%
Provinces and municipalities											
Provincial agencies and funds											
Current	3 501	3	1	-	-100.0%	0.9%	-	-	-	-	-
Vehicle licences	1	3	1	-	-100.0%	-	-	-	-	-	-
Various institutions: Mzansi golden economy (Cultural events)	3 500	-	-	-	-100.0%	0.9%	-	-	-	-	-
Provinces and municipalities											
Municipal agencies and funds											
Current	2	-	-	-	-100.0%	-	-	-	-	-	-
Vehicle licences	2	-	-	-	-100.0%	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to private enterprises											
Current	66 390	97 774	130 167	85 233	8.7%	100.0%	90 730	94 250	97 650	4.6%	100.0%
Various institutions	1 489	50	900	-	-100.0%	0.0%	-	-	-	-	-
Mzansi golden economy: Public art	1 135	1 185	915	1 500	9.7%	0.0%	2 000	1 956	1 479	-0.5%	0.0%
Various institutions: Mzansi golden economy (Cultural events)	47 929	73 638	106 712	45 000	-2.1%	2.2%	45 000	44 572	47 072	1.5%	1.2%
Various institutions: Mzansi golden economy (Touring ventures)	9 381	5 490	8 896	12 100	8.9%	0.3%	11 000	10 948	10 413	-4.9%	0.3%
Various institutions: Mzansi golden economy (National Cultural Industries Skills Academy)	-	-	-	9 000	-	0.1%	11 300	10 560	11 141	7.4%	0.3%
Various institutions: Mzansi golden economy (Artists in schools)	2 200	1 800	900	1 333	-15.4%	0.0%	2 600	2 746	2 897	29.5%	0.1%
Various institutions: Mzansi golden economy (Export market development and promotion)	-	-	3 730	4 000	-	0.1%	3 000	3 168	4 342	2.8%	0.1%
Various institutions: Mzansi golden economy (Entrepreneur and local content development)	-	9 000	4 200	3 000	-	0.1%	1 500	5 168	4 342	13.1%	0.1%
Arts and culture industries: Local market development and promotion	4 256	5 236	2 624	9 000	28.4%	0.2%	14 330	15 132	15 964	21.1%	0.4%
Intsyst Labs	-	1 375	1 290	300	-	0.0%	-	-	-	-100.0%	0.0%
Capital	-	14 595	4 635	2 000	-	0.2%	25 132	4 400	16 676	-	0.3%
National Heroes Acre	-	-	-	-	-	-	10 000	-	-	-	0.1%
Various institutions: Capital works projects	-	14 595	4 635	-	-	0.2%	15 132	4 400	14 676	-	0.2%
Afrivibe Entertainment - Incubator	-	-	-	2 000	-	0.0%	-	-	2 000	-	0.0%
Total	2 807 003	3 058 104	3 313 247	3 486 869	7.5%	100.0%	3 498 700	3 681 310	3 884 777	3.7%	100.0%

Personnel information

Table 37.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Institutional Governance																			
3. Arts and Culture Promotion and Development																			
4. Heritage Promotion and Preservation																			
Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
Arts and Culture		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost		Unit cost		
Salary level	434	49	472	225.9	0.5	423	232.4	0.5	408	253.5	0.6	407	272.9	0.7	406	293.3	0.7		-1.4%
1 – 6	71	6	105	22.5	0.2	71	16.9	0.2	72	18.4	0.3	71	19.7	0.3	71	21.3	0.3	-	17.3%
7 – 10	194	6	203	78.8	0.4	194	82.5	0.4	193	88.6	0.5	193	95.8	0.5	192	103.0	0.5	-0.3%	47.0%
11 – 12	87	6	88	61.2	0.7	85	64.4	0.8	86	70.3	0.8	86	75.9	0.9	86	82.0	1.0	0.4%	20.9%
13 – 16	57	8	51	58.0	1.1	52	63.2	1.2	55	71.3	1.3	55	76.3	1.4	55	81.6	1.5	1.9%	13.2%
Other	25	23	25	5.3	0.2	21	5.5	0.3	2	4.8	2.4	2	5.2	2.6	2	5.5	2.8	-54.3%	1.6%
Programme	434	49	472	225.9	0.5	423	232.4	0.5	408	253.5	0.6	407	272.9	0.7	406	293.3	0.7	-1.4%	100.0%
Programme 1	174	25	186	96.5	0.5	164	98.2	0.6	163	107.1	0.7	162	115.1	0.7	161	123.4	0.8	-0.6%	39.5%
Programme 2	57	10	57	33.5	0.6	55	36.8	0.7	52	40.4	0.8	52	43.4	0.8	52	46.7	0.9	-1.9%	12.8%
Programme 3	84	7	92	45.7	0.5	85	47.4	0.6	78	51.8	0.7	78	55.9	0.7	78	60.2	0.8	-2.8%	19.4%
Programme 4	119	7	137	50.2	0.4	119	50.0	0.4	115	54.3	0.5	115	58.5	0.5	115	63.0	0.5	-1.1%	28.2%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 37.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
R thousand												
Departmental receipts	3 301	2 970	1 262	1 288	596	-43.5%	100.0%	685	758	845	12.3%	100.0%
Sales of goods and services produced by department	263	318	298	409	285	2.7%	14.3%	401	429	451	16.5%	54.3%
Sales by market establishments	15	15	14	154	25	18.6%	0.8%	17	19	20	-7.2%	2.8%
of which:												
Rental parking: Covered and open	15	15	14	154	25	18.6%	0.8%	17	19	20	-7.2%	2.8%
Administrative fees	5	5	2	-	5	-	0.2%	10	10	12	33.9%	1.3%
of which:												
Promotion of Access to Information Act (2005)	5	3	1	-	3	-15.7%	0.1%	7	8	9	44.2%	0.9%
Duplicate certificates	-	2	1	-	2	-	0.1%	3	2	3	14.5%	0.3%
Other sales	243	298	282	255	255	1.6%	13.3%	374	400	419	18.0%	50.2%
of which:												
Coat of arms	108	151	146	116	150	11.6%	6.8%	220	240	250	18.6%	29.8%
Photocopy and faxes	50	62	41	50	40	-7.2%	2.4%	60	70	75	23.3%	8.5%
Commission on insurance and garnishee	78	80	86	82	60	-8.4%	3.7%	85	78	80	10.1%	10.5%
Departmental Production	2	-	4	-	-	-100.0%	0.1%	-	-	-	-	-
Transportation fees	5	5	5	7	5	-	0.2%	9	12	14	40.9%	1.4%
Sales of scrap, waste, arms and other used current goods	-	4	-	14	5	-	0.1%	5	7	1	-41.5%	0.6%
of which:												
Waste paper	-	-	-	-	-	-	-	-	-	1	-	-
Sale: Assets < R5000	-	3	-	12	3	-	0.1%	2	3	-	-100.0%	0.3%
Sale: Departmental publications	-	1	-	2	2	-	-	3	4	-	-100.0%	0.3%
Transfers received	-	-	-	244	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	4	-	-	-	-	-100.0%	-	-	-	-	-	-
Interest, dividends and rent on land	12	8	40	11	6	-20.6%	0.8%	9	12	13	29.4%	1.4%

Table 37.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2014/15 - 2017/18	2018/19		
Interest	12	8	40	11	6	-20.6%	0.8%	9	12	13	29.4%	1.4%
Sales of capital assets	25	125	–	300	250	115.4%	4.9%	200	220	250	–	31.9%
Transactions in financial assets and liabilities	2 997	2 515	924	310	50	-74.4%	79.8%	70	90	130	37.5%	11.8%
Total	3 301	2 970	1 262	1 288	596	-43.5%	100.0%	685	758	845	12.3%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 37.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Ministry	4.2	4.2	4.2	4.5	2.7%	1.5%	4.9	5.2	5.6	7.1%	1.5%
Management	53.6	61.0	61.4	52.5	-0.7%	20.3%	53.4	57.0	61.1	5.2%	16.8%
Corporate Services	87.9	85.1	92.8	146.4	18.5%	36.7%	102.2	108.6	114.5	-7.9%	35.4%
Office of the CFO	27.5	30.8	28.7	30.5	3.5%	10.5%	31.5	33.8	36.7	6.3%	9.9%
Office Accommodation	79.9	72.8	55.5	140.7	20.7%	31.0%	108.9	114.5	120.3	-5.1%	36.3%
Total	253.2	253.9	242.7	374.6	13.9%	100.0%	300.8	319.2	338.2	-3.3%	100.0%
Change to 2017 Budget estimate				103.9			9.5	9.4	9.3		
Economic classification											
Current payments	176.7	246.6	234.9	311.4	20.8%	86.2%	292.7	310.6	329.1	1.9%	93.3%
Compensation of employees	89.5	95.0	96.5	98.2	3.1%	33.7%	107.1	115.1	123.4	7.9%	33.3%
Goods and services ¹	87.2	151.4	138.3	213.2	34.7%	52.5%	185.5	195.5	205.7	-1.2%	60.0%
of which:											
Advertising	0.8	2.1	1.7	1.7	27.9%	0.6%	10.0	10.5	11.1	87.8%	2.5%
Audit costs: External	8.1	9.8	9.6	10.2	7.7%	3.3%	9.6	10.2	10.8	1.9%	3.1%
Computer services	8.4	11.1	13.3	10.5	7.7%	3.8%	10.9	11.5	12.1	5.0%	3.4%
Operating leases	14.6	65.8	48.3	123.9	104.1%	22.5%	90.5	95.1	99.8	-7.0%	30.7%
Property payments	11.3	18.0	17.0	26.9	33.8%	6.5%	30.6	32.4	34.1	8.2%	9.3%
Travel and subsistence	16.9	23.7	20.9	10.9	-13.5%	6.4%	9.0	9.6	10.1	-2.7%	3.0%
Interest and rent on land	0.1	0.1	0.1	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies¹	67.6	1.1	0.4	–	-100.0%	6.1%	–	–	–	–	–
Departmental agencies and accounts	64.4	0.0	–	–	-100.0%	5.7%	–	–	–	–	–
Households	3.1	1.1	0.4	–	-100.0%	0.4%	–	–	–	–	–
Payments for capital assets	8.6	6.0	7.4	63.2	94.5%	7.6%	8.2	8.6	9.1	-47.6%	6.7%
Machinery and equipment	4.9	2.5	4.3	63.2	133.7%	6.7%	8.2	8.6	9.1	-47.6%	6.7%
Software and other intangible assets	3.6	3.6	3.1	–	-100.0%	0.9%	–	–	–	–	–
Payments for financial assets	0.3	0.3	0.0	–	-100.0%	0.1%	–	–	–	–	–
Total	253.2	253.9	242.7	374.6	13.9%	100.0%	300.8	319.2	338.2	-3.3%	100.0%
Proportion of total programme expenditure to vote expenditure	7.2%	6.7%	6.1%	8.6%	–	–	6.9%	6.9%	6.9%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	63.8	–	–	–	-100.0%	5.7%	–	–	–	–	–
Office accommodation	63.8	–	–	–	-100.0%	5.7%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Institutional Governance

Programme purpose

Coordinate and manage all cross-cutting functions of the department and its public entities. Provide support and oversight to these public entities.

Objectives

- Build international relations with countries and institutions through cultural diplomacy by coordinating 20 cultural diplomacy engagements by March 2019.
- Create a coherent policy and legislative environment for the arts, culture and heritage sector by:
 - hosting a joint sector-wide strategic planning session annually
 - signing annual shareholder compacts with all the department's public entities.
- Lead, coordinate and implement social cohesion, nation building programmes and target groups by:
 - recruiting 200 youth volunteers as Young Patriots by March 2019
 - supporting 20 public platforms advocating social cohesion per year
 - hosting 33 community conversations by March 2019
 - commemorating 6 national days per year.
- Develop, preserve, protect and promote heritage through the coordination and management of arts, culture and heritage infrastructure by supporting 12 arts, culture and heritage infrastructure projects by March 2019.

Subprogrammes

- *International Cooperation* assists in building continental and international relations for the promotion and development of South African arts, culture and heritage.
- *Social Cohesion and Nation Building* is responsible for the implementation of the national social cohesion strategy and the mainstreaming of targeted groups in arts, culture and heritage, including arts and culture in schools. It is also responsible for the coordination of outcome 14 (nation building and social cohesion) of government's 2014-2019 medium-term strategic framework.
- *Coordination, Monitoring, Evaluation and Good Governance* provides sector-wide planning, monitoring and evaluation, and coordinates the institutional development and governance of arts and culture public entities.
- *Capital Works* funds and administers capital allocations for the construction and maintenance of heritage infrastructure, new commemorative structures under national legacy projects, and grants for maintenance and other capital projects annually.

Expenditure trends and estimates

Table 37.10 Institutional Governance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
International Cooperation	33.5	31.3	25.9	37.1	3.5%	13.0%	36.9	38.3	40.7	3.1%	9.7%
Social Cohesion and Nation Building	33.1	28.1	33.2	53.7	17.6%	15.1%	78.6	83.2	88.0	17.8%	19.2%
Coordination, Monitoring, Evaluation and Good Governance	9.4	13.9	25.7	30.2	47.7%	8.1%	45.3	37.9	41.9	11.5%	9.8%
Total	277.5	226.5	185.2	290.3	1.5%	100.0%	416.0	427.0	451.3	15.8%	100.0%
Change to 2017 Budget estimate				(88.5)			(54.7)	22.7	24.0		

Table 37.10 Institutional Governance expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Current payments	63.6	84.1	70.7	88.3	11.5%	31.3%	127.6	124.3	133.7	14.8%	29.9%
Compensation of employees	26.7	27.8	33.5	36.8	11.3%	12.7%	40.4	43.4	46.7	8.3%	10.6%
Goods and services ¹	36.9	56.3	37.2	51.5	11.8%	18.6%	87.2	80.9	87.0	19.1%	19.4%
<i>of which:</i>											
<i>Communication</i>	1.6	1.4	1.0	1.8	5.6%	0.6%	1.6	1.7	1.8	-0.3%	0.4%
<i>Consultants: Business and advisory services</i>	0.0	0.3	1.5	1.7	244.3%	0.4%	6.6	1.7	1.8	2.4%	0.8%
<i>Contractors</i>	10.3	6.4	14.9	18.0	20.5%	5.1%	37.8	41.0	45.1	35.8%	9.0%
<i>Agency and support/outsourced services</i>	8.2	5.7	1.0	1.0	-50.1%	1.6%	14.7	13.7	14.2	140.5%	2.8%
<i>Property payments</i>	-	21.1	-	-	-	2.2%	5.0	-	-	-	0.3%
<i>Travel and subsistence</i>	10.0	11.6	12.0	18.8	23.5%	5.3%	16.1	17.1	18.0	-1.4%	4.4%
Transfers and subsidies¹	74.2	37.8	20.5	50.5	-12.0%	18.7%	63.7	39.0	41.3	-6.5%	12.3%
Departmental agencies and accounts	43.1	-	0.2	12.7	-33.5%	5.7%	9.0	9.5	10.0	-7.6%	2.6%
Foreign governments and international organisations	2.0	2.3	2.0	2.1	0.5%	0.9%	2.9	3.0	3.2	15.7%	0.7%
Public corporations and private enterprises	1.5	0.1	0.9	12.0	100.5%	1.5%	27.4	-	-	-100.0%	2.5%
Non-profit institutions	27.6	35.2	17.2	23.8	-4.8%	10.6%	24.4	26.5	28.1	5.7%	6.5%
Households	0.0	0.3	0.1	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	139.8	104.5	94.0	151.5	2.7%	50.0%	224.7	263.6	276.4	22.2%	57.8%
Machinery and equipment	2.0	0.0	-	-	-100.0%	0.2%	-	-	-	-	-
Heritage assets	137.8	104.4	94.0	146.5	2.1%	49.3%	218.5	263.6	276.4	23.6%	57.1%
Software and other intangible assets	-	-	-	5.0	-	0.5%	6.3	-	-	-100.0%	0.7%
Payments for financial assets	0.0	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Total	277.5	226.5	185.2	290.3	1.5%	100.0%	416.0	427.0	451.3	15.8%	100.0%
Proportion of total programme expenditure to vote expenditure	7.9%	6.0%	4.7%	6.6%	-	-	9.5%	9.2%	9.2%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	-	12.7	-	1.3%	9.0	9.5	10.0	-7.6%	2.6%
National Youth Development Agency	-	-	-	12.0	-	1.2%	9.0	9.5	10.0	-5.8%	2.6%
Constitution Hill	-	-	-	0.7	-	0.1%	-	-	-	-100.0%	-
Capital	43.1	-	-	-	-100.0%	4.4%	-	-	-	-	-
Heritage legacy projects	43.1	-	-	-	-100.0%	4.4%	-	-	-	-	-
Non-profit institutions											
Current	12.4	14.6	11.1	18.1	13.4%	5.7%	21.3	22.5	23.7	9.5%	5.4%
Various institutions	9.4	9.9	5.9	12.2	9.1%	3.8%	14.8	15.8	16.7	11.1%	3.8%
Gcwala-Ngamasiko Cultural Festival	1.0	2.0	1.7	2.4	33.1%	0.7%	2.0	2.0	2.0	-5.4%	0.5%
Ikauru African contemporary art touring exhibition	2.0	-	-	-	-100.0%	0.2%	0.5	0.6	0.8	-	0.1%
Voortrekker Monument	-	1.3	-	-	-	0.1%	-	-	-	-	-
Moral Regeneration Movement	-	1.5	3.5	3.5	-	0.9%	4.0	4.0	4.2	6.2%	1.0%
Capital	15.2	19.6	6.1	5.5	-28.7%	4.7%	3.1	4.0	4.4	-7.1%	1.1%
Adams College	4.6	-	3.6	2.4	-19.4%	1.1%	-	-	-	-100.0%	0.2%
Liliesleaf Farm	10.6	0.5	-	-	-100.0%	1.1%	-	-	-	-	-
Valoyi Traditional Authority Trust	-	3.1	-	-	-	0.3%	-	-	-	-	-
National Heritage Company	-	15.0	-	-	-	1.5%	-	-	-	-	-
The Sankofa Arts Charitable Trust	-	-	2.5	-	-	0.3%	-	-	-	-	-
Steve Biko Foundation	-	1.0	-	3.1	-	0.4%	3.1	4.0	4.4	12.4%	0.9%
Foreign governments and international organisations											
Current	2.0	2.3	2.0	2.1	0.5%	0.9%	2.9	3.0	3.2	15.7%	0.7%
Commonwealth Foundation	2.0	2.3	2.0	2.1	0.5%	0.9%	2.9	3.0	3.2	15.7%	0.7%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	-	-	-	12.0	-	1.2%	17.4	-	-	-100.0%	1.9%
National Heritage Monument	-	-	-	12.0	-	1.2%	17.4	-	-	-100.0%	1.9%

Table 37.10 Institutional Governance expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	1.5	0.1	0.9	–	-100.0%	0.2%	–	–	–	–	–
Various institutions	1.5	0.1	0.9	–	-100.0%	0.2%	–	–	–	–	–
Capital	–	–	–	–	–	–	10.0	–	–	–	0.6%
National Heroes Acre	–	–	–	–	–	–	10.0	–	–	–	0.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Arts and Culture Promotion and Development

Programme purpose

Promote and develop arts, culture and languages.

Objectives

- Develop, protect and promote the cultural and creative sector through interventions and initiatives that stimulate local content creation and attract large audiences by:
 - supporting 18 flagship cultural events, such as the Cape Town International Jazz Festival, the National Arts Festival and the Macufe Mangaung African Cultural Festival by March 2019
 - implementing 20 cultural event programmes per year
 - developing 1 cultural and creative sector strategy and financially supporting 30 cultural and creative sector projects through an open call for proposals for cultural and creative events by March 2019
 - supporting 1 living legends legacy programme by March 2019
 - supporting 1 project promoting local content development by March 2019.
- Lead, coordinate and implement arts programmes aimed at creating an integrated and inclusive society that contributes to economic growth by:
 - financially supporting 21 community arts projects per year
 - placing 340 artists in schools by March 2019.
- Build relationships and partnerships locally and internationally to develop, preserve and promote arts and culture by March 2019, by financially supporting 17 market access platforms, including touring venture projects.
- Build human resource capacity and promote excellence in the sector by:
 - providing 300 bursaries towards the development of qualified language practitioners by March 2019
 - providing support to 14 incubators annually.

Subprogrammes

- *National Language Services* promotes the use and equal status of all official languages. This entails the development of language terminologies and human language technology, translation and publishing services in all official languages and the awarding of bursaries.
- *Pan South African Language Board* transfers funds to the Pan South African Language Board, which creates an environment that is conducive to developing, using and promoting all official languages, as well as the Khoi, Nama and San languages, and South African sign language.
- *Cultural and Creative Industries Development* implements the majority of projects for the Mzansi golden economy strategy, and supports the creative industries by developing strategies, implementing sector development programmes, supporting projects and providing training.

- *Performing Arts Institutions* transfers funds to performing arts institutions, which provide a platform for the artistic and cultural expression of artists and those interested in performing arts.
- *National Film and Video Foundation* transfers funds to the National Film and Video Foundation in support of the development of skills, local content and local marketing in South Africa's film and video industry.
- *National Arts Council* transfers funds to the National Arts Council, which develops and financially supports various disciplines of arts and culture, in accordance with the National Arts Council Act (1997).
- *Capital Works of Performing Arts Institutions* funds and administers capital grants to playhouses for maintenance and other capital projects.

Expenditure trends and estimates

Table 37.11 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
National Language Services	43.5	43.0	45.1	49.0	4.1%	4.3%	52.4	55.9	59.7	6.8%	4.5%
Pan South African Language Board	83.5	90.9	115.6	108.6	9.2%	9.5%	113.6	122.2	129.0	5.9%	9.9%
Cultural and Creative Industries Development	346.4	343.4	382.6	383.5	3.5%	34.8%	385.5	407.3	430.3	3.9%	33.6%
Performing Arts Institutions	286.8	263.2	334.4	296.4	1.1%	28.2%	331.7	358.9	364.4	7.1%	28.2%
National Film and Video Foundation	147.6	116.7	122.9	129.1	-4.4%	12.3%	146.7	148.7	156.4	6.6%	12.1%
National Arts Council	91.9	97.6	101.2	106.2	5.0%	9.5%	111.5	115.8	122.2	4.8%	9.5%
Capital Works of Performing Arts Institutions	1.0	23.5	4.6	27.9	203.3%	1.4%	43.1	9.9	19.3	-11.6%	2.1%
Total	1 000.7	978.3	1 106.4	1 100.8	3.2%	100.0%	1 184.4	1 218.7	1 281.3	5.2%	100.0%
Change to 2017 Budget estimate				(61.7)			(29.4)	(44.2)	(52.3)		
Economic classification											
Current payments	144.0	140.3	126.8	139.2	-1.1%	13.1%	116.1	123.5	131.6	-1.9%	10.7%
Compensation of employees	41.4	43.4	45.7	47.4	4.6%	4.3%	51.8	55.9	60.2	8.3%	4.5%
Goods and services ¹	102.6	96.9	81.1	91.7	-3.7%	8.9%	64.3	67.6	71.3	-8.0%	6.2%
<i>of which:</i>											
Advertising	11.7	1.9	0.9	7.7	-13.0%	0.5%	3.1	3.0	3.2	-25.2%	0.4%
Consultants: Business and advisory services	2.9	10.4	18.5	12.1	60.6%	1.0%	15.9	16.2	17.1	12.2%	1.3%
Legal services	-	-	0.5	1.2	-	-	1.4	1.4	1.4	7.2%	0.1%
Contractors	41.9	57.3	41.3	45.5	2.8%	4.4%	24.0	26.2	27.6	-15.3%	2.6%
Agency and support/outsourced services	29.2	6.0	6.5	5.9	-41.4%	1.1%	7.8	8.3	8.8	14.2%	0.6%
Travel and subsistence	9.2	12.2	9.5	10.9	5.7%	1.0%	7.5	7.5	8.0	-9.9%	0.7%
Interest and rent on land	0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	856.6	837.8	979.4	961.7	3.9%	86.8%	1 068.3	1 095.3	1 149.7	6.1%	89.3%
Provinces and municipalities	3.5	-	-	-	-100.0%	0.1%	-	-	-	-	-
Departmental agencies and accounts	620.5	577.2	700.4	697.8	4.0%	62.0%	777.1	823.8	861.2	7.3%	66.0%
Higher education institutions	0.6	0.1	6.2	7.3	134.4%	0.3%	7.1	7.4	7.8	2.1%	0.6%
Public corporations and private enterprises	66.8	115.4	135.0	98.	13.8	9.9%	128.9	102.4	114.3	5.1%	9.3%
Non-profit institutions	147.9	131.3	125.6	133.5	-3.4%	12.9%	140.3	145.5	151.1	4.2%	11.9%
Households	17.3	13.9	12.1	24.7	12.5%	1.6%	14.8	16.3	15.3	-14.7%	1.5%
Payments for capital assets	0.1	0.1	0.2	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	-	-	0.2	-	-	-	-	-	-	-	-
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	1 000.7	978.3	1 106.4	1 100.8	3.2%	100.0%	1 184.4	1 218.7	1 281.3	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	28.6%	26.0%	28.0%	25.2%	-	-	27.1%	26.4%	26.2%	-	-

Table 37.11 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies											
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	555.5	577.2	607.7	661.2	6.0%	57.4%	697.0	738.7	786.3	5.9%	60.3%
Pan South African Language Board	83.5	90.9	115.6	108.6	9.2%	9.5%	113.6	122.2	129.0	5.9%	9.9%
Artscape	50.8	53.1	55.9	58.7	5.0%	5.2%	60.9	64.3	67.9	5.0%	5.3%
The Market Theatre	27.8	39.1	42.4	44.5	17.0%	3.7%	46.3	48.9	51.6	5.0%	4.0%
National Arts Council	91.9	97.6	101.2	106.2	5.0%	9.5%	109.7	115.8	122.2	4.8%	9.5%
Performing Arts Centre of the Free State	37.7	39.4	41.5	47.6	8.1%	4.0%	45.3	47.9	50.5	2.0%	4.0%
The Playhouse Company	43.1	48.6	41.2	49.8	5.0%	4.4%	49.6	52.4	55.6	3.7%	4.3%
The South African State Theatre	45.0	47.1	49.6	52.1	5.0%	4.6%	55.5	58.6	61.8	5.9%	4.8%
Windybrow Theatre	10.7	28.2	-	-	-100.0%	0.9%	-	-	-	-	-
National Film and Video Foundation	147.6	116.7	122.9	129.1	-4.4%	12.3%	133.5	140.9	148.7	4.8%	11.5%
Mzansi golden economy: Art bank resources	3.0	-	3.0	6.0	26.0%	0.3%	6.0	8.0	10.0	18.6%	0.6%
Various institutions: Mzansi golden economy (Cultural events)	5.5	3.9	22.5	13.5	34.9%	1.1%	14.5	14.0	16.0	5.8%	1.2%
Various institutions: Mzansi golden economy (Touring ventures)	3.7	-	-	-	-100.0%	0.1%	-	-	-	-	-
Various institutions: Mzansi golden economy (Artists in schools)	1.0	0.9	1.0	4.0	58.7%	0.2%	2.6	2.7	2.9	-10.2%	0.3%
Various institutions: Mzansi golden economy (Entrepreneur and local content development)	-	9.7	-	30.0	-	0.9%	50.0	52.8	55.7	22.9%	3.9%
Performing Arts Institutions: Mzansi golden economy (Incubators entrepreneur and local content development)	-	-	10.2	11.0	-	0.5%	9.0	9.5	10.0	-3.0%	0.8%
Arts and Culture Industries: Local market development and promotion	-	1.9	0.8	-	-	0.1%	0.5	0.6	0.6	-	-
Human languages technologies projects	4.3	-	-	-	-100.0%	0.1%	-	-	3.9	-	0.1%
Capital	64.5	-	92.7	36.6	-17.2%	4.6%	80.2	85.1	74.8	26.9%	5.8%
Artscape: Capital works projects	-	-	28.3	16.5	-	1.1%	4.6	2.0	15.0	-3.1%	0.8%
The South African State Theatre: Capital works projects	20.1	-	12.3	5.0	-37.1%	0.9%	5.9	17.2	9.5	23.8%	0.8%
The Playhouse Company: Capital works projects	24.4	-	13.8	1.8	-58.3%	1.0%	31.9	6.5	21.5	129.9%	1.3%
Performing Arts Centre of the Free State: Capital works projects	5.0	-	30.0	-	-100.0%	0.8%	7.7	26.0	6.7	-	0.8%
The Market Theatre: Capital works projects	15.0	-	8.4	12.0	-7.2%	0.8%	15.0	25.7	14.5	6.4%	1.4%
National Arts Council: Capital works projects	-	-	-	-	-	-	1.8	-	-	-	-
National Film and Video Foundation: Capital works projects	-	-	-	-	-	-	13.2	7.8	7.7	-	0.6%
Provincial Departmental Agencies	-	-	-	1.4	-	-	-	-	-	-100.0%	-
Households											
Other transfers to households											
Current	17.3	13.7	12.0	24.7	12.6%	1.6%	14.8	16.3	15.3	-14.7%	1.5%
Mzansi golden economy: Public art	0.8	0.2	1.0	0.5	-15.5%	0.1%	1.0	0.8	0.9	19.7%	0.1%
Various institutions: Mzansi golden economy (Cultural events)	0.7	2.2	1.0	1.9	38.9%	0.1%	2.5	2.8	2.2	5.3%	0.2%
Various institutions: Mzansi golden economy (Touring ventures)	1.2	1.4	2.9	4.7	56.5%	0.2%	2.0	2.1	2.2	-21.8%	0.2%
Various institutions: Mzansi golden economy (Export market development and promotion)	-	-	-	1.5	-	-	1.5	2.6	1.7	3.7%	0.2%
Arts and Culture Industries: Local market development and promotion	6.7	1.1	1.1	9.8	13.4%	0.4%	1.8	1.9	2.0	-41.3%	0.3%
Language development projects	7.8	8.9	6.0	6.3	-6.8%	0.7%	6.0	6.0	6.3	0.2%	0.5%

Table 37.11 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies												
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19			2019/20
Non-profit institutions												
Current	146.9	122.4	125.6	118.7	-6.9%	12.3%	132.3	140.0	148.5	7.8%	11.3%	
Business and Arts South Africa	7.3	7.6	11.1	8.5	5.0%	0.8%	8.9	9.4	10.0	5.6%	0.8%	
Mzansi golden economy: Public art	7.0	1.8	1.2	2.5	-29.0%	0.3%	2.5	1.8	2.5	-	0.2%	
Various institutions: Mzansi golden economy (Cultural events)	98.4	82.7	67.3	52.8	-18.7%	7.2%	52.4	52.6	55.5	1.7%	4.5%	
Various institutions: Mzansi golden economy (Touring ventures)	10.1	11.3	13.7	6.2	-14.8%	1.0%	8.0	11.5	12.2	25.1%	0.8%	
Various institutions: Mzansi golden economy (National Cultural industries Skills Academy)	-	-	9.2	12.9	-	0.5%	15.0	13.3	14.0	2.8%	1.2%	
Various institutions: Mzansi golden economy (Artists in schools)	4.0	9.4	6.8	9.7	34.2%	0.7%	12.8	13.5	14.3	13.8%	1.0%	
Various institutions: Mzansi golden economy (Community arts development)	-	-	-	6.9	-	0.2%	8.5	10.3	10.8	16.5%	0.8%	
Various institutions: Mzansi golden economy (Export market development and promotion)	-	-	4.3	4.0	-	0.2%	2.5	4.6	3.8	-1.8%	0.3%	
Various institutions: Mzansi golden economy (Entrepreneur and local content development)	-	-	1.0	1.0	-	-	1.0	1.1	2.4	33.7%	0.1%	
Arts and culture industries: Local market development and promotion	15.2	9.6	11.2	9.7	-14.0%	1.1%	13.7	14.5	15.3	16.4%	1.1%	
Arts and culture industries: Community arts development	3.7	-	-	4.6	7.7%	0.2%	7.0	7.4	7.8	19.1%	0.6%	
Human languages technologies projects	1.2	-	-	-	-100.0%	-	-	-	-	-	-	-
Capital	1.0	8.9	-	14.8	145.4%	0.6%	8.0	5.5	2.6	-44.0%	0.6%	
Various institutions: Capital works projects	1.0	8.9	-	3.8	56.0%	0.3%	8.0	3.5	2.6	-11.9%	0.4%	
Northern Cape Theatre	-	-	-	2.0	-	-	-	-	-	-100.0%	-	
Non Profit Organisations	-	-	-	7.0	-	0.2%	-	-	-	-100.0%	0.1%	
Caiphus Katse Semanya Foundation - Incubator	-	-	-	2.0	-	-	-	2.0	-	-100.0%	0.1%	
Higher education institutions												
Current	-	-	6.2	7.3	-	0.3%	7.1	7.4	7.8	2.1%	0.6%	
Human languages technologies projects	-	-	6.2	7.3	-	0.3%	7.1	7.4	7.8	2.1%	0.6%	
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current	1.5	3.1	1.1	1.4	-3.1%	0.2%	3.1	3.7	-	-100.0%	0.2%	
Arts and culture industries: Entrepreneur and local content development	1.5	0.1	-	-	-100.0%	-	-	-	-	-	-	-
Human languages technologies projects	-	-	-	1.2	-	-	-	-	-	-100.0%	-	-
Council for Scientific and Industrial Research	-	3.0	1.1	0.2	-	0.1%	3.1	3.7	-	-100.0%	0.1%	
Capital	-	-	-	9.8	-	0.2%	20.0	-	-	-100.0%	0.6%	
North West Development Corporation	-	-	-	1.7	-	-	-	-	-	-100.0%	-	-
Polokwane Performing Arts Centre - Incubator	-	-	-	-	-	-	20.0	-	-	-	0.4%	
Mpumalanga Economic Growth Agency	-	-	-	8.1	-	0.2%	-	-	-	-100.0%	0.2%	
Provinces and municipalities												
Provinces												
Provincial agencies and funds												
Current	3.5	-	-	-	-100.0%	0.1%	-	-	-	-	-	
Various institutions: Mzansi golden economy (Cultural events)	3.5	-	-	-	-100.0%	0.1%	-	-	-	-	-	-

Table 37.11 Arts and Culture Promotion and Development expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	64.9	97.7	129.3	85.2	9.5%	9.0%	90.7	94.3	97.7	4.6%	7.7%
Mzansi golden economy: Public art	1.1	1.2	0.9	1.5	9.7%	0.1%	2.0	2.0	1.5	-0.5%	0.1%
Various institutions: Mzansi golden economy (Cultural events)	47.9	73.6	106.7	45.0	-2.1%	6.5%	45.0	44.6	47.1	1.5%	3.8%
Various institutions: Mzansi golden economy (Touring ventures)	9.4	5.5	8.9	12.1	8.9%	0.9%	11.0	10.9	10.4	-4.9%	0.9%
Various institutions: Mzansi golden economy (National Cultural industries Skills Academy)	-	-	-	9.0	-	0.2%	11.3	10.6	11.1	7.4%	0.9%
Various institutions: Mzansi golden economy (Artists in schools)	2.2	1.8	0.9	1.3	-15.4%	0.1%	2.6	2.7	2.9	29.5%	0.2%
Various institutions: Mzansi golden economy (Export market development and promotion)	-	-	3.7	4.0	-	0.2%	3.0	3.2	4.3	2.8%	0.3%
Various institutions: Mzansi golden economy (Entrepreneur and local content development)	-	9.0	4.2	3.0	-	0.4%	1.5	5.2	4.3	13.1%	0.3%
Arts and culture industries: Local market development and promotion	4.3	5.2	2.6	9.0	28.4%	0.5%	14.3	15.1	16.0	21.1%	1.1%
Intsyst Labs	-	1.4	1.3	0.3	-	0.1%	-	-	-	-100.0%	-
Capital	-	14.6	4.6	2.0	-	0.5%	15.1	4.4	16.7	102.8%	0.8%
Various institutions: Capital works projects	-	14.6	4.6	-	-	0.5%	15.1	4.4	14.7	-	0.7%
Afrivibe Entertainment – Incubator	-	-	-	2.0	-	-	-	-	2.0	-	0.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Heritage Promotion and Preservation

Programme purpose

Preserve and promote South African heritage, including archival and heraldic heritage. Oversee and transfer funds to libraries.

Objectives

- Develop, preserve, protect and promote heritage through the construction and management of heritage infrastructure by:
 - providing financial and non-financial support to 4 heritage infrastructure projects annually
 - documenting 18 human treasures annually
 - participating in the interdepartmental indigenous knowledge systems expo by March 2019.
- Provide access to information and promote a culture of reading and writing across society by March 2019, by:
 - distributing 430 000 items of library material
 - supporting 29 newly built and or modular community libraries financially
 - maintaining and upgrading 45 existing community libraries.
- Strengthen and modernise archives and records management systems by:
 - issuing 12 disposal authority instructions, specifying which records should be destroyed/deleted or otherwise disposed of, per year
 - conducting 12 records management inspections per year
 - providing 2 records management training courses per year
 - evaluating and approving 4 file plans by March 2019.

- Lead, coordinate and implement social cohesion programmes to unite people through the creation of visual, verbal or iconic representations of national values and goals or history by distributing 1 000 South African flags by March 2019.
- Build human resources capacity and promote excellence in the sector to promote indigenous heritage and languages by providing 65 heritage bursaries annually.

Subprogrammes

- *Heritage Promotion* supports a range of heritage initiatives and projects, such as Heritage Month; the repatriation of South African cultural heritage; and the Bureau of Heraldry, which registers symbols, popularises national symbols through public awareness campaigns, coordinates the national orders awards ceremony, and develops policy to ensure the promotion and preservation of South Africa's heritage.
- *National Archive Services* acquires, preserves, manages and makes accessible public and non-public records with enduring value.
- *Heritage Institutions* funds and determines policy for declared cultural institutions and heritage bodies by ensuring that funds to the institutions are used to preserve, research, protect and promote heritage.
- *National Library Services* funds libraries and institutions, such as the National Library of South Africa, the South African Library for the Blind and Blind South Africa, and develops related policy.
- *Public Library Services* transfers funds to provincial departments for conditional allocations to community library services for constructing and upgrading libraries, hiring personnel and purchasing library materials.
- *South African Heritage Resources Agency* transfers funds to the South African Heritage Resources Agency, the key strategic objectives of which are to develop and implement norms and standards for managing heritage resources.
- *South African Geographical Names Council* transfers funds to the South African Geographical Names Council, which is an advisory body that facilitates name changes by consulting with communities to advise the Minister of Arts and Culture.
- *National Heritage Council* transfers funds to the National Heritage Council, the mandate of which involves enhancing knowledge production on heritage, and ensuring the promotion and awareness of heritage.

Expenditure trends and estimates

Table 37.12 Heritage Promotion and Preservation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Heritage Promotion	117.9	86.1	92.3	82.6	-11.2%	4.1%	57.4	60.5	64.3	-8.0%	2.5%
National Archive Services	40.4	39.4	37.3	47.1	5.2%	1.8%	45.1	48.4	52.0	3.3%	1.8%
Heritage Institutions	559.5	622.3	634.9	737.3	9.6%	27.5%	635.1	725.1	719.3	-0.8%	26.7%
National Library Services	103.6	122.2	142.6	162.7	16.2%	5.7%	151.9	155.9	187.3	4.8%	6.2%
Public Library Services	1 036.9	1 299.1	1 381.0	1 447.2	11.8%	55.6%	1 452.5	1 531.7	1 616.3	3.8%	57.3%
South African Heritage Resources Agency	46.4	73.6	51.1	59.9	8.8%	2.5%	55.7	58.8	91.2	15.1%	2.5%
South African Geographical Names Council	2.4	2.5	1.3	4.6	24.2%	0.1%	4.8	5.1	5.3	5.2%	0.2%
National Heritage Council	55.9	58.5	82.7	64.7	5.0%	2.8%	68.5	72.3	76.3	5.7%	2.7%
Total	1 962.9	2 303.7	2 423.2	2 606.0	9.9%	100.0%	2 471.0	2 657.8	2 811.9	2.6%	100.0%
Change to 2017 Budget estimate				(31.8)			(44.7)	(117.5)	(117.3)		

Table 37.12 Heritage Promotion and Preservation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Current payments	154.1	119.6	108.8	130.4	-5.4%	5.5%	104.3	110.8	118.2	-3.2%	4.4%
Compensation of employees	48.7	48.1	50.2	50.0	0.9%	2.1%	54.3	58.5	63.0	8.0%	2.1%
Goods and services ¹	105.3	71.5	58.6	80.3	-8.6%	3.4%	50.0	52.3	55.2	-11.8%	2.3%
<i>of which:</i>											
Computer services	4.2	–	–	1.0	-39.0%	0.1%	4.8	5.1	5.4	77.8%	0.2%
Consultants: Business and advisory services	0.9	0.5	4.0	6.1	91.6%	0.1%	5.6	6.0	6.3	1.1%	0.2%
Contractors	25.7	23.4	29.8	40.1	16.0%	1.3%	8.6	8.7	9.2	-38.8%	0.6%
Agency and support/outsourced services	7.9	6.5	0.6	1.7	-40.2%	0.2%	2.3	2.4	2.5	13.7%	0.1%
Consumable supplies	0.5	0.4	0.1	0.4	-5.9%	–	6.7	7.0	7.3	157.5%	0.2%
Travel and subsistence	10.8	16.1	10.2	15.1	11.9%	0.6%	11.3	11.7	12.4	-6.4%	0.5%
Interest and rent on land	0.0	0.0	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies¹	1 808.7	2 181.5	2 313.0	2 474.7	11.0%	94.4%	2 366.7	2 547.0	2 693.7	2.9%	95.6%
Provinces and municipalities	1 016.2	1 274.3	1 357.1	1 420.0	11.8%	54.5%	1 423.7	1 501.2	1 584.1	3.7%	56.2%
Departmental agencies and accounts	768.7	884.6	926.4	1 033.8	10.4%	38.9%	920.9	1 022.5	1 085.0	1.6%	38.5%
Foreign governments and international organisations	1.1	1.7	12.9	1.9	19.2%	0.2%	1.9	2.0	2.1	4.6%	0.1%
Non-profit institutions	18.6	15.5	11.9	13.4	-10.3%	0.6%	14.2	15.0	15.9	5.7%	0.6%
Households	4.1	5.4	4.7	5.6	10.9%	0.2%	5.9	6.3	6.6	5.6%	0.2%
Payments for capital assets	–	2.4	1.4	1.0	–	0.1%	–	–	–	-100.0%	–
Machinery and equipment	–	–	0.3	1.0	–	–	–	–	–	-100.0%	–
Software and other intangible assets	–	2.4	1.1	–	–	–	–	–	–	–	–
Payments for financial assets	0.1	0.2	0.0	–	-100.0%	–	–	–	–	–	–
Total	1 962.9	2 303.7	2 423.2	2 606.0	9.9%	100.0%	2 471.0	2 657.8	2 811.9	2.6%	100.0%
Proportion of total programme expenditure to vote expenditure	56.2%	61.2%	61.2%	59.6%	–	–	56.5%	57.5%	57.6%	–	–
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	3.7	5.0	4.6	5.6	15.2%	0.2%	5.9	6.3	6.6	5.6%	0.2%
Heritage projects	2.6	5.0	4.6	5.6	30.0%	0.2%	5.9	6.3	6.6	5.6%	0.2%
Projects that conserve archival material	1.1	–	–	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	599.9	699.5	752.3	932.8	15.8%	32.1%	796.5	841.6	888.4	-1.6%	32.8%
National Youth Development Agency	–	–	6.2	–	–	0.1%	–	–	–	–	–
Die Afrikaanse Taalmuseum en -monument: Paarl	5.3	6.5	7.8	8.7	18.0%	0.3%	9.4	9.9	10.5	6.4%	0.4%
Freedom Park: Pretoria	70.5	71.2	72.9	96.6	11.1%	3.3%	84.6	89.3	94.2	-0.8%	3.5%
Iziko Museums: Cape Town	65.3	80.8	87.8	95.6	13.5%	3.5%	86.3	91.2	96.3	0.2%	3.5%
Luthuli Museum: Stanger	8.9	9.5	10.1	14.1	16.7%	0.5%	14.8	15.6	16.5	5.3%	0.6%
KwaZulu-Natal Museum: Pietermaritzburg	17.4	21.7	23.7	36.7	28.3%	1.1%	35.2	37.2	39.2	2.3%	1.4%
National Heritage Council	55.9	58.5	82.7	64.7	5.0%	2.8%	68.5	72.3	76.3	5.7%	2.7%
National Museum: Bloemfontein	41.1	47.6	51.7	100.4	34.7%	2.6%	54.3	57.4	60.6	-15.5%	2.6%
Nelson Mandela Museum: Mthatha	20.1	21.6	24.1	26.8	10.0%	1.0%	27.1	28.6	30.2	4.1%	1.1%
Robben Island Museum: Cape Town	66.8	95.7	73.2	89.4	10.2%	3.5%	80.5	85.0	89.7	0.1%	3.3%
South African Heritage Resources Agency	46.4	48.6	51.1	57.9	7.6%	2.2%	55.7	58.8	62.0	2.3%	2.2%
The National English Literary Museum: Grahamstown	8.7	9.5	9.8	12.2	12.0%	0.4%	11.5	12.1	12.8	1.7%	0.5%
Voortrekker Museum: Pietermaritzburg	11.9	13.2	14.1	17.3	13.2%	0.6%	18.3	19.3	20.4	5.6%	0.7%
War Museum of the Boer Republics: Bloemfontein	8.6	9.9	10.6	22.1	36.9%	0.6%	12.7	13.5	14.2	-13.6%	0.6%
William Humphreys Art Gallery: Kimberley	6.0	7.5	7.7	10.0	18.7%	0.3%	10.4	11.0	11.6	5.1%	0.4%
Ditsong Museums of South Africa: Pretoria	66.4	77.9	84.2	125.8	23.8%	3.8%	87.2	92.2	97.3	-8.2%	3.8%
National Library of South Africa	84.1	102.2	115.0	135.4	17.2%	4.7%	117.8	124.6	131.8	-0.9%	4.8%
South African Library for the Blind	16.6	17.7	19.6	19.2	5.0%	0.8%	22.3	23.6	24.9	9.0%	0.9%

Table 37.12 Heritage Promotion and Preservation expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies												
R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Capital	168.8	185.1	174.1	101.0	-15.7%	6.8%	124.4	180.9	196.6	24.9%	5.7%	
Iziko Museums: Cape Town (Capital works projects)	51.7	40.2	74.7	48.5	-2.1%	2.3%	20.2	9.5	9.5	-42.0%	0.8%	
Nelson Mandela Museum: Mthatha (Capital works projects)	10.2	1.3	0.3	1.9	-42.7%	0.1%	4.0	6.0	10.0	73.2%	0.2%	
South African Heritage Resources Agency (Capital works projects)	-	25.0	-	2.0	-	0.3%	-	-	29.2	144.4%	0.3%	
KwaZulu-Natal Museum: Pietermaritzburg (Capital works projects)	0.9	-	0.4	-	-100.0%	-	4.2	33.5	16.4	-	0.5%	
Luthuli Museum: Stanger (Capital works projects)	0.9	-	6.0	1.3	12.3%	0.1%	-	-	-	-100.0%	-	
Voortrekker Museum: Pietermaritzburg (Capital works projects)	1.3	11.4	-	1.0	-7.9%	0.1%	-	3.3	1.0	-	-	
William Humphreys Art Gallery: Kimberley (Capital works projects)	1.2	-	1.0	1.0	-5.9%	-	4.1	17.0	4.5	65.1%	0.3%	
War Museum of the Boer Republics: Bloemfontein (Capital works projects)	0.6	1.3	1.1	1.0	17.3%	-	-	1.7	6.0	81.7%	0.1%	
Die Afrikaanse Taalmuseum en -monument: Paarl (Capital works projects)	1.0	0.4	1.0	2.0	26.0%	-	1.6	3.6	17.0	104.2%	0.2%	
Ditsong Museums of South Africa: Pretoria (Capital works projects)	14.3	4.0	0.6	-	-100.0%	0.2%	21.0	38.6	30.9	-	0.9%	
National Museum: Bloemfontein (Capital works projects)	13.1	-	-	-	-100.0%	0.1%	-	9.8	9.7	-	0.2%	
The National English Literary Museum: Grahamstown (Capital works projects)	36.5	63.2	45.7	2.6	-58.4%	1.6%	4.1	2.0	1.0	-27.6%	0.1%	
Robben Island Museum: Cape Town (Capital works projects)	17.5	27.6	26.1	20.0	4.5%	1.0%	43.3	37.8	8.7	-24.2%	1.0%	
Freedom Park: Pretoria (Capital works projects)	13.0	-	-	2.0	-46.4%	0.2%	-	(0.3)	10.7	75.1%	0.1%	
National Library of South Africa: Capital works projects	4.4	10.5	17.2	12.9	43.7%	0.5%	9.6	11.6	34.7	39.0%	0.7%	
South African Library for the Blind: Capital works projects	2.1	-	-	4.8	30.4%	0.1%	12.3	6.9	7.3	15.0%	0.3%	
Foreign governments and international organisations												
Current	1.1	1.7	12.9	1.9	19.2%	0.2%	1.9	2.0	2.1	4.6%	0.1%	
African World Heritage Fund	1.1	1.7	12.9	1.9	19.2%	0.2%	1.9	2.0	2.1	4.6%	0.1%	
Non-profit institutions												
Current	12.2	13.8	11.9	13.4	3.3%	0.6%	14.2	15.0	15.9	5.7%	0.6%	
Engelburg House Art Collection: Pretoria	0.3	0.3	0.3	0.3	4.9%	-	0.4	0.4	0.4	5.7%	-	
Blind South Africa	6.8	7.1	7.5	7.9	5.0%	0.3%	8.3	8.8	9.3	5.6%	0.3%	
Various institutions: Heritage Projects	0.7	3.9	2.3	3.4	72.8%	0.1%	3.6	3.8	4.0	5.9%	0.1%	
Library and Information Association of South Africa	4.5	2.6	1.8	1.9	-24.9%	0.1%	2.0	2.1	2.2	5.6%	0.1%	
Capital	5.5	0.4	-	-	-100.0%	0.1%	-	-	-	-	-	
Blind South Africa: Capital works projects	1.3	0.4	-	-	-100.0%	-	-	-	-	-	-	
Die Erfenisstigting	4.2	-	-	-	-100.0%	-	-	-	-	-	-	
Provinces and municipalities												
Provinces												
Provincial revenue funds												
Current	345.8	419.4	709.1	996.9	42.3%	26.6%	1 057.8	1 126.2	1 188.1	6.0%	41.4%	
Community library services grant: Current	345.8	419.4	709.1	996.9	42.3%	26.6%	1 057.8	1 126.2	1 188.1	6.0%	41.4%	
Capital	670.4	854.9	648.0	423.1	-14.2%	27.9%	365.9	375.0	396.0	-2.2%	14.8%	
Community library services grant: Capital	670.4	854.9	648.0	423.1	-14.2%	27.9%	365.9	375.0	396.0	-2.2%	14.8%	

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities

Comprehensive coverage of the following entities is provided with the more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The following officially declared **heritage institutions** are dependent on annual transfers from the department: Die Afrikaanse Taalmuseum en -monument, Paarl; Ditsong Museums of South Africa, Pretoria; the Iziko Museums, Cape Town; the KwaZulu-Natal Museum, Pietermaritzburg; the National Museum, Bloemfontein; the National English Literary Museum, Grahamstown; the Robben Island Museum, Cape Town; the Voortrekker Museum, Pietermaritzburg; the War Museum of the Boer Republics, Bloemfontein; the William Humphreys Art Gallery, Kimberley; the Luthuli Museum, Stanger; the Nelson Mandela Museum, Mthatha; Freedom Park and the Engelenburg House art collection. The total budget for 2018/19 is R836.5 million, including capital works.
- The Department of Arts and Culture oversees various **libraries**, including the National Library of South Africa, a statutory body; the South African Library for the Blind; and Blind South Africa. The entity's total budget for 2018/19 is R186 million, including capital works.
- The **National Arts Council** facilitates opportunities for people to practice and appreciate the arts. The council also promotes the general application of the arts in the community, fosters the expression of national identity by means of the arts, promotes freedom in the practice of the arts, and gives historically disadvantaged people greater access to the arts. The council's total budget for 2018/19 is R109.7 million.
- The **National Film and Video Foundation** develops and promotes the film and video industry in South Africa. The foundation promotes local film and video products, supports the development of and access to the industry, and addresses historical imbalances in infrastructure, skills and resources in the industry. The foundation's total budget for 2018/19 is R137.1 million.
- The **National Heritage Council** engages heritage stakeholders in public and private institutions, including the various organs of civil society, mobilises debates and builds awareness about heritage. The council's total budget for 2018/19 is R70.2 million.
- The **Pan South African Language Board** is a constitutional institution that promotes an awareness of multilingualism as a national resource and supports previously marginalised languages. It is mandated to investigate complaints about language rights and violations from any individual, organisation or institution. The board's total budget for 2018/19 is R114.6 million.
- The following **performing arts institutions** receive annual transfers from the Department of Arts and Culture: The South African State Theatre, The Playhouse Company, Artscape Theatre, The Market Theatre and the Performing Arts Council of the Free State. In addition to the annual transfer from the department, these entities also generate their own revenue through entrance fees, donor assistance and sponsorships. The total budget for 2018/19 is R407.8 million, including capital works.
- The **South African Heritage Resources Agency** is the national administrative management body for the protection of South Africa's cultural heritage. The agency's main functions include managing the national estate through partnerships with other bodies to promote an integrated heritage resources management system. The agency's total budget for 2018/19 is R62.7 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Departmental infrastructure										
R million										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Liberation heritage route	Construction of heritage route	Construction	1 001.7	–	–	–	23.4	25.0	50.4	42.7
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Sarah Baartman Centre	Construction of centre	Construction	587.8	4.9	25.2	45.3	45.5	50.7	23.8	–
National archives building: Pretoria	Upgrade of existing building	Construction	390.6	45.0	12.8	48.7	(8.0)	36.5	22.0	11.5
Small projects (total project cost of less than R250 million over the project life cycle)										
Isibhubhu Cultural Arena	Construction of arena	Construction	215.4	78.0	–	–	6.6	55.6	19.4	10.9
Viakplaas	Renovation of existing monuments	Construction	2.0	–	–	–	–	–	–	–
Isandlwana	Renovations of existing monuments	Construction	17.0	–	–	–	–	2.0	3.0	2.0
Nelson Mandela House	Purchase of Nelson Mandela House	Construction	6.0	–	–	–	–	–	–	–
Drakenstein correctional facility	Renovations of existing facility	Construction	3.6	–	–	–	0.5	–	–	–
Archie Gumede Place	Development of monument	Construction	5.9	–	–	–	–	1.0	2.0	–
Kholi and San heritage route	Development of heritage route	Design	15.5	–	–	–	2.0	3.0	–	–
Gumtree Mill	Construction of mill	Construction	4.2	–	–	–	–	0.5	–	–
Raymond Mhlabi statue	Development of statue	Construction	5.0	–	–	–	1.5	1.5	2.0	–
Delville Wood	Renovations of existing monuments	Construction	35.0	–	25.0	–	5.0	5.0	2.0	–
JL Dube House	Upgrade of existing monument	Various	134.2	–	–	–	16.0	8.0	–	–
OR Tambo Memorial	Upgrade of existing monument	Various	37.5	–	–	–	16.0	8.0	–	–
Ingqaza Hill Museum	Upgrade of existing museum	Various	156.4	–	–	–	–	10.0	4.4	–
Information Management System Implementation Project	Development of system	Design	12.2	–	–	–	3.0	3.3	3.0	–
Isandlwana (Statue of King Cetshwayo)	Construction of statue	Construction	3.0	–	–	–	1.0	–	–	–
Winnie Mandela house and clinic	Restoration and construction of existing monument	Construction	4.0	–	–	–	6.0	2.8	–	–
Polokwane Performing Arts Centre -Incubator	Construction of incubator	Construction	25.0	–	–	–	–	20.0	–	–
Caiphus Katse Semanya Foundation - Incubator	Construction of incubator	Construction	10.0	–	8.0	–	–	–	2.0	–
Afriwibe Entertainment-Incubator	Construction of incubator	Construction	10.0	–	8.0	–	–	–	–	2.0
Chief Tyali	Construction of statue	Construction	–	–	–	–	–	3.0	–	–
Chief Tyali Grave	Restoration of existing grave site	Construction	–	–	–	–	–	0.7	–	–
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
The Playhouse Company	Upgrade of existing building	Various	295.7	24.4	9.1	13.8	4.8	31.9	6.5	21.5
Performing Arts Centre of the Free State	Upgrade of existing building	Various	252.0	5.0	–	30.0	21.0	7.7	26.0	6.7
Upgrading of community arts centres	Upgrade of existing building	Various	301.1	–	6.0	–	24.4	7.0	1.9	0.9
Upgrading of community arts centres	Upgrade of existing building	Various	–	–	–	–	–	13.1	4.4	14.7

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
R million										
National Heritage Monument	Upgrade of existing building	Various	503.9	15.0	—	—	12.0	17.4	—	67.4
Robben Island Museum	Upgrade of existing building	Various	561.1	27.6	26.1	—	(8.0)	43.3	37.8	8.7
Iziko Museums of Cape Town	Upgrade of existing building	Various	338.8	51.7	40.2	74.7	48.5	20.2	9.5	9.5
The South Africa State Theatre	Upgrade of existing building	Various	282.7	—	—	—	5.0	5.9	17.2	9.5
Department of Arts and Culture public entities and heritage projects		Various	142.7	55.3	—	—	—	—	—	—
William Humphreys Art Gallery	Upgrade of existing building	Various	3.5	1.2	—	1.0	1.0	4.1	17.0	4.5
Die Afrikaanse Taal Museum en -Monument	Upgrade of existing building	Various	147.8	1.0	0.4	1.0	2.0	1.6	3.6	17.0
Ditsong Museums	Upgrade of existing building	Various	201.2	14.3	4.0	0.6	—	21.0	38.6	30.9
KwaZulu-Natal Museum	Upgrade of existing building	Various	85.9	0.9	—	0.4	1.0	4.2	33.5	16.4
Luthuli Museum	Upgrade of existing building	Various	22.1	0.9	—	6.0	1.3	—	—	—
Voortrekker Museum	Upgrade of existing building	Various	22.0	1.3	11.4	—	1.0	—	3.3	1.0
National Museum - Bloemfontein	Upgrade of existing building	Various	114.3	13.1	—	—	2.0	—	9.8	9.7
National English Literary Museum	Upgrade of existing building	Various	153.1	36.5	63.2	45.7	2.6	4.1	2.0	1.0
Nelson Mandela Museum	Upgrade of existing building	Various	122.7	10.2	1.3	0.3	1.9	4.0	6.0	10.0
Anglo-Boer War Museum	Upgrade of existing building	Various	129.6	0.6	1.3	1.1	1.0	—	1.7	6.0
South African Heritage Resources Agency	Upgrade of existing building	Various	157.2	—	25.0	—	2.0	—	—	29.2
National Library: Centre for the Book	Upgrade of existing building	Various	72.8	—	—	—	—	—	—	1.0
National Library: Pretoria Campus	Upgrade of existing building	Various	171.2	3.7	10.5	17.2	31.9	9.6	11.6	34.7
South African Library for the Blind	Upgrade of existing building	Various	89.4	2.1	—	—	4.8	12.3	6.9	7.2
Artscape	Upgrade of existing building	Various	127.2	—	—	28.3	30.0	4.6	2.0	15.0
The Market Theatre	Upgrade of existing building	Various	241.3	15.0	10.0	7.7	12.0	15.0	25.7	14.5
Windybrow Theatre	Upgrade of existing building	Various	17.0	—	17.0	—	—	—	—	—
Performing Arts Projects	Upgrade of existing building	Various	40.1	1.0	—	—	—	—	—	—
National Arts Council	Upgrade of existing building	Various	1.5	—	1.5	—	—	1.8	—	—
National Film and Video Foundation	Upgrade of existing building	Various	45.0	—	—	—	15.0	13.2	7.8	12.8
Freedom Park	Upgrade of existing building	Various	170.1	—	—	—	2.0	—	10.0	10.7
Cultural precincts	Upgrade of existing building	Various	37.0	—	—	—	—	—	—	10.0
Die Efenstigtig	Upgrade of existing building	Various	4.2	4.2	—	—	—	—	—	—
Adams College	Upgrade of existing building	Various	8.6	4.6	—	—	2.4	—	—	—
Voortrekker Monument	Upgrade of existing building	Various	3.8	0.4	1.3	—	0.3	—	—	—
Blind South Africa	Upgrade of existing building	Various	1.7	1.3	0.4	—	—	—	—	—
Cultural precincts	Upgrade of existing building	Various	32.5	—	—	—	—	—	—	—
Upgrading of public spaces	Upgrade of cultural precincts	Various	17.8	—	0.3	—	3.5	3.0	1.6	1.7
South African Roadies Association	Upgrade of public spaces	Various	15.0	—	—	—	—	—	—	—
Bram Fischer House	Construction of association building	Various	2.0	—	—	—	—	—	—	—
Origins Centre	Upgrade of existing building	Various	3.0	—	—	—	—	—	—	—

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
R million									
National Heritage Company	Upgrade of existing building	Construction	16.1	–	–	–	–	–	–
The Sankofa Arts Charitable Trust	Construction of company building	Construction	3.0	–	–	–	–	–	–
Gauteng Tourism Authority	Construction of trust building	Various	0.2	–	–	–	–	–	–
Kwazulu-Natal Arts and Culture Trust – Incubator	Construction of authority building	Various	1.0	–	0.9	–	–	–	–
Northern Cape Theatre	Upgrade of existing building	Various	2.0	–	–	–	–	–	–
Non Profit Organisations	Upgrade of existing building	Various	21.9	–	–	–	–	–	–
Provincial Departmental Agencies	Upgrade of existing buildings	Various	0.6	–	–	–	–	–	–
National Heritage Council	Upgrade of existing buildings	Various	21.2	–	–	21.2	–	–	–
National Heroes Acre	Upgrade of existing building	Various	100.0	–	–	–	–	5.0	–
Steve Biko Foundation	Upgrade of existing structure	Various	–	–	–	–	3.1	3.1	4.0
Total			7 786.6	414.2	325.4	381.3	347.9	489.8	422.1
									445.7

Vote 38

Human Settlements

Budget summary

R million	2018/19					2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	442.7	439.1	0.1	3.5	–	471.5	502.7
Human Settlements Policy, Strategy and Planning	89.8	87.5	1.3	0.9	–	96.0	102.6
Human Settlements Delivery Support	246.0	234.2	10.4	1.4	–	261.0	329.8
Housing Development Finance	31 577.3	26.7	31 470.3	0.2	80.0	32 859.3	34 851.1
Total expenditure estimates	32 355.7	787.6	31 482.1	6.0	80.0	33 687.9	35 786.2

Executive authority: Minister of Human Settlements
 Accounting officer: Director General of Human Settlements
 Website address: www.dhs.gov.za

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Facilitate the creation of sustainable human settlements and the improvement to household quality of life.

Mandate

The Department of Human Settlements derives its core mandate and responsibilities from section 26 of the Constitution and section 3 of the Housing Act (1997), read in with conjunction approved policies and chapter 8 of the National Development Plan (NDP). This allows the department, in collaboration with provinces and municipalities, to establish and facilitate a sustainable national housing development process and related interventions. The department does this by: determining national policy and national norms and standards for housing and human settlements development; setting broad national housing delivery goals; providing funding to provinces and metropolitan cities; and monitoring the financial and non-financial performance of provinces and municipalities against these goals. In executing these roles and responsibilities, the department also builds capacity for provinces and municipalities; and promotes consultation with all stakeholders in the housing delivery chain, including other sector departments, civil society and the private sector.

Selected performance indicators

Table 38.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of municipalities provided with technical assistance for informal settlement upgrading per year	Human Settlements Delivery Support	Outcome 8: Sustainable human settlements and improved quality of household life	62	91	63	41	41	39	39
Number of informal settlements with settlement upgrading plans per year	Human Settlements Delivery Support		336	76	283	446	546	475	500
Number of title deeds registered to eradicate backlog per year	Housing Development Finance		61 545	60 944	67 458	207 146	247 500	247 000	247 000
Number of title deeds registered for new developments per year	Housing Development Finance		38 013	14 266	17 396	170 240	105 000	105 042	105 115
Number of additional People's Housing Process subsidies allocated to approved beneficiaries per year	Housing Development Finance		4 802	8 498	8 689	7 500	6 482	6 870	7 280

Table 38.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of subsidy housing units completed per year	Housing Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	94 566	99 904	90 692	113 341	99 454	105 514	111 845
Number of additional households living in affordable rental housing units per year	Housing Development Finance		5 668	12 097	9 616	13 920	20 429	20 822	21 238
Number of households benefiting from informal settlements upgraded to level 2 per year	Housing Development Finance		74 017	52 349	75 941	189 039	131 107	138 973	147 311
Number of finance-linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Housing Development Finance		1 193	2 253	2 660	17 231	18 680	30 643	49 029
Number of integrated and catalytic projects initiated per year	Housing Development Finance		-1	13	15	8	7	10	14

1. No historical data available.

Expenditure analysis

The Department of Human Settlements is committed to the NDP's vision of transforming human settlements and the spatial economy to create functionally integrated, balanced and vibrant urban settlements by 2030. Outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework is aligned with this vision and guides the work of the department, as well as its commitment to improving institutional capacity and coordination across government. Over the MTEF period, the department intends to focus on ensuring that poor households have access to adequate housing in better living environments, and creating a functional housing market. It will invest in catalytic projects that deliver integrated communities; upgrade informal settlements; and provide affordable rental housing, outstanding title deeds to beneficiaries of state subsidised housing, and temporary shelter to people affected by housing emergencies such as fires.

The department has a total budget of R101.8 billion over the MTEF period, increasing at an average annual rate of 2.2 per cent, from R33.5 billion in 2017/18 to R35.8 billion in 2020/21. The below inflationary growth in the budget is due to budget reductions as approved by Cabinet of R3.1 billion in 2018/19, R3.8 billion in 2019/20 and R4 billion in 2020/21. Despite these reductions, the department aims to deliver 1.5 million housing opportunities by 2019, as determined by government's 2014-2019 medium-term strategic framework.

As at 31 October 2017, the department had 645 funded posts. In 2017/18, the department's budget for compensation of employees reflects 1.1 per cent (R383.3 million) of its total expenditure. Spending on compensation of employees over the medium term is expected to increase at an average annual rate of 4.4 per cent, to R436.1 million in 2020/21. The department's total budget for goods and services is set to increase at an average annual rate of 9.4 per cent, from R389.6 million in 2017/18 to R509.5 million in 2020/21. These operational funds contribute to driving project management capabilities; grant management; overseeing, monitoring and evaluating activities; and performing programme-specific functions such as the national upgrading support programme and the title deeds restoration programme.

Catalytic projects

Over the medium term, the department intends to lead the delivery of housing and human settlements through the planning and implementation of 31 catalytic projects across South Africa. These projects involve mixed use, mixed income, integrated human settlement developments, and are aimed at providing spatially, socially and economically integrated communities. The department will facilitate the delivery of various state subsidised housing units within catalytic projects through implementing agents such as provinces, metropolitan municipalities and related departmental entities. Funding for these implementing agents is provided through the *Housing Development Finance* programme in the form of conditional grants and transfers, which are set to increase from R32.5 billion in 2017/18 to R34.8 billion in 2020/21.

The transfer of the provincial *human settlements development grant*, which is expected to fund housing and human settlements programmes as stipulated in the National Housing Code, increases at an average annual rate of 0.2 per cent, from R20 billion in 2017/18 to R20.1 billion in 2020/21. This relatively low increase is largely due to Cabinet's approved reduction in allocations to the grant of R7.2 billion over the MTEF period.

The *urban settlements development grant* to metropolitan municipalities supports the broader development of the built environment, with a strong emphasis on upgrading informal settlements. Grant transfers increase at an average annual rate of 3.3 per cent, from R11.4 billion in 2017/18 to R12.5 billion in 2020/21. The below inflationary increase is due to Cabinet's approved reductions of R2.2 billion over the medium term.

Significant private partnerships and investment are also expected in catalytic projects in the form of rental units, affordable housing units and the development of economic infrastructure such as shopping centres and other commercial developments.

Upgrading informal settlements

The upgrading of informal settlements is intended to provide households with secure tenure and access to basic services such as water and sanitation. Activities related to this are funded through the *human settlements development grant* to provinces and the *urban settlements development grant* to metropolitan cities. The target set in government's 2014-2019 medium-term strategic framework is that 750 000 poor households have adequate housing in better living environments by 2019. Between 1 April 2014 and 31 March 2017, 285 043 households in informal settlements had been upgraded. Through these grants, the department expects to fund the upgrading of an additional 417 391 households over the medium term.

The national upgrading support programme expects to provide project level technical support to 119 municipalities over the medium term for planning the upgrading of informal settlements. R150 million is allocated over the medium term in the *Human Settlements Delivery Support* programme for sector experts to provide this support.

Affordable rental housing

Social housing provides medium density rental housing to low income households. It contributes to transforming urban spatial patterns as it promotes integration and densification in close proximity to economic and social amenities. The department's social housing programme is largely funded through the *consolidated capital grant*, which is transferred to the Social Housing Regulatory Authority. The grant has been augmented with an institutional subsidy, which was initially part of the *human settlements development grant*, to streamline the funding of social housing developments. Transfers to the authority for the *consolidated capital grant* are expected to decrease at an average annual rate of 2.9 per cent over the medium term after Cabinet approved a reduction of R1.4 billion over the same period. Despite the reduction, R2.3 billion is allocated for social housing over the MTEF period, which is expected to fund the delivery of 62 489 social housing units.

Title deeds

In pursuing the inherent equity intended in government housing subsidies provided since 1994, the department will aim to intensify its efforts to provide title deeds to beneficiaries who have not yet received them. In 2015, the department estimated that a backlog of 818 262 title deeds remained outstanding. A newly created three-year conditional grant to provinces, the *title deeds restoration grant*, will provide R1.6 billion over the MTEF period with the aim of eradicating the backlog by 2020/21. In addition, the department's project management unit in the *Human Settlements Delivery Support* programme has been allocated R95.1 million over the medium term for operational funding to provide technical and administrative support to provinces in eradicating the backlog.

Emergency housing

The *emergency housing grant*, which is expected to take effect in 2018/19, was created to respond proactively to emergencies related to housing and human settlements. This includes providing temporary shelter in emergencies such as fires in informal settlements. The grant will be funded through allocations amounting to R1.3 billion over the medium term in the *Housing Development Finance* programme.

Expenditure trends

Table 38.2 Vote expenditure trends by programme and economic classification

Programmes																																	
1. Administration																																	
2. Human Settlements Policy, Strategy and Planning																																	
3. Human Settlements Delivery Support																																	
4. Housing Development Finance																																	
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)		
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18																				
Programme 1	425.9	433.3	433.1	435.1	440.6	411.1	442.3	460.1	420.9	457.7	470.0	470.0	98.5%	96.2%																			
Programme 2	89.4	87.0	78.7	74.3	73.5	75.7	83.1	88.1	86.6	93.6	93.6	93.6	98.3%	97.8%																			
Programme 3	207.0	183.5	133.7	169.8	165.6	120.8	224.6	217.3	151.7	217.3	216.9	216.9	76.1%	79.6%																			
Programme 4	28 695.3	28 713.9	28 712.7	30 264.1	29 863.6	29 426.9	29 940.9	29 930.9	29 928.0	32 695.8	32 697.3	32 697.3	99.3%	99.6%																			
Total	29 417.6	29 417.6	29 358.2	30 943.4	30 543.4	30 034.5	30 690.9	30 696.4	30 587.2	33 464.3	33 477.7	33 477.7	99.1%	99.5%																			
Change to 2017														13.4																			
Budget estimate																																	
Economic classification																																	
Current payments	733.0	696.6	605.8	687.0	674.8	603.7	758.9	757.8	657.8	777.4	772.9	772.9	89.3%	91.0%																			
Compensation of employees	351.7	328.8	290.9	322.2	320.8	310.2	383.5	371.5	325.3	383.3	383.3	383.3	90.9%	93.3%																			
Goods and services	381.3	367.7	314.9	364.7	354.0	293.5	375.4	386.3	332.5	394.1	389.6	389.6	87.8%	88.8%																			
Interest and rent on land	–	0.0	0.0	–	0.0	0.0	–	–	0.0	–	–	–	–	444.4%																			
Transfers and subsidies	28 450.6	28 480.9	28 507.6	30 252.4	29 692.7	29 255.4	29 826.5	29 821.5	29 822.6	32 531.3	32 531.9	32 531.9	99.2%	99.7%																			
Provinces and municipalities	27 669.1	27 669.1	27 669.1	28 857.0	28 957.0	28 957.0	29 123.5	29 123.5	29 123.5	31 351.6	31 351.6	31 351.6	100.1%	100.0%																			
Departmental agencies and accounts	772.1	793.2	798.0	1 385.5	724.5	287.9	692.4	682.4	682.4	1 167.0	1 167.0	1 167.0	–	–																			
Higher education institutions	3.9	4.5	4.5	–	–	–	–	–	3.5	–	–	–	204.8%	177.8%																			
Foreign governments and international organisations	1.1	1.1	1.3	1.2	1.2	1.4	1.2	1.2	1.9	1.3	1.5	1.5	127.2%	121.9%																			
Public corporations and private enterprises	–	4.0	4.0	–	–	–	–	5.0	5.0	1.5	1.5	1.5	700.0%	100.0%																			
Households	4.5	9.0	30.8	8.8	10.0	9.2	9.4	9.4	6.3	9.9	10.3	10.3	174.0%	146.0%																			
Payments for capital assets	3.9	10.2	14.7	4.0	14.8	14.1	5.5	17.1	6.6	5.7	22.8	22.8	305.4%	89.8%																			
Buildings and other fixed structures	–	–	–	–	0.2	0.2	–	–	–	–	–	–	–	96.3%																			
Machinery and equipment	3.7	9.9	13.3	3.7	14.5	13.8	5.2	16.8	6.5	5.7	22.8	22.8	308.6%	88.2%																			
Software and other intangible assets	0.2	0.2	1.4	0.3	0.1	0.1	0.3	0.3	0.1	–	–	–	200.3%	261.0%																			
Payments for financial assets	230.0	230.0	230.1	–	161.1	161.3	100.0	100.0	100.2	150.0	150.1	150.1	133.7%	100.1%																			
Total	29 417.6	29 417.6	29 358.2	30 943.4	30 543.4	30 034.5	30 690.9	30 696.4	30 587.2	33 464.3	33 477.7	33 477.7	99.1%	99.5%																			

Expenditure estimates

Table 38.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Human Settlements Policy, Strategy and Planning									
3. Human Settlements Delivery Support									
4. Housing Development Finance									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
Programme 1	470.0	2.8%	1.4%	442.7	471.5	502.7	2.3%	1.4%	
Programme 2	93.6	2.5%	0.3%	89.8	96.0	102.6	3.1%	0.3%	
Programme 3	216.9	5.7%	0.5%	246.0	261.0	329.8	15.0%	0.8%	
Programme 4	32 697.3	4.4%	97.8%	31 577.3	32 859.3	34 851.1	2.1%	97.5%	
Total	33 477.7	4.4%	100.0%	32 355.7	33 687.9	35 786.2	2.2%	100.0%	
Change to 2017 Budget estimate				(3 059.0)	(3 759.6)	(3 997.1)			
Economic classification									
Current payments	772.9	3.5%	2.1%	787.6	838.6	945.6	7.0%	2.5%	
Compensation of employees	383.3	5.2%	1.1%	376.9	405.7	436.1	4.4%	1.2%	
Goods and services	389.6	1.9%	1.1%	410.7	433.0	509.5	9.4%	1.3%	
Transfers and subsidies	32 531.9	4.5%	97.3%	31 482.1	32 793.0	34 833.9	2.3%	97.3%	
Provinces and municipalities	31 351.6	4.3%	94.9%	30 391.3	31 687.3	33 667.9	2.4%	93.9%	
Departmental agencies and accounts	1 167.0	13.7%	2.4%	1 079.0	1 093.2	1 152.9	-0.4%	3.3%	
Higher education institutions	–	-100.0%	0.0%	3.5	–	–	–	0.0%	
Foreign governments and international organisations	1.5	9.8%	0.0%	1.3	1.4	1.5	0.6%	0.0%	
Public corporations and private enterprises	1.5	-27.9%	0.0%	–	–	–	-100.0%	0.0%	
Households	10.3	4.8%	0.0%	6.9	11.0	11.6	4.0%	0.0%	
Payments for capital assets	22.8	31.0%	0.0%	6.0	6.3	6.7	-33.7%	0.0%	
Machinery and equipment	22.8	32.1%	0.0%	6.0	6.3	6.7	-33.7%	0.0%	
Payments for financial assets	150.1	-13.3%	0.5%	80.0	50.0	–	-100.0%	0.2%	
Total	33 477.7	4.4%	100.0%	32 355.7	33 687.9	35 786.2	2.2%	100.0%	

Expenditure trends and estimates for significant spending items

Table 38.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Human settlements development grant	17 084 369	18 302 675	18 283 991	19 969 343	5.3%	59.6%	18 166 520	18 832 802	20 101 903	0.2%	57.0%
Urban settlements development grant	10 284 684	10 554 345	10 839 468	11 382 247	3.4%	34.9%	11 306 137	11 880 786	12 534 479	3.3%	34.8%
Social Housing Regulatory Authority: Consolidated capital grant	597 543	109 210	424 388	851 658	12.5%	1.6%	743 640	738 414	778 527	-2.9%	2.3%
Housing Development Agency	120 966	104 615	157 512	210 668	20.3%	0.5%	222 177	234 955	247 878	5.6%	0.7%
Municipal emergency housing grant	–	–	–	–	–	–	140 000	149 100	158 792	–	0.3%
Provincial emergency housing grant	–	–	–	–	–	–	260 000	276 900	294 899	–	0.6%
Title deeds restoration grant	–	–	–	–	–	–	518 655	547 700	577 823	–	1.2%
Total	28 087 562	29 070 845	29 705 359	32 413 916	41.5%	96.6%	31 357 129	32 660 657	34 694 301	6.2%	96.9%

Goods and services expenditure trends and estimates

Table 38.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	375	324	244	573	15.2%	0.1%	314	330	349	-15.2%	0.1%
Advertising	29 607	20 019	13 501	20 330	-11.8%	6.3%	22 698	23 932	25 252	7.5%	5.3%
Minor assets	605	1 664	619	4 642	97.2%	0.6%	7 821	8 247	8 699	23.3%	1.7%
Audit costs: External	6 392	7 169	7 481	9 161	12.7%	2.3%	9 161	9 658	10 176	3.6%	2.2%
Bursaries: Employees	1 222	974	834	1 319	2.6%	0.3%	2 039	2 150	2 268	19.8%	0.4%
Catering: Departmental activities	5 016	4 568	2 174	4 360	-4.6%	1.2%	3 863	4 075	4 297	-0.5%	1.0%
Communication	10 887	9 798	9 658	10 514	-1.2%	3.1%	10 962	11 555	12 190	5.1%	2.6%
Computer services	31 044	43 874	53 261	61 237	25.4%	14.2%	58 351	61 535	64 858	1.9%	14.1%
Consultants: Business and advisory services	72 082	34 484	70 668	128 311	21.2%	23.0%	147 216	155 181	216 465	19.0%	37.1%
Legal services	–	–	1 351	4 447	–	0.4%	–	–	–	-100.0%	0.3%
Science and technological services	11 161	2 994	–	–	-100.0%	1.1%	3 130	3 300	3 482	–	0.6%
Contractors	2 864	749	7 603	6 376	30.6%	1.3%	1 770	1 867	1 969	-32.4%	0.7%
Agency and support/outsourced services	1 873	2 207	3 034	869	-22.6%	0.6%	2 364	2 492	2 629	44.6%	0.5%
Entertainment	178	200	190	874	70.0%	0.1%	868	948	961	3.2%	0.2%
Fleet services (including government motor transport)	1 524	1 777	1 284	2 018	9.8%	0.5%	2 049	2 160	2 279	4.1%	0.5%
Inventory: Clothing material and accessories	–	267	198	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	–	–	48	–	–	48	50	53	3.4%	–
Inventory: Materials and supplies	156	27	42	26	-45.0%	–	32	33	34	9.4%	–
Inventory: Medical supplies	–	–	1	–	–	–	–	–	–	–	–
Inventory: Other supplies	–	–	–	53	–	–	58	59	61	4.8%	–
Consumable supplies	1 240	918	1 230	3 320	38.9%	0.5%	2 583	2 721	2 870	-4.7%	0.7%
Consumables: Stationery, printing and office supplies	3 560	4 082	3 328	9 355	38.0%	1.5%	13 305	14 027	14 799	16.5%	3.0%
Operating leases	25 369	34 216	38 228	29 034	4.6%	9.5%	29 039	30 618	32 416	3.7%	6.9%
Rental and hiring	19	788	–	–	-100.0%	0.1%	–	–	–	–	–
Property payments	6 784	8 113	9 129	15 010	30.3%	2.9%	15 071	15 890	16 764	3.8%	3.6%
Transport provided: Departmental activity	30 067	25 672	–	–	-100.0%	4.2%	–	–	–	–	–
Travel and subsistence	36 587	46 539	69 869	50 900	11.6%	15.3%	52 439	55 258	58 298	4.6%	12.4%
Training and development	10 239	3 656	2 752	4 911	-21.7%	1.6%	4 936	5 204	5 491	3.8%	1.2%
Operating payments	7 308	7 515	6 793	11 209	15.3%	2.5%	9 732	10 260	10 824	-1.2%	2.4%
Venues and facilities	18 759	30 920	29 025	10 712	-17.0%	6.7%	10 811	11 400	12 027	3.9%	2.6%
Total	314 918	293 514	332 497	389 609	7.4%	100.0%	410 660	432 950	509 511	9.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 38.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	200 466	178 696	258 007	315 373	16.3%	0.8%	335 394	354 822	374 338	5.9%	1.0%
Public Service Sector Education and Training Authority	1 170	–	–	–	-100.0%	–	–	–	–	–	–
Social Housing Regulatory Authority: Operational	33 480	34 560	36 392	46 815	11.8%	0.1%	51 980	55 201	58 237	7.5%	0.2%
Housing Development Agency	100 966	104 615	147 512	210 668	27.8%	0.5%	222 177	234 955	247 878	5.6%	0.7%
National Home Builders Registration Council	3 990	–	–	–	-100.0%	–	–	–	–	–	–
Servcon Housing Solutions	860	–	–	–	-100.0%	–	–	–	–	–	–
Housing Development Agency: National upgrading support programme	20 000	–	10 000	–	-100.0%	–	–	–	–	–	–

Table 38.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Community Schemes Ombud Services	40 000	39 521	30 020	29 400	-9.8%	0.1%	31 105	32 847	34 654	5.6%	0.1%
Social Housing Regulatory Authority: Institutional investment	-	-	28 083	20 490	-	-	20 132	21 259	22 428	3.1%	0.1%
Social Housing Regulatory Authority: Regulations	-	-	6 000	8 000	-	-	10 000	10 560	11 141	11.7%	-
Capital	597 543	109 210	424 388	851 658	12.5%	1.7%	743 640	738 414	778 527	-2.9%	2.4%
Social Housing Regulatory Authority: Consolidated capital grant	597 543	109 210	424 388	851 658	12.5%	1.7%	743 640	738 414	778 527	-2.9%	2.4%
Households											
Other transfers to households											
Current	9 703	7 622	4 845	9 991	1.0%	-	6 942	11 027	11 634	5.2%	-
Gifts and donations	729	149	255	46	-60.2%	-	50	53	56	6.8%	-
Transfers to households	-	-	3	123	-	-	-	-	-	-100.0%	-
Leave gratuity	-	172	-	-	-	-	-	-	-	-	-
Bursaries for non-employees	8 974	7 301	4 587	9 822	3.1%	-	6 892	10 974	11 578	5.6%	-
Foreign governments and international organisations											
Current	1 269	1 368	1 923	1 475	5.1%	-	1 346	1 421	1 500	0.6%	-
Habitat Foundation	1 269	1 368	1 923	1 475	5.1%	-	1 346	1 421	1 500	0.6%	-
Households											
Social benefits											
Current	21 061	1 533	1 479	356	-74.3%	-	-	-	-	-100.0%	-
Transfers to households	21 061	1 522	1 479	356	-74.3%	-	-	-	-	-100.0%	-
Leave gratuity	-	11	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	4 000	-	5 000	1 500	-27.9%	-	-	-	-	-100.0%	-
Council for Scientific and Industrial Research	4 000	-	5 000	1 500	-27.9%	-	-	-	-	-100.0%	-
Higher education institutions											
Current	4 499	-	3 500	-	-100.0%	-	3 500	-	-	-	-
Nelson Mandela Metropolitan University	4 499	-	-	-	-100.0%	-	3 500	-	-	-	-
Mangosuthu University of Technology	-	-	3 500	-	-	-	-	-	-	-	-
Provinces and municipalities											
Provincial revenue funds											
Current	-	-	-	-	-	-	260 000	276 900	294 899	-	0.6%
Provincial emergency housing grant	-	-	-	-	-	-	260 000	276 900	294 899	-	0.6%
Capital	17 084 369	18 302 675	18 283 991	19 969 343	5.3%	61.3%	18 685 175	19 380 502	20 679 726	1.2%	59.8%
Human settlements development grant	17 084 369	18 302 675	18 283 991	19 969 343	5.3%	61.3%	18 666 520	18 832 802	20 101 903	0.2%	58.5%
Title deeds restoration grant	-	-	-	-	-	-	518 655	547 700	577 823	-	1.2%
Provinces and municipalities											
Municipal bank accounts											
Current	300 000	100 000	-	-	-100.0%	0.3%	140 000	149 100	158 792	-	0.3%
Municipal human settlements capacity grant	300 000	100 000	-	-	-100.0%	0.3%	-	-	-	-	-
Municipal emergency housing grant	-	-	-	-	-	-	140 000	149 100	158 792	-	0.3%
Capital	10 284 684	10 554 345	10 839 468	11 382 247	3.4%	35.8%	11 306 137	11 880 786	12 534 479	3.3%	35.8%
Urban settlements development grant	10 284 684	10 554 345	10 839 468	11 382 247	3.4%	35.8%	11 306 137	11 880 786	12 534 479	3.3%	35.8%
Total	28 507 594	29 255 449	29 822 601	32 531 943	4.5%	100.0%	31 482 134	32 792 972	34 833 895	2.3%	100.0%

Personnel information

Table 38.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21				
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost	
Human Settlements		695	62	684	325.3	0.5	645	383.3	0.6	606	376.9	0.6	606	405.7	0.7	605	436.1	0.7	-2.1%	100.0%
Salary level																				
1-6	164	6	158	37.8	0.2	162	41.8	0.3	154	40.8	0.3	154	44.0	0.3	154	47.5	0.3	-1.7%	25.3%	
7-10	297	42	255	100.6	0.4	253	115.6	0.5	236	112.9	0.5	236	121.8	0.5	235	130.9	0.6	-2.4%	39.0%	
11-12	127	4	123	76.9	0.6	127	102.1	0.8	120	102.1	0.9	120	110.2	0.9	120	119.0	1.0	-1.9%	19.8%	
13-16	105	10	106	103.2	1.0	101	119.4	1.2	94	116.6	1.2	94	124.7	1.3	94	133.4	1.4	-2.4%	15.6%	
Other	2	-	42	6.8	0.2	2	4.3	2.2	2	4.6	2.3	2	4.9	2.5	2	5.3	2.6	-	0.3%	
Programme	695	62	684	325.3	0.5	645	383.3	0.6	606	376.9	0.6	606	405.7	0.7	605	436.1	0.7	-2.1%	100.0%	
Programme 1	468	54	461	194.4	0.4	423	224.8	0.5	403	223.8	0.6	403	240.9	0.6	403	259.3	0.6	-1.6%	66.3%	
Programme 2	83	1	82	53.4	0.7	84	63.9	0.8	77	61.5	0.8	77	66.2	0.9	77	71.2	0.9	-2.9%	12.8%	
Programme 3	115	7	112	59.9	0.5	109	74.7	0.7	99	72.0	0.7	99	77.5	0.8	99	83.4	0.8	-3.2%	16.5%	
Programme 4	29	-	29	17.5	0.6	29	19.9	0.7	27	19.7	0.7	27	21.2	0.8	26	22.2	0.9	-3.6%	4.4%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 38.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
R thousand												
Departmental receipts	1 014	1 237	539	452	452	-23.6%	100.0%	238	242	251	-17.8%	100.0%
Sales of goods and services produced by department	200	199	201	208	208	1.3%	24.9%	220	223	231	3.6%	74.6%
Sales by market establishments of which:												
Parking	57	66	66	67	67	5.5%	7.9%	61	62	66	-0.5%	21.6%
Administrative fees of which:	57	66	66	67	67	5.5%	7.9%	61	62	66	-0.5%	21.6%
Commission on insurance	-	-	-	140	140	-	4.3%	156	157	160	4.6%	51.8%
Other sales of which:	-	-	-	140	140	-	4.3%	156	157	160	4.6%	51.8%
Replacement of security cards	143	133	135	1	1	-80.9%	12.7%	3	4	5	71.0%	1.1%
Sales of scrap, waste, arms and other used current goods of which:	143	133	135	1	1	-80.9%	12.7%	3	4	5	71.0%	1.1%
Waste paper	4	3	3	2	2	-20.6%	0.4%	5	6	6	44.2%	1.6%
Interest, dividends and rent on land	286	166	20	22	22	-57.5%	15.2%	13	13	14	-14.0%	5.2%
Interest	286	166	20	22	22	-57.5%	15.2%	13	13	14	-14.0%	5.2%
Transactions in financial assets and liabilities	524	869	315	220	220	-25.1%	59.5%	-	-	-	-100.0%	18.6%
Total	1 014	1 237	539	452	452	-23.6%	100.0%	238	242	251	-17.8%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 38.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	66.4	78.6	75.6	63.5	-1.5%	16.4%	58.2	61.0	64.9	0.7%	13.1%
Departmental Management	101.9	56.6	63.9	100.0	-0.6%	18.6%	90.2	97.9	104.3	1.4%	20.8%
Corporate Services	190.5	188.4	189.2	209.9	3.3%	44.8%	197.7	208.8	223.3	2.1%	44.5%
Property Management	32.2	42.0	47.1	41.1	8.5%	9.4%	41.1	43.3	45.8	3.7%	9.1%
Financial Management	42.1	45.5	45.1	55.5	9.7%	10.8%	55.5	60.5	64.4	5.1%	12.5%
Total	433.1	411.1	420.9	470.0	2.8%	100.0%	442.7	471.5	502.7	2.3%	100.0%
Change to 2017 Budget estimate				12.3			(7.5)	(8.3)	(8.4)		
Economic classification											
Current payments	397.8	398.9	414.0	449.7	4.2%	95.7%	439.1	467.8	498.7	3.5%	98.3%
Compensation of employees	178.8	186.8	194.4	224.8	7.9%	45.2%	223.8	240.9	259.3	4.9%	50.3%
Goods and services ¹	219.0	212.1	219.6	225.0	0.9%	50.5%	215.3	227.0	239.4	2.1%	48.1%
of which:											
Advertising	29.5	19.1	13.3	19.7	-12.6%	4.7%	22.3	23.5	24.8	7.9%	4.8%
Computer services	16.1	43.8	41.5	33.8	28.0%	7.8%	30.8	32.5	34.2	0.5%	7.0%
Consultants: Business and advisory services	44.1	8.1	18.3	40.2	-3.1%	6.4%	28.5	29.9	31.6	-7.7%	6.9%
Operating leases	25.4	34.2	38.2	28.7	4.2%	7.3%	28.7	30.3	32.1	3.7%	6.4%
Property payments	6.8	8.1	9.1	15.0	30.3%	2.2%	15.1	15.9	16.8	3.8%	3.3%
Travel and subsistence	11.9	18.7	43.0	25.6	29.1%	5.7%	26.5	27.9	29.4	4.8%	5.8%
Interest and rent on land	0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	22.7	1.0	1.5	0.3	-76.9%	1.5%	0.1	0.1	0.1	-41.6%	-
Departmental agencies and accounts	1.2	-	-	-	-100.0%	0.1%	-	-	-	-	-
Households	21.5	1.0	1.5	0.3	-76.5%	1.4%	0.1	0.1	0.1	-41.6%	-
Payments for capital assets	12.4	10.9	5.2	20.0	17.1%	2.8%	3.5	3.7	3.9	-42.1%	1.6%
Buildings and other fixed structures	-	0.2	-	-	-	-	-	-	-	-	-
Machinery and equipment	11.0	10.6	5.1	20.0	21.9%	2.7%	3.5	3.7	3.9	-42.1%	1.6%
Software and other intangible assets	1.4	0.1	0.1	-	-100.0%	0.1%	-	-	-	-	-
Payments for financial assets	0.1	0.3	0.2	0.1	-22.6%	-	-	-	-	-100.0%	-
Total	433.1	411.1	420.9	470.0	2.8%	100.0%	442.7	471.5	502.7	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.5%	1.4%	1.4%	1.4%	-	-	1.4%	1.4%	1.4%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Human Settlements Policy, Strategy and Planning

Programme purpose

Manage the development of policy and compliance with human settlements sector delivery and intergovernmental relations frameworks, and oversee integrated human settlements strategic and planning services.

Objectives

- Ensure compliance with frameworks on the governance of human settlements by developing and maintaining policies, programmes, and norms and standards for human settlements development on an ongoing basis.
- Promote the sustainable development of human settlements by drafting new human settlements policy and legislation by 2019.
- Facilitate a national rollout of human settlements programmes and related projects by managing and monitoring programmes in terms of the planning frameworks and processes on human settlements on an ongoing basis.
- Improve the development of sustainable human settlements by assessing 11 municipalities for accreditation by 2019/20.

- Improve cooperation and collaboration in the sector by managing intergovernmental and sector relations with all stakeholders in the value chain of human settlements development on an ongoing basis.

Subprogrammes

- *Management for Policy, Strategy and Planning* provides strategic leadership to the programme.
- *Human Settlements Policy Frameworks* manages the implementation of the National Housing Code, provides advisory services to provinces and municipalities in relation to the application of the code, and facilitates the accreditation of municipalities.
- *Human Settlements Strategy and Planning* manages the research, development and evaluation of the human settlements macro strategy, manages the human settlements planning framework, and communicates the national human settlements development plan to sector stakeholders through the implementation of international and intergovernmental programmes and plans.

Expenditure trends and estimates

Table 38.10 Human Settlements Policy, Strategy and Planning expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Management for Policy, Strategy and Planning	3.9	7.4	7.6	7.7	25.6%	8.0%	8.1	8.4	9.1	5.5%	8.7%
Human Settlements Policy Frameworks	29.7	29.2	27.9	32.1	2.6%	35.6%	33.4	35.2	37.7	5.4%	36.2%
Human Settlements Strategy and Planning	45.1	39.1	51.1	53.7	6.0%	56.5%	48.3	52.3	55.8	1.3%	55.0%
Total	78.7	75.7	86.6	93.6	5.9%	100.0%	89.8	96.0	102.6	3.1%	100.0%
Change to 2017 Budget estimate				-			(0.0)	0.2	0.3		
Economic classification											
Current payments	72.1	72.9	79.0	89.2	7.3%	93.6%	87.5	93.6	100.1	3.9%	97.0%
Compensation of employees	45.3	49.8	53.4	63.9	12.1%	63.5%	61.5	66.2	71.2	3.7%	68.8%
Goods and services ¹	26.8	23.1	25.6	25.3	-1.9%	30.1%	26.0	27.4	28.9	4.6%	28.2%
<i>of which:</i>											
<i>Catering: Departmental activities</i>	1.7	0.6	0.5	0.9	-20.0%	1.1%	1.3	1.4	1.4	18.9%	1.3%
<i>Communication</i>	1.6	1.3	1.3	1.4	-4.4%	1.7%	1.5	1.5	1.6	4.6%	1.6%
<i>Consultants: Business and advisory services</i>	3.2	2.1	1.1	5.8	22.0%	3.7%	6.5	6.8	7.2	7.4%	6.9%
<i>Travel and subsistence</i>	12.4	14.2	14.8	10.5	-5.4%	15.6%	10.6	11.2	11.8	3.9%	11.6%
<i>Operating payments</i>	0.3	0.6	0.4	0.9	40.2%	0.7%	0.8	0.9	0.9	1.4%	0.9%
<i>Venues and facilities</i>	6.8	2.9	6.5	3.2	-22.8%	5.8%	3.2	3.3	3.5	3.6%	3.4%
Transfers and subsidies¹	5.4	1.6	7.0	3.1	-16.9%	5.1%	1.3	1.4	1.5	-21.5%	1.9%
Foreign governments and international organisations	1.3	1.4	1.9	1.5	5.1%	1.8%	1.3	1.4	1.5	0.6%	1.5%
Public corporations and private enterprises	4.0	-	5.0	1.5	-27.9%	3.1%	-	-	-	-100.0%	0.4%
Households	0.1	0.2	0.1	0.1	-1.1%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	1.2	1.2	0.5	1.3	3.4%	1.3%	0.9	0.9	1.0	-8.4%	1.1%
Machinery and equipment	1.2	1.2	0.5	1.3	3.4%	1.3%	0.9	0.9	1.0	-8.4%	1.1%
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Total	78.7	75.7	86.6	93.6	5.9%	100.0%	89.8	96.0	102.6	3.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.3%	0.3%	-	-	0.3%	0.3%	0.3%	-	-

Table 38.10 Human Settlements Policy, Strategy and Planning expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Foreign governments and international organisations											
Current	1.3	1.4	1.9	1.5	5.1%	1.8%	1.3	1.4	1.5	0.6%	1.5%
Habitat Foundation	1.3	1.4	1.9	1.5	5.1%	1.8%	1.3	1.4	1.5	0.6%	1.5%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	4.0	–	5.0	1.5	-27.9%	3.1%	–	–	–	-100.0%	0.4%
Council for Scientific and Industrial Research	4.0	–	5.0	1.5	-27.9%	3.1%	–	–	–	-100.0%	0.4%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Human Settlements Delivery Support

Programme purpose

Support the execution, and monitor and evaluate the implementation of human settlements programmes and projects. Manage the building of capacity and skills in the sector and provide oversight of public entities.

Objectives

- Improve the delivery rate of housing projects, including blocked projects and informal settlement upgrading projects, by providing technical support to provinces and municipalities in the planning and implementation of strategic programmes and projects on an ongoing basis.
- Promote better human settlements outcomes in informal settlements by implementing the national upgrading support programme in 119 municipalities over the next three years.
- Ensure and verify the delivery of quality housing opportunities by monitoring and evaluating the performance of provinces and municipalities, as reported on in the housing subsidy system, through project-level site visits, and review sessions and workshops on a quarterly basis.
- Develop professional and institutional capacity to support roles and responsibilities at provincial and municipal levels by managing training and skills development programmes for officials and communities on an ongoing basis.
- Manage the performance of public entities, provinces and municipalities by monitoring the performance of human settlements development and housing programmes on a quarterly basis.

Subprogrammes

- *Management for Human Settlements Delivery Support* provides strategic leadership to the programme.
- *Programme Management Unit* provides support to provinces and municipalities for the implementation of housing and human settlements projects and programmes, including catalytic projects.
- *Chief of Operations* provides regulatory, strategic and policy oversight to the public entities reporting to the department; and manages the development of sector-specific technical skills development programmes and strategies, as well as the scholarship programme.

Expenditure trends and estimates

Table 38.11 Human Settlements Delivery Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Management for Human Settlements	7.0	7.5	6.8	9.4	10.2%	4.9%	9.0	9.6	10.2	2.8%	3.6%
Delivery Support											
Programme Management Unit	69.6	70.6	99.9	159.3	31.8%	64.1%	189.0	200.2	265.0	18.5%	77.2%
Chief of Operations	57.1	42.7	45.0	48.2	-5.5%	31.0%	48.0	51.2	54.6	4.2%	19.2%
Total	133.7	120.8	151.7	216.9	17.5%	100.0%	246.0	261.0	329.8	15.0%	100.0%
Change to 2017 Budget estimate				(0.4)			29.6	31.3	85.9		
Economic classification	119.1	111.8	142.7	205.7	20.0%	93.0%	234.2	248.6	316.7	15.5%	95.4%
Current payments											
Compensation of employees	53.0	58.0	59.9	74.7	12.1%	39.4%	72.0	77.5	83.4	3.7%	29.2%
Goods and services ¹	66.1	53.8	82.8	131.0	25.6%	53.5%	162.3	171.2	233.3	21.2%	66.2%
of which:											
Communication	1.4	1.2	1.0	1.8	10.3%	0.9%	1.9	2.0	2.1	4.3%	0.7%
Computer services	15.0	0.0	11.8	27.5	22.5%	8.7%	27.5	29.0	30.6	3.7%	10.9%
Consultants: Business and advisory services	24.5	24.1	51.3	79.2	47.8%	28.8%	110.7	116.7	175.9	30.5%	45.8%
Consumables: Stationery, printing and office supplies	0.4	0.3	0.6	2.2	79.6%	0.6%	2.3	2.4	2.5	4.5%	0.9%
Travel and subsistence	12.3	12.0	10.5	12.3	0.1%	7.6%	12.8	13.5	14.3	5.0%	5.0%
Venues and facilities	3.5	13.7	4.3	2.1	-16.2%	3.8%	1.8	1.9	2.0	-0.5%	0.7%
Interest and rent on land	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	13.6	7.9	8.2	9.9	-9.9%	6.4%	10.4	11.0	11.6	5.2%	4.1%
Higher education institutions	4.5	-	3.5	-	-100.0%	1.3%	3.5	-	-	-	0.3%
Households	9.1	7.9	4.7	9.9	3.0%	5.1%	6.9	11.0	11.6	5.2%	3.7%
Payments for capital assets	1.0	1.1	0.8	1.3	7.6%	0.7%	1.4	1.5	1.5	6.7%	0.5%
Machinery and equipment	1.0	1.1	0.8	1.3	7.6%	0.7%	1.4	1.5	1.5	6.7%	0.5%
Payments for financial assets	0.0	0.0	0.1	-	-100.0%	-	-	-	-	-	-
Total	133.7	120.8	151.7	216.9	17.5%	100.0%	246.0	261.0	329.8	15.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.4%	0.5%	0.6%	-	-	0.8%	0.8%	0.9%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	9.0	7.3	4.6	9.8	3.1%	4.9%	6.9	11.0	11.6	5.6%	3.7%
Bursaries for non-employees	9.0	7.3	4.6	9.8	3.1%	4.9%	6.9	11.0	11.6	5.6%	3.7%
Higher education institutions											
Current	4.5	-	3.5	-	-100.0%	1.3%	3.5	-	-	-	0.3%
Nelson Mandela Metropolitan University	4.5	-	3.5	-	-100.0%	0.7%	3.5	-	-	-	0.3%
Mangosuthu University of Technology	-	-	3.5	-	-	0.6%	-	-	-	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Housing Development Finance

Programme purpose

Fund the delivery of housing and human settlements programmes, and manage all matters related to improving access to housing finance and developing partnerships with the financial sector.

Objectives

- Manage the performance of provinces and municipalities by monitoring the expenditure and non-financial performance of human settlements development and housing programmes on a monthly and quarterly basis.
- Accelerate the delivery of housing and human settlements by providing funding from the *human settlements development grant*, the *urban settlements development grant* and transfers to public entities on a scheduled ongoing basis.
- Improve access to housing finance by collaborating with the private sector and related entities to develop mechanisms to increase market penetration and provide loans to low and middle income households on an ongoing basis.

- Ensure equal access to housing finance through monitoring the lending practices of the financial sector by publishing an annual report on mortgage finance.

Subprogrammes

- *Management for Housing Development Finance* provides strategic leadership to the programme.
- *Chief Investment Officer* monitors the spending and performance of provinces and municipalities implementing housing and human settlements programmes, mobilises the financial sector to provide financial resources to human settlements development, and monitors and reports on the lending patterns by financial institutions through the Office of Disclosure.
- *Human Settlements Development Grant* reflects the conditional allocation transferred to all provinces for delivering housing projects, as per the National Housing Code.
- *Contributions* makes transfers to certain public entities reporting to the department, such as the Social Housing Regulatory Authority and the Housing Development Agency.
- *Urban Settlements Development Grant* reflects the conditional allocations transferred to metropolitan municipalities to supplement their capital budgets for infrastructure development to support the upgrading of informal settlements and increase the provision of serviced land in metropolitan municipalities.
- *Municipal Human Settlements Capacity Grant* reflects the conditional allocation transferred to metropolitan municipalities to build their capacity. This subprogramme has been discontinued as the conditional grant no longer exists.
- *Title Deeds Restoration Grant* reflects the conditional grant allocation to provinces for title deeds backlog eradication.
- *Emergency Housing Grant* reflects the allocation of funds related to emergency housing in provinces and municipalities, as and when required.

Expenditure trends and estimates

Table 38.12 Housing Development Finance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Management for Housing Development Finance	0.4	1.0	2.1	4.1	125.3%	–	4.5	4.7	5.0	7.3%	–
Chief Investment Officer	16.5	20.0	20.0	24.6	14.2%	0.1%	22.5	24.1	25.3	0.9%	0.1%
Human Settlements Development Grant	17 084.4	18 302.7	18 284.0	19 969.3	5.3%	61.0%	18 166.5	18 832.8	20 101.9	0.2%	58.4%
Contributions	1 026.8	448.9	782.4	1 317.0	8.7%	3.0%	1 159.0	1 143.2	1 152.9	-4.3%	3.6%
Urban Settlements Development Grant	10 284.7	10 554.3	10 839.5	11 382.2	3.4%	35.7%	11 306.1	11 880.8	12 534.5	3.3%	35.7%
Municipal Human Settlements Capacity Grant	300.0	100.0	–	–	-100.0%	0.3%	–	–	–	–	–
Title Deeds Restoration Grant	–	–	–	–	–	–	518.7	547.7	577.8	–	1.2%
Emergency Housing Grant	–	–	–	–	–	–	400.0	426.0	453.7	–	1.0%
Total	28 712.7	29 426.9	29 928.0	32 697.3	4.4%	100.0%	31 577.3	32 859.3	34 851.1	2.1%	100.0%
Change to 2017 Budget estimate				1.5			(3 081.1)	(3 782.9)	(4 075.0)		
Economic classification											
Current payments	16.7	20.1	22.0	28.3	19.1%	0.1%	26.7	28.6	30.0	2.0%	0.1%
Compensation of employees	13.7	15.6	17.5	19.9	13.3%	0.1%	19.7	21.2	22.2	3.8%	0.1%
Goods and services ¹	3.0	4.5	4.5	8.4	40.4%	–	7.0	7.4	7.8	-2.5%	–
of which:											
Catering: Departmental activities	0.0	0.0	0.0	0.2	78.4%	–	0.2	0.3	0.3	6.7%	–
Communication	0.3	0.2	0.3	0.4	14.8%	–	0.4	0.4	0.5	3.6%	–
Consultants: Business and advisory services	0.2	0.1	–	3.1	153.1%	–	1.6	1.7	1.8	-16.9%	–
Consumables: Stationery, printing and office supplies	0.1	0.3	0.1	0.4	51.0%	–	1.5	1.6	1.6	61.8%	–
Travel and subsistence	–	1.6	1.5	2.5	–	–	2.5	2.6	2.8	4.2%	–
Venues and facilities	–	0.0	0.0	0.2	–	–	0.3	0.3	0.3	17.2%	–

Table 38.12 Housing Development Finance expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Transfers and subsidies¹	28 465.9	29 244.9	29 805.9	32 518.6	4.5%	99.4%	31 470.3	32 780.5	34 820.8	2.3%	99.7%
Provinces and municipalities	27 669.1	28 957.0	29 123.5	31 351.6	4.3%	97.0%	30 391.3	31 687.3	33 667.9	2.4%	96.3%
Departmental agencies and accounts	796.8	287.9	682.4	1 167.0	13.6%	2.4%	1 079.0	1 093.2	1 152.9	-0.4%	3.4%
Payments for capital assets	0.1	0.9	0.1	0.3	45.5%	-	0.2	0.2	0.3	-9.1%	-
Machinery and equipment	0.1	0.9	0.1	0.3	45.5%	-	0.2	0.2	0.3	-9.1%	-
Payments for financial assets	230.0	161.0	100.0	150.0	-13.3%	0.5%	80.0	50.0	-	-100.0%	0.2%
Total	28 712.7	29 426.9	29 928.0	32 697.3	4.4%	100.0%	31 577.3	32 859.3	34 851.1	2.1%	100.0%
Proportion of total programme expenditure to vote expenditure	97.8%	98.0%	97.8%	97.7%	-	-	97.6%	97.5%	97.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	198.4	178.7	258.0	315.4	16.7%	0.8%	335.4	354.8	374.3	5.9%	1.0%
Social Housing Regulatory Authority: Operational	33.5	34.6	36.4	46.8	11.8%	0.1%	52.0	55.2	58.2	7.5%	0.2%
Housing Development Agency	101.0	104.6	147.5	210.7	27.8%	0.5%	222.2	235.0	247.9	5.6%	0.7%
National Home Builders Registration Council	4.0	-	-	-	-100.0%	-	-	-	-	-	-
Housing Development Agency: National upgrading support programme	20.0	-	10.0	-	-100.0%	-	-	-	-	-	-
Community Schemes Ombud Services	40.0	39.5	30.0	29.4	-9.8%	0.1%	31.1	32.8	34.7	5.6%	0.1%
Social Housing Regulatory Authority: Institutional investment	-	-	28.1	20.5	-	-	20.1	21.3	22.4	3.1%	0.1%
Social Housing Regulatory Authority: Regulations	-	-	6.0	8.0	-	-	10.0	10.6	11.1	11.7%	-
Capital	597.5	109.2	424.4	851.7	12.5%	1.6%	743.6	738.4	778.5	-2.9%	2.4%
Social Housing Regulatory Authority: Consolidated capital grant	597.5	109.2	424.4	851.7	12.5%	1.6%	743.6	738.4	778.5	-2.9%	2.4%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	300.0	100.0	-	-	-100.0%	0.3%	140.0	149.1	158.8	-	0.3%
Municipal Human Settlements Capacity Grant	300.0	100.0	-	-	-100.0%	0.3%	-	-	-	-	-
Municipal Emergency Housing Grant	-	-	-	-	-	-	140.0	149.1	158.8	-	0.3%
Capital	10 284.7	10 554.3	10 839.5	11 382.2	3.4%	35.7%	11 306.1	11 880.8	12 534.5	3.3%	35.7%
Urban Settlements Development Grant	10 284.7	10 554.3	10 839.5	11 382.2	3.4%	35.7%	11 306.1	11 880.8	12 534.5	3.3%	35.7%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	-	-	-	-	-	-	260.0	276.9	294.9	-	0.6%
Provincial Emergency Housing Grant	-	-	-	-	-	-	260.0	276.9	294.9	-	0.6%
Capital	17 084.4	18 302.7	18 284.0	19 969.3	5.3%	61.0%	18 685.2	19 380.5	20 679.7	1.2%	59.6%
Human Settlements Development Grant	17 084.4	18 302.7	18 284.0	19 969.3	5.3%	61.0%	18 166.5	18 832.8	20 101.9	0.2%	58.4%
Title Deeds Restoration Grant	-	-	-	-	-	-	518.7	547.7	577.8	-	1.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entity¹

National Home Builders Registration Council

Mandate

The National Home Builders Registration Council was established in terms of the amended Housing Consumers Protection Measures Act (1998) to represent the interests of housing consumers by providing warranty protection against defined defects in new homes, and to regulate the home building industry. The council provides training to promote and ensure compliance with technical standards in the home building environment.

Selected performance indicators

Table 38.13 National Home Builders Registration Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of inspections in the subsidy sector per year ¹	Regulation	Entity mandate	223 915	230 103	94 528	693 752	560 784	560 784	560 784
Number of inspections in the non-subsidy sector per year ¹	Regulation		304 267	258 446	113 379	202 640	214 798	227 686	241 347
Number of home inspectors to be trained per year	Regulation		– ²	310	607	400	400	400	400
Number of home builders to be trained per year	Regulation		2 629	2 463	1 739	2 000	2 000	2 000	2 000
Number of home enrolments in the non-subsidy sector per year	Protection		52 632	49 612	51 990	50 660	50 471	55 518	61 070
Number of home enrolments in the subsidy sector per year	Protection		198 753	77 004	74 149	112 600	123 600	136 246	149 870
Number of late enrolments in the subsidy sector per year	Protection		– ²	– ²	1 954	4 000	4 081	4 183	4 434
Number of late enrolments in the non-subsidy sector per year	Protection		1 483	1 030	1 287	1 264	1 340	1 420	1 505
Number of forensic assessments conducted per year	Protection		19 875	12 414	– ³	– ³	– ³	– ³	– ³
Number of geotechnical assessments conducted per year	Protection		2 613	17 443	– ³	– ³	– ³	– ³	– ³

1. Inspections carried out range from a minimum of 4 to a maximum of 8 inspection stages per home.

2. No historical data available.

3. Indicator discontinued.

Expenditure analysis

In keeping with its core function of regulating quality standards in the home building industry, the National Home Builders Registration Council will focus on increasing home inspections and enrolments over the medium term.

The council is committed to ensuring that all housing units subsidised by government are enrolled with the council. In working towards this goal, the council is expected to enrol 409 716 subsidy homes and 167 059 non-subsidy homes over the medium term. These enrolments are expected to drive an increase in total expenditure from R843.9 million in 2017/18 to R1 billion in 2020/21, at an average annual rate of 6.5 per cent.

To strengthen its regulatory function over the medium term, the council plans to conduct almost 1.7 million inspections in the subsidy sector and 683 831 inspections in the non-subsidy sector, and train 6 000 youth, women, disabled people and military veterans, at a projected cost of R648 million.

As the council's work is labour intensive, spending on compensation of employees is projected to increase from R470.6 million in 2017/18 to R563.3 million in 2020/21, at an average annual rate of 6.2 per cent. The council aims to maintain its staff complement at 663 over the medium term.

The council generates revenue mainly from a combination of home enrolment fees, registration and renewal

¹ This section has been compiled with the latest available information from the entity concerned.

fees for homebuilders, technical services, and interest and dividends earned on the warranty fund. Total revenue is expected to increase from R1.3 billion in 2017/18 to R1.5 billion in 2020/21, at an average annual rate of 6.4 per cent.

Programmes/Objectives/Activities

Table 38.14 National Home Builders Registration Council expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	274.3	532.1	328.4	265.5	-1.1%	45.5%	322.7	339.7	347.6	9.4%	34.0%
Regulation	298.0	159.2	239.4	191.4	-13.7%	29.4%	202.9	215.0	230.0	6.3%	22.4%
Protection	89.4	82.2	244.1	386.9	63.0%	25.0%	389.7	413.7	442.3	4.6%	43.6%
Total	661.8	773.5	811.9	843.9	8.4%	100.0%	915.4	968.5	1,019.8	6.5%	100.0%

Statements of historical financial performance and position

Table 38.15 National Home Builders Registration Council statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	965.2	1 184.9	1 088.2	1 021.6	1 255.9	1 296.8	1 310.1	1 262.2	103.2%
Sale of goods and services other than capital assets	753.4	815.6	812.9	798.9	868.6	876.0	897.6	861.8	100.6%
<i>of which:</i>									
<i>Sales by market establishment</i>	753.4	815.6	812.9	798.9	868.6	876.0	897.6	861.8	100.6%
<i>Home enrolment fees</i>	604.0	740.8	671.7	700.3	716.1	798.5	762.6	785.1	109.8%
<i>Fee revenue</i>	53.1	50.7	68.9	42.3	117.5	32.9	98.7	35.0	47.5%
<i>Technical services revenue</i>	96.3	24.1	72.3	56.3	35.0	44.7	36.2	41.7	69.6%
<i>Other sales</i>	-	-	-	2.2	-	3.4	-	1.4	-
Other non-tax revenue	211.9	369.4	275.3	222.7	387.3	420.8	412.5	400.4	109.8%
Total revenue	965.2	1 184.9	1 088.2	1 021.6	1 255.9	1 296.8	1 310.1	1 262.2	103.2%
Expenses									
Current expenses	865.1	661.8	839.5	773.5	812.1	811.9	866.0	843.9	91.4%
Compensation of employees	454.5	316.7	451.4	399.4	418.2	426.4	445.4	470.6	91.2%
Goods and services	382.0	331.6	362.9	358.9	367.4	377.0	386.2	338.8	93.8%
Depreciation	28.5	9.1	25.2	15.1	26.5	8.4	34.4	34.4	58.5%
Interest, dividends and rent on land	-	4.4	-	0.0	-	-	-	-	-
Total expenses	865.1	661.8	839.5	773.5	812.1	811.9	866.0	843.9	91.4%
Surplus/(Deficit)	100.0	523.0	249.0	248.0	444.0	485.0	444.0	418.0	
Statement of financial position									
Carrying value of assets	348.4	191.6	350.9	219.4	325.4	199.6	299.0	299.0	68.7%
<i>of which:</i>									
<i>Acquisition of assets</i>	(167.3)	(65.9)	(190.0)	(43.3)	(49.7)	(3.8)	(8.0)	(8.0)	29.2%
Investments	4 071.6	4 990.5	5 187.3	5 127.5	5 549.0	5 600.6	5 915.2	5 915.2	104.4%
Inventory	0.3	0.9	0.2	13.9	0.2	13.2	0.2	0.2	2 975.2%
Receivables and prepayments	26.0	19.3	29.3	22.1	27.9	45.3	31.0	31.0	103.1%
Cash and cash equivalents	29.2	171.7	109.2	251.9	109.1	204.9	108.3	108.3	207.1%
Total assets	4 475.5	5 374.0	5 677.0	5 634.8	6 011.6	6 063.6	6 353.8	6 353.8	104.0%
Accumulated surplus/(deficit)	3 265.7	3 776.6	4 146.0	4 037.2	4 405.9	4 531.3	4 681.8	4 681.8	103.2%
Capital and reserves	29.0	41.2	43.4	31.0	36.0	25.2	28.2	28.2	91.9%
Trade and other payables	164.4	192.4	191.6	196.6	202.5	126.1	201.7	201.7	94.3%
Provisions	1 016.3	1 363.8	1 295.9	1 370.0	1 367.1	1 381.1	1 442.1	1 442.1	108.5%
Total equity and liabilities	4 475.5	5 374.0	5 677.0	5 634.8	6 011.6	6 063.6	6 353.8	6 353.8	104.0%

Statements of estimates of financial performance and position

Table 38.16 National Home Builders Registration Council statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R million								
Revenue								
Non-tax revenue	1 262.2	2.1%	100.0%	1 354.4	1 435.7	1 521.8	6.4%	100.0%
Sale of goods and services other than capital assets	861.8	1.9%	70.7%	930.0	985.8	1 044.9	6.6%	68.6%
<i>of which:</i>								
<i>Sales by market establishment</i>	<i>861.8</i>	<i>1.9%</i>	<i>70.7%</i>	<i>930.0</i>	<i>985.8</i>	<i>1 044.9</i>	<i>6.6%</i>	<i>68.6%</i>
<i>Home enrolment fees</i>	<i>785.1</i>	<i>2.0%</i>	<i>63.7%</i>	<i>812.2</i>	<i>857.2</i>	<i>953.6</i>	<i>6.7%</i>	<i>61.1%</i>
<i>Fee revenue</i>	<i>35.0</i>	<i>-11.6%</i>	<i>3.4%</i>	<i>105.1</i>	<i>112.0</i>	<i>41.7</i>	<i>6.0%</i>	<i>5.3%</i>
<i>Technical services revenue</i>	<i>41.7</i>	<i>20.0%</i>	<i>3.6%</i>	<i>38.6</i>	<i>41.1</i>	<i>49.7</i>	<i>6.0%</i>	<i>3.1%</i>
<i>Other sales</i>	<i>1.4</i>	<i>-</i>	<i>0.1%</i>	<i>1.5</i>	<i>1.6</i>	<i>1.7</i>	<i>6.0%</i>	<i>0.1%</i>
Other non-tax revenue	400.4	2.7%	29.3%	424.5	449.9	476.9	6.0%	31.4%
Total revenue	1 262.2	2.1%	100.0%	1 354.4	1 435.7	1 521.8	6.4%	100.0%
Expenses								
Current expenses	843.9	8.4%	100.0%	915.4	968.5	1 019.8	6.5%	100.0%
Compensation of employees	470.6	14.1%	51.9%	498.7	530.0	563.3	6.2%	55.1%
Goods and services	338.8	0.7%	45.8%	380.2	399.9	415.6	7.0%	40.9%
Depreciation	34.4	55.6%	2.1%	36.5	38.6	40.9	6.0%	4.0%
Total expenses	843.9	8.4%	100.0%	915.4	968.5	1 019.8	6.5%	100.0%
Surplus/(Deficit)	418.0	-7.2%	55.1%	439.0	467.0	502.0	6.3%	
Statement of financial position								
Carrying value of assets	299.0	16.0%	3.9%	271.7	348.0	348.0	5.2%	4.3%
<i>of which:</i>								
<i>Acquisition of assets</i>	<i>(8.0)</i>	<i>-50.5%</i>	<i>-0.5%</i>	<i>(8.0)</i>	<i>(8.0)</i>	<i>(8.0)</i>	<i>-</i>	<i>-0.1%</i>
Investments	5 915.2	5.8%	92.3%	6 304.6	7 686.9	7 686.9	9.1%	93.7%
Inventory	0.2	-35.2%	0.1%	0.3	0.3	0.3	2.3%	0.0%
Receivables and prepayments	31.0	17.1%	0.5%	32.0	42.7	42.7	11.3%	0.5%
Cash and cash equivalents	108.3	-14.2%	3.2%	107.7	107.7	107.7	-0.2%	1.5%
Total assets	6 353.8	5.7%	100.0%	6 716.2	8 185.5	8 185.5	8.8%	100.0%
Accumulated surplus/(deficit)	4 681.8	7.4%	72.6%	4 970.8	6 043.5	6 043.5	8.9%	73.8%
Capital and reserves	28.2	-11.9%	0.5%	20.0	40.8	40.8	13.1%	0.4%
Trade and other payables	201.7	1.6%	3.1%	204.3	171.1	171.1	-5.3%	2.6%
Provisions	1 442.1	1.9%	23.8%	1 521.1	1 930.1	1 930.1	10.2%	23.1%
Total equity and liabilities	6 353.8	5.7%	100.0%	6 716.2	8 185.5	8 185.5	8.8%	100.0%

Personnel information

Table 38.17 National Home Builders Registration Council personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
National Home Builders Registration Council	663	663	426.4	0.6	663	470.6	0.7	663	498.7	0.8	663	530.0	0.8	663	563.3	0.8	6.2%	100.0%	
Salary level																			
1 – 6	37	37	37	5.1	0.1	37	5.5	0.1	37	5.9	0.2	37	6.3	0.2	37	6.7	0.2	7.1%	5.6%
7 – 10	377	377	377	182.6	0.5	377	194.9	0.5	377	208.8	0.6	377	221.8	0.6	377	235.6	0.6	6.5%	56.9%
11 – 12	188	188	188	151.4	0.8	188	172.4	0.9	188	183.7	1.0	188	194.6	1.0	188	206.3	1.1	6.2%	28.4%
13 – 16	59	59	59	82.4	1.4	59	92.3	1.6	59	94.5	1.6	59	101.1	1.7	59	108.2	1.8	5.4%	8.9%
17 – 22	2	2	2	4.9	2.4	2	5.5	2.8	2	5.8	2.9	2	6.2	3.1	2	6.5	3.3	5.9%	0.3%

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Community Schemes Ombud Service** provides a dispute resolution service for community schemes; monitors and controls the quality of all governance documentation relating to sectional title schemes; and takes custody of, preserves and provides public access to scheme governance documentation. The entity's total budget for 2018/19 is R144.2 million.
- The **Estate Agency Affairs Board** regulates, maintains and promotes the conduct of estate agents, issue certificates from the Estate Agents Fidelity Fund, prescribes the standard of education and training for estate agents, investigates complaints lodged against estate agents, and manages and controls the Estate Agents Fidelity Fund. The entity's total budget for 2018/19 is R139.6 million.
- The **Housing Development Agency** identifies, acquires, holds, develops and releases state-owned and privately owned land for residential and community purposes; and project manages housing developments for the creation of sustainable human settlements. The entity's total budget for 2018/19 is R581.5 million.
- The **National Housing Finance Corporation** broadens and deepens access to affordable housing finance for low to middle income households by facilitating private sector lending for housing purposes. The entity's total budget for 2018/19 is R227.2 million.
- The **National Urban Reconstruction and Housing Agency** provides bridging finance to contractors building low to moderate income housing, infrastructure and community facilities; and provides account administration and support services. The entity's total budget for 2018/19 is R75.9 million.
- The **Rural Housing Loan Fund** facilitates access to housing credit to low income rural households by providing wholesale finance through a network of retail intermediaries and community-based organisations. The entity's total budget for 2018/19 is R48.6 million.
- The **Social Housing Regulatory Authority** regulates the social housing sector, and ensures a sustainable and regulated flow of investment into the social housing sector to support the restructuring of urban spaces through capital grant provisions to accredited social housing institutions. The entity's total budget for 2018/19 is R825.8 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate			
				2014/15	2015/16		2016/17	2017/18	2018/19	2019/20
Departmental infrastructure										
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Human settlements development grant	Houses completed and sites serviced	Various	–	17 084.4	18 302.7	18 284.0	19 969.3	18 166.5	18 832.8	20 101.9
Urban settlements development grant	Bulk infrastructure installed	Various	–	10 284.7	10 554.3	10 839.5	11 382.2	11 306.1	11 880.8	12 534.5
Social Housing Regulatory Authority: Consolidated capital grant	Funding of social housing	Various	–	597.5	109.2	424.4	851.2	743.6	738.4	778.5
Total			–	27 966.6	28 966.2	29 547.8	32 202.8	30 216.3	31 452.0	33 414.9

Vote 39

Rural Development and Land Reform

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 825.4	1 814.9	0.2	10.3	1 869.2	1 992.9
National Geomatics Management Services	690.4	649.7	36.6	4.1	744.6	790.6
Rural Development	1 814.5	399.7	1 409.9	4.8	1 924.5	2 035.5
Restitution	3 371.0	599.5	2 769.2	2.3	3 603.6	3 810.7
Land Reform	2 723.9	597.5	2 123.0	3.4	2 907.9	3 076.1
Total expenditure estimates	10 425.2	4 061.3	6 339.0	25.0	11 049.8	11 705.7
Executive authority	Minister of Rural Development and Land Reform					
Accounting officer	Director General of Rural Development and Land Reform					
Website address	www.ruraldevelopment.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Create and maintain an equitable and sustainable land dispensation, and act as a catalyst in rural development, to ensure sustainable rural livelihoods, decent work and continued social and economic advancement for all South Africans.

Mandate

The Department of Rural Development and Land Reform executes its legislative mandate based on several acts:

- the State Land Disposal Act (1961), which makes provision for the disposal of certain state land and prohibits the acquisition of state land by prescription
- the Sectional Titles Act (1986), which makes provision for the division of buildings into sections and common property and for the acquisition of separate ownership in sections coupled with joint ownership in common property. It further regulates the transfer of ownership of sections and the registration of sectional mortgage bonds, and real rights in such sections. It also makes provision for the establishment of body corporates to control common property
- the Physical Planning Act (1991), which promotes the orderly physical development of South Africa, with provisions for the division of the country into regions; and for the preparation of national development plans, regional development plans, regional structural plans and urban structure plans
- the Upgrading of Land Tenure Rights Act (1991), which makes provision for the upgrading and conversion into ownership of certain rights graded in respect of land, and for the transfer of tribal land in full ownership to a tribe
- the Distribution and Transfer of Certain State Land Act (1993), which makes provision for the distribution and transfer of certain land belonging to the state and designated by the Minister of Rural Development and Land Reform as land to be dealt with in accordance with the provisions of the act
- the Land Titles Adjustment Act (1993), which regulates the allocation or devolution of certain land in respect of one or more persons who claim ownership, but do not have registered title deeds in respect thereof

- the Provision of Land and Assistance Act (1993), which provides for the designation of certain land, the regulation of the subdivision of such land and the settlement of persons on it. It also provides for the acquisition, maintenance, planning, development, improvement, and disposal of property and the provision of financial assistance for land reform purposes
- the Restitution of Land Rights Act (1994), which makes provision for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices. To administer this task, the act established a Commission on the Restitution of Land Rights and a land claims court. The Minister of the Department of Rural Development and Land Reform is authorised to purchase, acquire in any other manner or expropriate land or rights in land for the purpose of restitution awards
- the Land Administration Act (1995), which provides for the delegation of powers and the assignment of the administration of laws regarding land matters to provinces
- the Communal Property Associations Act (1996), which makes provision for communities, to form juristic persons, to be known as communal property associations, to acquire, hold and manage property on a basis agreed to by members of a community. This has to be done in terms of a written constitution
- the Interim Protection of Informal Land Rights Act (1996), which makes provision for temporary protection of certain rights to and interests in land that are not otherwise adequately protected by law
- the Land Reform (Labour Tenants) Act (1996), which makes provision for the security of tenure of labour tenants and those persons occupying or using land as a result of their association with labour tenants. It also makes provision for the acquisition of land and rights in land by labour tenants
- the Extension of Security of Tenure Act (1997), which makes provision for the facilitation of long-term security of land tenure to regulate the conditions of residence on certain land, and to regulate the conditions on and circumstances under which the right of persons to reside on land may be terminated
- the Land Survey Act (1997), which makes provision for the regulation of the survey of land in South Africa
- the Transformation of Certain Rural Areas Act (1998), which provides for the transfer of certain land to municipalities and certain other legal entities, and for the removal of restrictions on the alienation of land
- the Planning Profession Act (2002), which makes provision for the South African Council for Planners. The act makes provision for different categories of planners and the registration of planners, and authorises the identification of areas of work for planners. The act seeks to protect the public from unethical practices, and ensure a high standard of professional conduct and integrity
- the Spatial Data Infrastructure Act (2003), which makes provision for the establishment of South African spatial data infrastructure, the committee for spatial information and an electronic metadata catalogue; for the determination of standards and prescriptions with regard to the facilitation of the sharing of spatial information; and for the capture and publishing of metadata
- the Geomatics Profession Act (2013), which makes provision for the establishment of the South African Geomatics Council; for different categories of registered persons and branches in the geomatics profession; and for the identification of areas of work to be performed by the different categories of registered persons
- the Spatial Planning and Land Use Management Act (2013), which provides for a framework for spatial planning and land use management in South Africa
- the Property Valuation Act (2014), which provides for the establishment of the Office of the Valuer General for the regulation of the valuation of property that has been identified for land reform, and property that has been identified for acquisition or disposal by a department.

The department is also mandated to initiate, facilitate, coordinate, catalyse and implement an integrated rural development programme in line with chapter 6 of the National Development Plan (NDP), which details a vision for building an inclusive rural economy; and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework.

Selected performance indicators

Table 39.1 Performance indicators by programme and related outcome

Indicator	Programme	MTFS outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of new agricultural enterprises supported in the 44 districts aligned with agri-parks per year ¹	Rural Development	Outcome 7: comprehensive rural development and land reform	422	216	192	141	249	255	260
Number of skills development opportunities provided in rural development initiatives per year ¹	Rural Development		9 509	9 516	7 993	6 612	6 119	5 400	6 000
Number of infrastructure projects facilitated to support production per year ²	Rural Development		362	589	269	120	80	100	120
Number of land claims finalised per year	Restitution		372	560	672	724	991	865	995
Number of hectares acquired per year	Land Reform		354 802ha	242 556ha	201 430ha	96 165ha	91 950ha	96 998ha	101 847ha
Number of farms under recapitalisation and development per year	Land Reform		217	414	363	369	— ³	— ³	— ³

1. Old indicator selected for publication in the Estimates of National Expenditure.

2. Indicator differs from indicator published in the 2017 Estimates of National Expenditure to focus on new infrastructure projects facilitated to make farms productive and ensure access to amenities.

3. Indicator and target no longer measured by the department following the transfer of the recapitalisation function to the Department of Agriculture, Forestry and Fisheries.

Expenditure analysis

Chapter 6 of the NDP details a vision for building an integrated and inclusive rural economy. Outcome 4 (decent employment through inclusive growth) and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework support this vision. As the work of the Department of Rural Development and Land Reform is aligned with these outcomes, it is committed to building sustainable rural livelihoods. As such, over the MTEF period, the department intends focusing on: land restitution; agrarian and land tenure transformation; productive use of redistributed land; and the creation of increased opportunities through the national rural youth service corps initiative.

As part of government's efforts to lower aggregate expenditure, Cabinet has approved reductions to the department's budget amounting to R725.2 million over the MTEF period. Despite these reductions, the department expects to ensure service delivery through the reprioritisation of funds from non-core programmes to critical areas such as agri-parks, and intensify its implementation of cost containment measures on non-core services.

The department receives a total allocation of R33.2 billion over the medium term. Compensation of employees is the department's second largest cost driver, accounting for an estimated 22.4 per cent (R7.5 billion) of the total budget over the MTEF period. The number of personnel in the department is expected to decrease gradually over the medium term, from 4 718 in 2017/18 to 4 429 in 2020/21, as a result of terminating internship contracts.

Through the Department of Public Works, in 2009, the department secured a site for a single campus for its national office in Pretoria. R738.8 million is allocated over the MTEF period in the *Administration* programme to finance the project, which will be implemented through a public-private partnership.

Land restitution

Land restitution remains a key government priority and the department intends to intensify its efforts in this regard over the medium term. Following a Constitutional Court judgment in 2016 that ruled the Restitution of Land Rights Amendment Act (2014) as invalid and contrary to the Constitution, the Restitution of Land Rights Amendment Bill was resubmitted to Parliament as a private members bill in 2017. Once passed, the act will make provision for the effective and constitutional redistribution of land.

Over the medium term, the department intends to streamline the research process on outstanding claims by using consultants to verify claims and claimants, and perform land valuations. The department plans to settle 2 851 claims over the MTEF period. R10.8 billion is allocated over the period in the *Restitution* programme for settling claims, constituting 32.3 per cent of the department's total budget, while R331.6 million is allocated in the same programme for spending on consultants.

The Office of the Valuer General has been operational since August 2015, and is responsible for ensuring the efficient acquisition and equitable valuation of land, and that government acquires land for resettlement at fair and equitable prices. R151.3 million from the *Restitution* programme, R45 million from the *Land Redistribution and Development* subprogramme and R30.2 million from the *Land Tenure and Administration* subprogramme is reprioritised to the Office of Valuer General over the MTEF period for land valuations to be done on behalf of the department.

Agrarian and land tenure transformation

The One Household One Hectare initiative is the key mechanism used to promote agrarian transformation and provide landless people with access to land. As part of this initiative, the agri-parks programme aims to create smallholder producers in 44 of the country's poorest districts and other sites in densely populated areas. Each agri-park supports smallholder farmers by providing capacity, mentorship, farm infrastructure, extension services, and production and mechanisation inputs. These farmers own 70 per cent of agri-parks, while the remaining 30 per cent is owned by government and commercial farmers.

Agri-parks are expected to contribute to government's targets of creating 1 million new jobs in rural economies by 2030, and developing 300 000 new small-scale farmers and creating 145 000 agro-processing jobs by 2020. An estimated R5.8 billion is expected to be spent over the MTEF period through the *Rural Development* programme, of which R2.9 billion is allocated to the *Rural Infrastructure Development* subprogramme to carry out activities in the agri-parks programme.

The agricultural land holding account acquires land, and creates productive and profitable farms. As such, R4.2 billion is allocated over the medium term to the *Agricultural Land Holding Account* subprogramme for the department to acquire about 290 795 hectares of strategically located land and ensure that redistributed land becomes productive and profitable. R8.7 billion is allocated to the *Land Reform* programme over the MTEF period, constituting 26.2 per cent of the department's total budget over the same period. The remaining R4.6 billion is expected to be used for implementing the One Household One Hectare initiative, recapitalising existing projects, and valuing land earmarked for purposes of land reform.

Over the MTEF period, the department plans to implement the Extension of Security of Tenure Act (1997), as amended by the Security Tenure Amendment Bill, to clarify the rights of occupiers of land and provide for obligations regarding alternative accommodation for evicted people; and the complementary Land Rights Management Facility Act (2015). In this regard, R911 million is reprioritised over the medium term in the *Land Reform* programme, of which R569 million is expected to be used to acquire land for farm dwellers and labour tenants. The remaining funds are earmarked for the upgrading of tenure and the protection of informal land rights on communal land.

Ensuring that redistributed land is used productively

The department ensures that redistributed land becomes productive and profitable by providing mechanised irrigation systems, farmer mentorship programmes and other farm inputs such as machinery and equipment,

livestock, seedlings, fertiliser and irrigation systems. Since this programme's inception in 2008/09, 1 787 farms have been created from more than 4.7 million hectares of redistributed land. R1.5 billion is allocated over the MTEF period to the *Land Reform* programme to carry out these and other related activities.

Increasing opportunities through the national rural youth service corps initiative

The national rural youth service corps initiative aims to provide job opportunities and skills training to recruited unemployed rural persons between the ages of 18 and 25 who have passed grade 12 or have higher qualifications. Over the medium term, the number of job opportunities provided through the initiative, in areas such as administration, agriculture, construction, education, engineering, health and safety, hospitality, renewable energy and transport, is expected to decrease, from 6 119 in 2018/19 to 6 000 in 2020/2021. R1.2 billion (11.5 per cent of the department's total budget) is allocated over the medium term to the *National Rural Youth Service Corps* subprogramme for activities related to youth skills development and job creation.

Narysec College in Thaba 'Nchu (Free State) will be used to provide skills training as part of the national rural youth service corps initiative, at a cost of R708.4 million over the MTEF period, which is included in the amount allocated in the *National Rural Youth Service Corps* subprogramme.

The *Rural Infrastructure Development* and *Rural Enterprise and Industrial Development* subprogrammes are allocated R3 billion and R1.6 billion, respectively, over the medium term, representing 44.2 per cent of the department's total budget. These allocations are intended to support activities that facilitate improved access to social and economic infrastructure, and provide income generating opportunities through improved physical infrastructure in rural areas.

Expenditure trends

Table 39.2 Vote expenditure trends by programme and economic classification

Programmes																															
1. Administration																															
2. National Geomatics Management Services																															
3. Rural Development																															
4. Restitution																															
5. Land Reform																															
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)		Average: Outcome/Adjusted appropriation (%)	
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18																		
Programme 1	1 147.8	1 314.9	1 348.5	1 264.3	1 324.9	1 336.9	1 462.1	1 582.5	1 607.5	1 721.6	1 735.8	1 761.8	108.2%	101.6%																	
Programme 2	796.7	779.7	766.2	799.9	748.1	681.8	817.9	714.4	668.6	672.1	661.3	653.3	89.7%	95.4%																	
Programme 3	2 011.6	2 011.6	1 801.0	1 975.7	1 984.6	1 922.0	1 914.4	1 914.4	1 814.8	1 914.9	1 907.5	1 896.7	95.1%	95.1%																	
Programme 4	2 680.7	2 680.7	2 997.9	2 602.7	2 602.7	2 630.2	3 168.2	3 168.2	3 331.1	3 247.4	3 239.5	3 234.9	104.2%	104.3%																	
Programme 5	2 818.4	2 668.4	2 482.1	2 737.1	2 537.1	2 547.1	2 761.8	2 744.9	2 645.1	2 628.2	2 640.2	2 637.5	94.2%	97.4%																	
Total	9 455.3	9 455.3	9 395.8	9 379.7	9 197.4	9 118.0	10 124.3	10 124.3	10 067.0	10 184.2	10 184.2	10 184.2	99.0%	99.5%																	
Change to 2017 Budget estimate														-																	
Economic classification																															
Current payments	3 549.6	3 675.5	3 139.7	3 617.7	3 469.9	3 335.5	3 822.7	3 842.7	3 746.0	3 910.1	3 922.4	3 922.4	94.9%	94.9%																	
Compensation of employees	2 195.8	1 999.8	1 791.6	2 115.9	2 114.7	1 937.2	2 142.6	2 142.6	2 065.3	2 194.6	2 194.6	2 194.6	92.4%	94.5%																	
Goods and services	1 353.8	1 675.7	1 342.5	1 501.8	1 354.8	1 396.3	1 680.2	1 700.1	1 679.9	1 715.5	1 727.9	1 727.9	98.3%	95.2%																	
Interest and rent on land	-	-	5.7	-	0.3	2.1	-	-	0.8	-	-	-	-	2 863.0%																	
Transfers and subsidies	5 881.7	5 721.9	5 458.3	5 736.8	5 665.7	5 018.4	6 282.2	6 225.2	5 564.0	6 249.3	6 225.2	6 225.2	92.2%	93.4%																	
Provinces and municipalities	0.2	64.5	125.6	3.7	57.2	76.7	83.3	93.3	115.3	67.5	95.0	95.0	266.7%	133.2%																	
Departmental agencies and accounts	2 068.5	1 852.6	1 752.4	1 679.6	1 380.0	1 381.5	1 592.5	1 532.2	1 539.2	1 493.1	1 436.9	1 436.9	-	-																	
Foreign governments and international organisations	1.5	1.5	2.1	1.5	1.5	2.6	1.6	1.6	2.3	1.7	1.7	1.7	140.1%	140.1%																	
Public corporations and private enterprises	0.0	0.0	7.3	0.0	0.0	-	0.0	0.0	-	0.0	0.0	0.0	183 025.0%	183 025.0%																	
Non-profit institutions	3.0	3.0	3.8	3.2	3.2	3.2	3.3	3.3	3.3	3.5	3.5	3.5	105.7%	105.7%																	
Households	3 808.5	3 800.3	3 567.1	4 048.8	4 223.8	3 554.4	4 601.4	4 594.9	3 903.8	4 683.4	4 688.2	4 688.2	91.7%	90.8%																	

Table 39.2 Vote expenditure trends by programme and economic classification

	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	24.0	58.0	793.4	25.1	61.8	758.9	19.4	56.4	732.3	24.9	36.6	36.6	2 481.3%	1 091.3%
Payments for capital assets	–	6.2	401.1	–	–	601.2	–	7.1	568.9	–	–	–	–	11 818.9%
Buildings and other fixed structures	22.6	50.2	165.6	23.3	61.5	67.2	18.3	44.9	59.0	24.0	36.6	36.6	372.0%	170.0%
Machinery and equipment	–	–	226.7	–	–	90.6	–	4.4	104.4	–	–	–	–	9 569.7%
Land and sub-soil assets	1.5	1.6	–	1.8	0.3	–	1.1	–	–	0.9	–	–	–	–
Software and other intangible assets	–	–	4.4	–	–	5.2	–	–	24.7	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	9 455.3	9 455.3	9 395.8	9 379.7	9 197.4	9 118.0	10 124.3	10 124.3	10 067.0	10 184.2	10 184.2	1 184.2	99.0%	99.5%

Expenditure estimates

Table 39.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. National Geomatics Management Services								
3. Rural Development								
4. Restitution								
5. Land Reform								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million	2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
Programme 1	1 761.8	10.2%	15.6%	1 825.4	1 869.2	1 992.9	4.2%	17.2%
Programme 2	653.3	-5.7%	7.1%	690.4	744.6	790.6	6.6%	6.6%
Programme 3	1 896.7	-1.9%	19.2%	1 814.5	1 924.5	2 035.5	2.4%	17.7%
Programme 4	3 234.9	6.5%	31.5%	3 371.0	3 603.6	3 810.7	5.6%	32.3%
Programme 5	2 637.5	-0.4%	26.6%	2 723.9	2 907.9	3 076.1	5.3%	26.2%
Total	10 184.2	2.5%	100.0%	10 425.2	11 049.8	11 705.7	4.8%	100.0%
Change to 2017 Budget estimate				(228.2)	(240.9)	(256.1)		
Economic classification								
Current payments	3 922.4	2.2%	36.5%	4 061.3	4 306.9	4 595.4	5.4%	38.9%
Compensation of employees	2 194.6	3.1%	20.6%	2 325.6	2 502.9	2 690.6	7.0%	22.4%
Goods and services	1 727.9	1.0%	15.9%	1 735.7	1 804.1	1 904.8	3.3%	16.5%
Transfers and subsidies	6 225.2	2.9%	57.4%	6 339.0	6 719.0	7 085.1	4.4%	60.8%
Provinces and municipalities	95.0	13.8%	1.1%	72.8	78.0	82.3	-4.7%	0.8%
Departmental agencies and accounts	1 436.9	-8.1%	15.8%	1 491.8	1 574.4	1 658.7	4.9%	14.2%
Foreign governments and international organisations	1.7	4.5%	0.0%	1.7	1.8	1.9	5.6%	0.0%
Non-profit institutions	3.5	5.0%	0.0%	3.7	3.9	4.1	5.6%	0.0%
Households	4 688.2	7.2%	40.5%	4 768.9	5 060.8	5 338.1	4.4%	45.8%
Payments for capital assets	36.6	-14.2%	6.0%	25.0	23.9	25.1	-11.7%	0.3%
Machinery and equipment	36.6	-10.1%	0.8%	25.0	23.9	25.1	-11.7%	0.3%
Software and other intangible assets	–	-100.0%	–	–	–	–	–	–
Total	10 184.2	2.5%	100.0%	10 425.2	11 049.8	11 705.7	4.8%	100.0%

Expenditure trends and estimates for significant spending items

Table 39.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
Land Reform	2 482 096	2 547 063	2 645 052	2 640 240	2.1%	26.6%	2 723 851	2 907 931	3 076 052	5.2%	26.2%
Land Claims	2 997 937	2 630 239	3 331 114	3 239 450	2.6%	31.5%	3 371 024	3 603 590	3 810 703	5.6%	32.3%
Rural Development	1 800 988	1 921 995	1 814 769	1 907 482	1.9%	19.2%	1 814 515	1 924 483	2 035 460	2.2%	17.7%
Total	7 281 021	7 099 297	7 790 935	7 787 172	6.6%	77.3%	7 909 390	8 436 004	8 922 215	13.0%	76.2%

Goods and services expenditure trends and estimates

Table 39.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
Administrative fees	27 070	20 116	31 094	29 298	2.7%	1.8%	39 050	41 042	43 047	13.7%	2.1%
Advertising	28 344	41 902	16 839	15 914	-17.5%	1.7%	11 730	14 195	17 119	2.5%	0.8%
Minor assets	8 954	10 211	10 484	26 019	42.7%	0.9%	4 681	4 441	4 870	-42.8%	0.6%
Audit costs: External	14 728	17 178	18 815	21 420	13.3%	1.2%	22 679	23 978	25 286	5.7%	1.3%
Bursaries: Employees	4 419	3 479	4 149	4 536	0.9%	0.3%	4 753	4 991	5 266	5.1%	0.3%
Catering: Departmental activities	5 423	8 973	5 001	6 307	5.2%	0.4%	5 690	6 335	6 909	3.1%	0.4%
Communication	67 100	57 360	63 614	50 017	-9.3%	3.9%	49 262	52 250	54 305	2.8%	2.9%
Computer services	105 944	156 164	227 313	178 779	19.1%	10.9%	207 983	203 944	214 490	6.3%	11.2%
Consultants: Business and advisory services	166 395	134 282	188 702	601 258	53.5%	17.7%	461 053	516 430	550 981	-2.9%	29.7%
Infrastructure and planning services	4 071	766	707	4 063	-0.1%	0.2%	5 876	5 750	6 171	14.9%	0.3%
Legal services	130 213	134 390	26 701	105 632	-6.7%	6.5%	105 536	113 443	119 848	4.3%	6.2%
Science and technological services	-	29 129	167 014	-	-	3.2%	-	-	-	-	-
Contractors	22 093	32 143	30 656	26 543	6.3%	1.8%	37 886	42 351	44 472	18.8%	2.1%
Agency and support/outsourced services	33 838	31 701	27 341	29 052	-5.0%	2.0%	34 577	40 029	41 095	12.3%	2.0%
Entertainment	4	-	-	17	62.0%	-	12	12	13	-8.6%	-
Fleet services (including government motor transport)	11 170	22 910	17 733	23 393	27.9%	1.2%	23 658	24 329	25 175	2.5%	1.3%
Inventory: Clothing material and accessories	72	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Farming supplies	75	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	2 650	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Medical supplies	33	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	4 391	6 829	7 071	12 480	41.7%	0.5%	11 693	12 049	12 607	0.3%	0.7%
Consumables: Stationery, printing and office supplies	23 682	27 600	29 903	41 175	20.2%	2.0%	37 393	40 137	39 185	-1.6%	2.2%
Operating leases	189 142	250 050	263 687	165 535	-4.3%	14.1%	271 864	255 344	270 561	17.8%	13.4%
Rental and hiring	6 791	3 376	17 480	5 542	-6.6%	0.5%	3 353	3 394	3 817	-11.7%	0.2%
Property payments	105 610	115 773	124 836	140 222	9.9%	7.9%	185 448	154 656	162 843	5.1%	9.0%
Transport provided: Departmental activity	7 428	2 406	107 393	3 805	-20.0%	2.0%	2 971	3 325	3 652	-1.4%	0.2%
Travel and subsistence	277 842	231 800	193 373	158 958	-17.0%	14.0%	135 434	166 364	173 122	2.9%	8.8%
Training and development	9 482	7 897	17 193	16 686	20.7%	0.8%	24 037	24 640	25 981	15.9%	1.3%
Operating payments	15 336	13 753	32 166	19 601	8.5%	1.3%	24 855	22 698	23 717	6.6%	1.3%
Venues and facilities	70 164	36 077	50 677	41 606	-16.0%	3.2%	24 194	27 936	30 299	-10.0%	1.7%
Total	1 342 464	1 396 265	1 679 942	1 727 858	8.8%	100.0%	1 735 668	1 804 063	1 904 831	3.3%	100.0%

Transfers and subsidies expenditure trends and estimate

Table 39.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Households											
Social benefits											
Current	4 190	2 829	7 008	1 937	-22.7%	0.1%	1 000	1 037	1 094	-17.3%	-
Employee social benefits	4 190	2 829	7 008	1 937	-22.7%	0.1%	1 000	1 037	1 094	-17.3%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 752 447	1 381 512	1 539 207	1 436 930	-6.4%	27.4%	1 491 833	1 574 421	1 658 660	4.9%	23.4%
Public Service Sector Education and Training Authority	3 518	-	-	-	-100.0%	-	-	-	-	-	-
Council for Scientific and Industrial Research	1 903	-	-	-	-100.0%	-	-	-	-	-	-
Communication	5	3	-	-	-100.0%	-	-	-	-	-	-
Registration of deeds trading account	113 194	15 929	-	-	-100.0%	0.6%	1	1	1	-	-
South African Local Government Association national member assembly	3 000	-	-	-	-100.0%	-	-	-	-	-	-
South African Geomatics Council	-	-	4 000	4 000	-	-	3 900	4 107	4 333	2.7%	0.1%
South African Broadcasting Corporation	4	-	2	-	-100.0%	-	-	-	-	-	-
KwaZulu-Natal Ingonyama Trust Board	17 294	18 069	18 788	19 727	4.5%	0.3%	20 349	21 489	22 671	4.7%	0.3%
Agricultural land holding account	1 613 529	1 342 027	1 502 117	1 348 397	-5.8%	26.1%	1 326 457	1 406 697	1 484 174	3.2%	21.1%
Office of the Valuer General	-	5 484	14 300	64 806	-	0.4%	141 126	142 127	147 481	31.5%	1.9%
Households											
Other transfers to households											
Current	1 006 496	961 128	837 954	1 539 375	15.2%	19.5%	1 436 743	1 536 501	1 618 880	1.7%	23.3%
Employee social benefits	-	410	191	-	-	-	-	-	-	-	-
Bursaries for non-employees	33 887	20 424	19 500	25 354	-9.2%	0.4%	26 824	28 326	29 884	5.6%	0.4%
Rural Infrastructure Development	193 834	136 119	93 879	795 187	60.1%	5.5%	823 069	871 435	918 579	4.9%	12.9%
National Rural Youth Services Corps	531 945	274 273	349 423	355 025	-12.6%	6.8%	273 044	310 507	327 587	-2.6%	4.8%
Rural Enterprise and Industrial Development	246 830	529 902	374 961	363 809	13.8%	6.8%	313 806	326 233	342 830	-2.0%	5.1%
Capital	2 556 387	2 590 458	3 058 811	3 146 852	7.2%	51.0%	3 331 160	3 523 268	3 718 145	5.7%	52.0%
Restitution grants	2 260 900	2 019 224	2 677 395	2 608 774	4.9%	43.0%	2 762 864	2 919 712	3 080 296	5.7%	43.1%
Land reform grants: Land redistribution payments	-	-	380 171	46 216	-	1.9%	472 007	498 785	527 043	125.1%	5.9%
Land reform grants: Land tenure payments	295 487	571 234	1 245	491 862	18.5%	6.1%	96 289	104 771	110 806	-39.2%	3.0%
Non-profit institutions											
Current	3 755	3 159	3 326	3 492	-2.4%	0.1%	3 695	3 902	4 117	5.6%	0.1%
South African Council for Planners	3 020	3 159	3 326	3 492	5.0%	0.1%	3 695	3 902	4 117	5.6%	0.1%
Ikageng Self-Help Association for the Blind	735	-	-	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	2 063	2 596	2 333	1 653	-7.1%	-	1 749	1 847	1 949	5.6%	-
Regional centre for mapping of resources for development	2 063	2 596	2 333	1 653	-7.1%	-	1 749	1 847	1 949	5.6%	-
Provinces and municipalities											
Municipal bank accounts											
Current	125 617	76 741	115 330	94 999	-8.9%	1.9%	72 788	78 013	82 288	-4.7%	1.2%
Vehicle licences	17 426	19 089	9 590	550	-68.4%	0.2%	294	304	315	-17.0%	-
Municipal rates and taxes	4 577	-	-	9 923	29.4%	0.1%	5 785	6 108	6 444	-13.4%	0.1%
Rates and taxes	103 614	57 652	105 740	84 526	-6.6%	1.6%	66 709	71 601	75 529	-3.7%	1.1%

Table 39.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
Public corporations and private enterprises												
Other transfers to public corporations												
Current	7 320	-	-	1	-94.8%	-	1	1	1	-	-	-
Independent Development Trust	7 320	-	-	-	-100.0%	-	-	-	-	-	-	-
Land reform empowerment facility	-	-	-	1	-	-	1	1	1	-	-	-
Total	5 458 275	5 018 423	5 563 969	6 225 239	4.5%	100.0%	6 338 969	6 718 990	7 085 134	4.4%	100.0%	

Personnel information

Table 39.7 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number								
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)						
		2016/17	Unit cost	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21												
Rural Development and Land Reform		3 917	333	4 358	2 065.3	0.5	4 718	2 194.6	0.5	4 467	2 325.6	0.5	4 454	2 502.9	0.6	4 429	2 690.6	0.6	-2.1%	100.0%
Salary level																				
1 - 6	995	70	1 141	262.9	0.2	1 157	315.1	0.3	1 152	338.6	0.3	1 141	362.3	0.3	1 116	382.9	0.3	-1.2%	25.3%	
7 - 10	2 077	116	2 286	968.8	0.4	2 346	1 033.2	0.4	2 298	1 091.5	0.5	2 298	1 178.8	0.5	2 298	1 272.9	0.6	-0.7%	51.1%	
11 - 12	606	65	684	494.9	0.7	706	506.9	0.7	703	544.5	0.8	701	586.3	0.8	701	633.2	0.9	-0.2%	15.6%	
13 - 16	236	4	243	253.9	1.0	305	320.7	1.1	305	342.7	1.1	305	366.6	1.2	305	392.2	1.3	-	6.8%	
Other	3	78	4	84.8	21.2	204	18.7	0.1	9	8.3	0.9	9	8.9	1.0	9	9.5	1.1	-64.7%	1.3%	
Programme	3 917	333	4 358	2 065.3	0.5	4 718	2 194.6	0.5	4 467	2 325.6	0.5	4 454	2 502.9	0.6	4 429	2 690.6	0.6	-2.1%	100.0%	
Programme 1	1 391	50	1 467	700.2	0.5	1 772	765.2	0.4	1 521	785.5	0.5	1 519	845.0	0.6	1 519	910.9	0.6	-5.0%	35.0%	
Programme 2	758	231	1 057	465.7	0.4	1 072	479.1	0.4	1 072	516.4	0.5	1 061	553.8	0.5	1 036	589.1	0.6	-1.1%	23.5%	
Programme 3	453	29	482	265.0	0.5	496	275.6	0.6	496	296.6	0.6	496	319.9	0.6	496	344.7	0.7	-	11.0%	
Programme 4	718	14	735	325.5	0.4	745	342.4	0.5	745	369.0	0.5	745	398.0	0.5	745	429.4	0.6	-	16.5%	
Programme 5	597	9	617	308.9	0.5	633	332.3	0.5	633	358.0	0.6	633	386.2	0.6	633	416.5	0.7	-	14.0%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipt

Table 39.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	87 439	54 643	89 761	98 619	98 619	4.1%	100.0%	103 550	108 644	114 076	5.0%	100.0%
Sales of goods and services produced by department	21 534	23 695	21 649	34 572	34 572	17.1%	30.7%	36 301	38 116	40 022	5.0%	35.1%
Sales by market establishments	1 023	743	799	1 224	1 224	6.2%	1.1%	1 285	1 349	1 417	5.0%	1.2%
of which:												
Market establishment:												
Non-residential building	1 022	732	729	1 139	1 139	3.7%	1.1%	1 196	1 255	1 319	5.0%	1.2%
Market establishment:												
Parking: Covered and open	1	11	70	85	85	339.7%	0.1%	89	94	98	4.9%	0.1%

Table 39.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)		Medium-term receipts estimate			Average growth rate (%)	Average Receipt item/ Total (%)
	2014/15	2015/16	2016/17			2017/18	2014/15 - 2017/18	2017/18 - 2020/21	2018/19	2019/20		
Administrative fees	16 722	18 065	17 240	27 108	27 108	17.5%	23.9%	28 463	29 887	31 381	5.0%	27.5%
<i>of which:</i>												
<i>Servitude rights</i>	292	1 012	2 405	3 276	3 276	123.9%	2.1%	3 440	3 612	3 792	5.0%	3.3%
<i>Surveyor inspection fees</i>	16 427	17 049	14 832	23 828	23 828	13.2%	21.8%	25 019	26 271	27 584	5.0%	24.2%
<i>Request information: Promotion of Access to Information Act (2000)</i>	3	4	3	4	4	10.1%	-	4	4	5	7.7%	-
Other sales	3 789	4 887	3 610	6 240	6 240	18.1%	5.6%	6 553	6 880	7 224	5.0%	6.3%
<i>of which:</i>												
<i>Services rendered: Commission on insurance and garnishees</i>	824	912	1 010	1 574	1 574	24.1%	1.3%	1 653	1 735	1 823	5.0%	1.6%
<i>Services rendered: Management fees</i>	1	5	4	16	16	152.0%	-	17	18	19	5.9%	-
<i>Sales: Tender documents</i>	665	1 262	411	624	624	-2.1%	0.9%	655	688	722	5.0%	0.6%
<i>Sales: Maps</i>	1 889	2 400	1 979	3 650	3 650	24.6%	3.0%	3 833	4 024	4 225	5.0%	3.7%
<i>Plan sales: Charts/posters</i>	410	308	206	376	376	-2.8%	0.4%	395	415	435	5.0%	0.4%
Sales of scrap, waste, arms and other used current goods	5	2	3	68	68	138.7%	-	71	75	79	5.1%	0.1%
<i>of which:</i>												
<i>Sales: Scrap</i>	4	1	3	8	8	26.0%	-	8	9	9	4.0%	-
<i>Sales: Waste paper</i>	1	1	-	-	-	-100.0%	-	-	-	-	-	-
<i>Sales: Plans</i>	-	-	-	60	60	-	-	63	66	70	5.3%	0.1%
Transfers received	-	-	-	244	244	-	0.1%	256	269	282	4.9%	0.2%
Interest, dividends and rent on land	13 503	20 946	29 761	49 564	49 564	54.3%	34.4%	52 042	54 644	57 377	5.0%	50.3%
Interest	12 043	15 756	19 327	32 660	32 660	39.5%	24.1%	34 293	36 007	37 808	5.0%	33.1%
Rent on land	1 460	5 190	10 434	16 904	16 904	126.2%	10.3%	17 749	18 637	19 569	5.0%	17.1%
Sales of capital assets	523	790	439	300	300	-16.9%	0.6%	315	247	259	-4.8%	0.3%
Transactions in financial assets and liabilities	51 874	9 210	37 909	13 871	13 871	-35.6%	34.2%	14 565	15 293	16 057	5.0%	14.1%
Total	87 439	54 643	89 761	98 619	98 619	4.1%	100.0%	103 550	108 644	114 076	5.0%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 39.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2017/18 - 2020/21	2018/19	2019/20			2020/21
R million												
Ministry	41.2	44.5	46.6	42.7	1.2%	2.9%	40.7	44.3	47.2	3.4%	2.4%	
Management	133.8	146.4	165.9	171.2	8.6%	10.2%	192.9	190.3	205.6	6.3%	10.2%	
Internal Audit	41.0	43.2	40.5	39.3	-1.3%	2.7%	41.0	45.1	48.1	6.9%	2.3%	
Corporate Services	465.3	381.5	469.4	412.5	-3.9%	28.7%	446.7	455.8	484.3	5.5%	24.2%	
Financial Services	168.2	166.9	282.6	186.4	3.5%	13.3%	196.2	210.9	226.6	6.7%	11.0%	
Provincial Coordination	294.5	315.1	339.6	351.6	6.1%	21.6%	376.5	409.6	439.5	7.7%	21.2%	
Office Accommodation	204.5	239.2	262.9	532.0	37.5%	20.5%	531.4	513.2	541.6	0.6%	28.5%	
Total	1 348.5	1 336.9	1 607.5	1 735.8	8.8%	100.0%	1 825.4	1 869.2	1 992.9	4.7%	100.0%	
Change to 2017 Budget estimate				14.2			25.6	(7.5)	(3.8)			

Table 39.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	1 222.0	1 294.8	1 578.7	1 722.3	12.1%	96.5%	1 814.9	1 858.9	1 982.1	4.8%	99.4%
Compensation of employees	635.5	649.2	700.2	739.3	5.2%	45.2%	785.5	845.0	910.9	7.2%	44.2%
Goods and services ¹	586.5	645.5	878.4	983.0	18.8%	51.3%	1 029.4	1 013.9	1 071.2	2.9%	55.2%
<i>of which:</i>											
<i>Computer services</i>	89.2	137.5	208.1	158.9	21.2%	9.8%	184.8	180.0	189.9	6.1%	9.6%
<i>Consultants: Business and advisory services</i>	34.3	15.4	97.1	378.5	122.7%	8.7%	254.6	258.4	274.5	-10.2%	15.7%
<i>Operating leases</i>	174.1	220.0	236.4	149.9	-4.8%	12.9%	256.8	239.0	253.1	19.1%	12.1%
<i>Property payments</i>	87.1	94.5	111.9	113.2	9.1%	6.7%	135.9	122.7	129.7	4.6%	6.8%
<i>Travel and subsistence</i>	65.7	59.1	79.6	43.8	-12.6%	4.1%	34.5	42.4	43.2	-0.5%	2.2%
<i>Training and development</i>	5.9	4.5	9.8	14.8	35.7%	0.6%	23.7	24.4	25.7	20.3%	1.2%
Interest and rent on land	–	0.0	0.1	–	–	–	–	–	–	–	–
Transfers and subsidies¹	5.6	1.1	2.2	0.6	-53.4%	0.2%	0.2	0.2	0.2	-29.1%	–
Departmental agencies and accounts	3.5	0.0	–	–	-100.0%	0.1%	–	–	–	–	–
Households	2.1	1.1	2.2	0.5	-36.3%	0.1%	0.2	0.2	0.2	-32.8%	–
Payments for capital assets	119.4	40.3	21.4	12.9	-52.4%	3.2%	10.3	10.2	10.6	-6.3%	0.6%
Buildings and other fixed structures	7.7	5.1	2.7	–	-100.0%	0.3%	–	–	–	–	–
Machinery and equipment	111.7	35.2	18.7	12.9	-51.3%	3.0%	10.3	10.2	10.6	-6.3%	0.6%
Payments for financial assets	1.4	0.7	5.1	–	-100.0%	0.1%	–	–	–	–	–
Total	1 348.5	1 336.9	1 607.5	1 735.8	8.8%	100.0%	1 825.4	1 869.2	1 992.9	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	14.4%	14.7%	16.0%	17.0%	–	–	17.5%	16.9%	17.0%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3.5	–	–	–	-100.0%	0.1%	–	–	–	–	–
Public Service Sector	3.5	–	–	–	-100.0%	0.1%	–	–	–	–	–
Education and Training Authority											

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: National Geomatics Management Services

Programme purpose

Provide geospatial information, cadastral surveys, deeds registration, spatial planning and other technical services in support of sustainable land development.

Objectives

- Facilitate an integrated spatial planning and land use management system in all provinces through the application of relevant legislation on an ongoing basis.
- Ensure effective land management by implementing an integrated and comprehensive land administration system over the medium term.

Subprogrammes

- *National Geomatics Management Services* is responsible for examining and approving all surveys of land and real rights that are intended to be registered in the deeds office; maintaining records, compiling, maintaining and revising maps of property boundaries; providing cadastral advisory services to other government institutions; promoting and controlling all matters related to geodetic and topographical surveying; establishing and maintaining a network of national georeferencing stations; facilitating state surveys related to land reform; and providing cadastral and geospatial information services, including South African spatial data infrastructure.

- *Spatial Planning and Land Use Management* provides for national land use management and spatial planning systems; develops the national spatial development framework and rural development plans, guidelines, norms and standards; and ensures compliance with the Spatial Land Use Management Act (2013). This subprogramme also provides support to the South African Council for Planners and technical assistance to other spheres of government by providing spatial development frameworks and land use schemes, and establishes functional municipal land use tribunals.
- *Registration of Deeds Trading Account* provides a deeds registration system in which secure titles are registered and accurate information is provided.
- *South African Council for Planners* transfers funds annually to the South African Council for Planners, a non-profit organisation dealing with the registration and other activities of the planning profession.
- *South African Geomatics Council* regulates and promotes the transformation of the geomatics profession.

Expenditure trends and estimates

Table 39.10 National Geomatics Management Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
National Geomatics Management Services	468.2	486.7	505.7	494.4	1.8%	70.4%	512.5	549.8	585.0	5.8%	74.2%
Spatial Planning and Land Use Management	181.8	176.1	155.5	159.4	-4.3%	24.2%	170.3	186.8	197.1	7.3%	24.7%
Registration of Deeds Trading Account	113.2	15.9	–	–	-100.0%	4.6%	0.0	0.0	0.0	–	–
South African Council for Planners	3.0	3.2	3.3	3.5	5.0%	0.5%	3.7	3.9	4.1	5.6%	0.5%
South African Geomatics Council	–	–	4.0	4.0	–	0.3%	3.9	4.1	4.3	2.7%	0.6%
Total	766.2	681.8	668.6	661.3	-4.8%	100.0%	690.4	744.6	790.6	6.1%	100.0%
Change to 2017 Budget estimate				(10.8)			(11.1)	(9.5)	(16.2)		
Economic classification											
Current payments	602.0	625.0	611.9	617.7	0.9%	88.4%	649.7	701.6	745.2	6.5%	94.0%
Compensation of employees	411.6	449.0	465.7	487.1	5.8%	65.3%	516.4	553.8	589.1	6.5%	74.4%
Goods and services ¹	190.3	176.0	146.1	130.6	-11.8%	23.1%	133.3	147.9	156.1	6.1%	19.7%
of which:											
Computer services	15.2	12.7	13.6	16.1	1.8%	2.1%	18.9	19.7	20.0	7.6%	2.6%
Consultants: Business and advisory services	86.4	75.2	55.5	62.9	-10.0%	10.1%	66.8	75.7	80.8	8.7%	9.9%
Contractors	15.5	19.3	17.4	12.7	-6.2%	2.3%	13.7	14.5	15.3	6.4%	2.0%
Consumables: Stationery, printing and office supplies	4.9	4.3	4.8	4.3	-4.4%	0.7%	4.5	4.8	5.1	6.1%	0.6%
Property payments	5.3	6.7	6.8	5.3	-0.3%	0.9%	5.7	6.1	6.6	7.5%	0.8%
Travel and subsistence	20.8	20.2	21.8	9.9	-22.1%	2.6%	10.2	13.2	13.7	11.6%	1.6%
Interest and rent on land	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies¹	158.3	42.7	32.2	35.2	-39.4%	9.7%	36.6	38.6	40.8	5.0%	5.2%
Provinces and municipalities	0.0	0.0	0.0	0.0	100.0%	–	0.0	0.0	0.0	-2.1%	–
Departmental agencies and accounts	118.1	15.9	4.0	4.0	-67.6%	5.1%	3.9	4.1	4.3	2.7%	0.6%
Foreign governments and international organisations	2.1	2.6	2.3	1.7	-7.1%	0.3%	1.7	1.8	1.9	5.6%	0.2%
Non-profit institutions	3.0	3.2	3.3	3.5	5.0%	0.5%	3.7	3.9	4.1	5.6%	0.5%
Households	35.1	21.0	22.6	26.1	-9.4%	3.8%	27.2	28.8	30.4	5.2%	3.9%
Payments for capital assets	4.8	12.0	13.2	8.3	19.9%	1.4%	4.1	4.3	4.6	-18.1%	0.7%
Machinery and equipment	4.8	12.0	13.2	8.3	19.9%	1.4%	4.1	4.3	4.6	-18.1%	0.7%
Payments for financial assets	1.1	2.0	11.3	–	-100.0%	0.5%	–	–	–	–	–
Total	766.2	681.8	668.6	661.3	-4.8%	100.0%	690.4	744.6	790.6	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	8.2%	7.5%	6.6%	6.5%	–	–	6.6%	6.7%	6.8%	–	–

Table 39.10 National Geomatics Management Services expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	118.1	15.9	4.0	4.0	-67.6%	5.1%	3.9	4.1	4.3	2.7%	0.6%
Council for Scientific and Industrial Research	1.9	–	–	–	-100.0%	0.1%	–	–	–	–	–
Registration of deeds trading account	113.2	15.9	–	–	-100.0%	4.6%	0.0	0.0	0.0	–	–
South African Local Government Association national member assembly	3.0	–	–	–	-100.0%	0.1%	–	–	–	–	–
South African Geomatics Council	–	–	4.0	4.0	–	0.3%	3.9	4.1	4.3	2.7%	0.6%
Households											
Other transfers to households											
Current	33.9	20.1	19.5	25.4	-9.2%	3.6%	26.8	28.3	29.9	5.6%	3.8%
Bursaries for non-employees	33.9	20.1	19.5	25.4	-9.2%	3.6%	26.8	28.3	29.9	5.6%	3.8%
Non-profit institutions											
Current	3.0	3.2	3.3	3.5	5.0%	0.5%	3.7	3.9	4.1	5.6%	0.5%
South African Council for Planners	3.0	3.2	3.3	3.5	5.0%	0.5%	3.7	3.9	4.1	5.6%	0.5%
Foreign governments and international organisations											
Current	2.1	2.6	2.3	1.7	-7.1%	0.3%	1.7	1.8	1.9	5.6%	0.2%
Regional centre for mapping of resources for development	2.1	2.6	2.3	1.7	-7.1%	0.3%	1.7	1.8	1.9	5.6%	0.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Rural Development

Programme purpose

Catalyse, initiate, facilitate and coordinate the implementation of a comprehensive rural development programme, leading to sustainable and vibrant rural communities.

Objectives

- Improve livelihoods in rural communities by providing support through the development of infrastructure and prioritising the revitalisation of towns in the poorest districts by March 2020.
- Support rural economic transformation by facilitating the development of infrastructure for 837 rural enterprises by March 2020.
- Create sustainable and vibrant rural communities through facilitating the development of rural enterprises and industries in areas with economic development potential and opportunities by March 2020.

Subprogrammes

- *Rural Infrastructure Development* facilitates improved access to social and economic infrastructure, and provides income generating opportunities through improved physical infrastructure in rural areas.
- *Rural Enterprise and Industrial Development* creates an enabling institutional environment for sustainable rural development, and provides for social and economic development and sustainable livelihoods in rural communities. Its functions are based on the social mobilisation of communities to ensure that rural communities take ownership of rural development projects and programmes; the establishment of rural development forums and partnerships; increased food security; the promotion of youth development and social organisation; the creation of jobs through cooperatives; and the development of rural enterprises and industries.

- *National Rural Youth Services Corps* trains rural youth in various skills sectors that include administration, agriculture, construction, education, engineering, health and safety, hospitality, renewable energy and transport to match the economic priorities of the communities and provinces from which they were recruited.

Expenditure trends and estimates

Table 39.11 Rural Development expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Rural Infrastructure Development	712.4	861.7	807.6	917.2	8.8%	44.3%	928.2	985.1	1 042.2	4.4%	50.4%
Rural Enterprise and Industrial Development	459.3	707.5	571.7	554.6	6.5%	30.8%	508.3	536.6	566.7	0.7%	28.2%
National Rural Youth Services Corps	629.2	352.7	435.5	435.7	-11.5%	24.9%	378.0	402.8	426.6	-0.7%	21.4%
Total	1 801.0	1 922.0	1 814.8	1 907.5	1.9%	100.0%	1 814.5	1 924.5	2 035.5	2.2%	100.0%
Change to 2017 Budget estimate				(7.4)			(136.7)	(144.5)	(154.0)		
Economic classification											
Current payments	417.1	380.8	422.2	387.8	-2.4%	21.6%	399.7	412.8	442.8	4.5%	21.4%
Compensation of employees	249.6	255.0	265.0	286.3	4.7%	14.2%	296.6	319.9	344.7	6.4%	16.2%
Goods and services ¹	167.5	125.4	157.2	101.5	-15.4%	7.4%	103.1	92.9	98.1	-1.1%	5.2%
of which:											
Communication	5.6	5.5	5.6	4.0	-10.7%	0.3%	5.4	5.6	5.8	13.6%	0.3%
Consultants: Business and advisory services	26.0	19.6	12.6	36.0	11.5%	1.3%	20.9	22.2	23.7	-13.0%	1.3%
Fleet services (including government motor transport)	0.4	1.2	1.3	2.2	76.4%	0.1%	4.2	4.3	4.5	27.6%	0.2%
Consumables: Stationery, printing and office supplies	3.4	3.6	2.9	6.2	21.6%	0.2%	5.2	5.6	5.8	-2.1%	0.3%
Property payments	0.8	1.5	2.8	2.6	50.1%	0.1%	24.2	3.5	3.8	12.8%	0.4%
Travel and subsistence	90.3	65.4	85.3	33.4	-28.2%	3.7%	26.2	32.4	34.2	0.8%	1.6%
Interest and rent on land	-	0.4	-	-	-	-	-	-	-	-	-
Transfers and subsidies¹	985.5	940.4	818.8	1 514.0	15.4%	57.2%	1 409.9	1 508.2	1 589.0	1.6%	78.4%
Provinces and municipalities	4.6	-	-	-	-100.0%	0.1%	-	-	-	-	-
Public corporations and private enterprises	7.3	-	-	-	-100.0%	0.1%	-	-	-	-	-
Non-profit institutions	0.7	-	-	-	-100.0%	-	-	-	-	-	-
Households	972.9	940.4	818.8	1 514.0	15.9%	57.0%	1 409.9	1 508.2	1 589.0	1.6%	78.4%
Payments for capital assets	398.1	599.8	573.0	5.6	-75.8%	21.2%	4.8	3.5	3.6	-13.6%	0.2%
Buildings and other fixed structures	393.5	596.0	566.2	-	-100.0%	20.9%	-	-	-	-	-
Machinery and equipment	4.6	3.8	6.8	5.6	6.9%	0.3%	4.8	3.5	3.6	-13.6%	0.2%
Payments for financial assets	0.3	1.0	0.8	-	-100.0%	-	-	-	-	-	-
Total	1 801.0	1 922.0	1 814.8	1 907.5	1.9%	100.0%	1 814.5	1 924.5	2 035.5	2.2%	100.0%
Proportion of total programme expenditure to vote expenditure	19.2%	21.1%	18.0%	18.7%	-	-	17.4%	17.4%	17.4%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	972.6	940.3	818.3	1 514.0	15.9%	57.0%	1 409.9	1 508.2	1 589.0	1.6%	78.4%
Rural Infrastructure Development	193.8	136.1	93.9	795.2	60.1%	16.4%	823.1	871.4	918.6	4.9%	44.4%
National rural youth service corps	531.9	274.3	349.4	355.0	-12.6%	20.3%	273.0	310.5	327.6	-2.6%	16.5%
Rural enterprise and industrial development	246.8	529.9	375.0	363.8	13.8%	20.4%	313.8	326.2	342.8	-2.0%	17.5%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Restitution

Programme purpose

Settle land restitution claims under the Restitution of Land Rights Act (1994) and provide settlement support to beneficiaries.

Objective

- Facilitate the restoration of land rights and alternative forms of equitable redress through conducting research, and finalising and settling claims over the medium term.

Subprogrammes

- *Restitution National Office* provides administrative and professional support to the Commission on the Restitution of Land Rights for processing and investigating restitution claims, develops and coordinates restitution policy, and oversees court cases.
- *Restitution Regional Offices* is responsible for the research, validation, verification and negotiation of settlements, and provides administrative support services for the settlement of claims.
- *Restitution Grants* redresses restitution claims by restoring land or providing alternative land, provides financial compensation and alternative relief, offers settlement planning and facilitation assistance, and contributes funds to the resettlement of communities.

Expenditure trends and estimates

Table 39.12 Restitution expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Restitution National Office	126.9	88.0	90.7	153.2	6.5%	3.8%	147.0	182.9	195.5	8.5%	4.8%
Restitution Regional Offices	610.1	523.0	563.0	477.5	-7.8%	17.8%	461.2	501.0	534.9	3.9%	14.1%
Restitution Grants	2 260.9	2 019.2	2 677.4	2 608.8	4.9%	78.4%	2 762.9	2 919.7	3 080.3	5.7%	81.1%
Total	2 997.9	2 630.2	3 331.1	3 239.5	2.6%	100.0%	3 371.0	3 603.6	3 810.7	5.6%	100.0%
Change to 2017 Budget estimate				(7.9)			(70.3)	(47.6)	(49.0)		
Economic classification											
Current payments	453.3	491.9	524.3	615.2	10.7%	17.1%	599.5	674.8	720.8	5.4%	18.6%
Compensation of employees	255.3	304.7	325.5	346.9	10.8%	10.1%	369.0	398.0	429.4	7.4%	11.0%
Goods and services ¹	192.7	186.0	198.1	268.3	11.7%	6.9%	230.5	276.8	291.4	2.8%	7.6%
of which:											
Communication	12.2	11.1	12.2	10.2	-5.5%	0.4%	11.8	12.1	12.7	7.3%	0.3%
Consultants: Business and advisory services	17.9	12.7	21.9	102.0	78.6%	1.3%	86.5	118.0	127.2	7.6%	3.1%
Legal services	32.4	-	2.3	24.5	-8.9%	0.5%	18.7	20.3	21.9	-3.7%	0.6%
Agency and support/outsourced services	7.0	7.9	11.7	13.3	23.8%	0.3%	17.7	21.6	21.9	18.1%	0.5%
Property payments	5.8	6.0	1.8	10.6	22.3%	0.2%	11.3	12.3	12.7	6.2%	0.3%
Travel and subsistence	46.8	43.2	6.5	31.7	-12.2%	1.1%	28.0	33.6	34.8	3.2%	0.9%
Interest and rent on land	5.4	1.2	0.6	-	-100.0%	0.1%	-	-	-	-	-
Transfers and subsidies¹	2 278.7	2 039.4	2 687.6	2 619.5	4.8%	78.9%	2 769.2	2 926.4	3 087.4	5.6%	81.3%
Provinces and municipalities	17.4	19.1	9.6	10.4	-15.8%	0.5%	6.0	6.4	6.7	-13.6%	0.2%
Households	2 261.3	2 020.3	2 678.1	2 609.1	4.9%	78.4%	2 763.2	2 920.1	3 080.7	5.7%	81.1%
Payments for capital assets	264.8	97.9	112.3	4.8	-73.8%	3.9%	2.3	2.4	2.5	-19.1%	0.1%
Machinery and equipment	38.2	7.3	7.9	4.8	-50.1%	0.5%	2.3	2.4	2.5	-19.1%	0.1%
Land and sub-soil assets	226.7	90.6	104.4	-	-100.0%	3.5%	-	-	-	-	-
Payments for financial assets	1.0	1.1	6.9	-	-100.0%	0.1%	-	-	-	-	-
Total	2 997.9	2 630.2	3 331.1	3 239.5	2.6%	100.0%	3 371.0	3 603.6	3 810.7	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	31.9%	28.8%	33.1%	31.8%	-	-	32.3%	32.6%	32.6%	-	-
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Capital	2 260.9	2 019.2	2 677.4	2 608.8	4.9%	78.4%	2 762.9	2 919.7	3 080.3	5.7%	81.1%
Restitution grants	2 260.9	2 019.2	2 677.4	2 608.8	4.9%	78.4%	2 762.9	2 919.7	3 080.3	5.7%	81.1%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	17.4	19.0	9.5	10.3	-16.0%	0.5%	5.9	6.3	6.6	-13.8%	0.2%
Vehicle licences	17.4	19.0	9.5	10.3	-16.0%	0.5%	5.9	6.3	6.6	-13.8%	0.2%
Municipal rates and taxes	-	-	-	9.9	-	0.1%	5.8	6.1	6.4	-13.4%	0.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Land Reform

Programme purpose

Provide sustainable land reform programmes in South Africa.

Objectives

- Promote equitable land redistribution and agricultural development by acquiring 284 450 hectares of strategically located land by March 2020.
- Support the agrarian transformation and comprehensive farm development through the provision of land and farming equipment and seeds to smallholder farmers and land reform beneficiaries by March 2020.

Subprogrammes

- *Land Redistribution and Development* is responsible for the implementation of the One Household One Hectare initiative, the recapitalisation and development of existing projects, and the department's proactive land acquisition strategy.
- *Land Tenure and Administration* provides functional systems and institutional arrangements for tenure and land administration to enable agrarian reform in all provinces.
- *Land Reform Grants* provides funding for project and programme planning, land acquisition and settlement; and allows the department to maintain, plan, develop or improve property.
- *KwaZulu-Natal Ingonyama Trust Board* provides quarterly transfers for administering land owned by the Ingonyama Trust.
- *Agricultural Land Holding Account* is responsible for buying and holding land until suitable beneficiaries are identified in terms of the Provision of Land and Assistance Act (1993). This subprogramme's total budget is used for recapitalisation, development and land acquisition.
- *Office of the Valuer General* is responsible for providing valuations of land earmarked for land reform and land restitution purposes.

Expenditure trends and estimates

Table 39.13 Land Reform expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Land Redistribution and Development	223.8	363.7	253.6	261.7	5.3%	10.7%	273.1	307.0	324.1	7.4%	10.3%
Land Tenure and Administration	331.9	246.5	474.8	407.6	7.1%	14.2%	394.6	427.1	459.8	4.1%	14.9%
Land Reform Grants	295.5	571.2	381.4	538.1	22.1%	17.3%	568.3	603.6	637.8	5.8%	20.7%
KwaZulu-Natal Ingonyama Trust Board	17.3	18.1	18.8	19.7	4.5%	0.7%	20.3	21.5	22.7	4.7%	0.7%
Agricultural Land Holding Account	1 613.5	1 342.0	1 502.1	1 348.4	-5.8%	56.3%	1 326.5	1 406.7	1 484.2	3.2%	49.0%
Office of Valuer General	–	5.5	14.3	64.8	–	0.8%	141.1	142.1	147.5	31.5%	4.4%
Total	2 482.1	2 547.1	2 645.1	2 640.2	2.1%	100.0%	2 723.9	2 907.9	3 076.1	5.2%	100.0%
Change to 2017				12.0			(35.7)	(31.9)	(33.0)		
Budget estimate											
Economic classification											
Current payments	445.2	543.0	609.0	579.4	9.2%	21.1%	597.5	658.8	704.4	6.7%	22.4%
Compensation of employees	239.5	279.2	308.9	335.0	11.8%	11.3%	358.0	386.2	416.5	7.5%	13.2%
Goods and services ¹	205.5	263.3	300.0	244.4	5.9%	9.8%	239.4	272.6	287.9	5.6%	9.2%
of which:											
Administrative fees	2.7	6.9	11.0	10.7	58.7%	0.3%	18.8	19.2	20.3	23.8%	0.6%
Communication	16.8	15.8	20.8	13.4	-7.1%	0.6%	12.8	14.1	14.8	3.4%	0.5%
Consultants: Business and advisory services	1.8	11.5	1.6	21.9	128.0%	0.4%	32.3	42.2	44.8	26.9%	1.2%
Legal services	87.3	124.0	–	74.3	-5.3%	2.8%	77.4	83.0	87.2	5.5%	2.8%
Consumables: Stationery, printing and office supplies	3.9	5.1	5.6	10.8	40.3%	0.2%	10.1	11.3	10.5	-1.1%	0.4%
Travel and subsistence	54.2	43.9	0.0	40.2	-9.5%	1.3%	36.5	44.8	47.2	5.5%	1.5%
Interest and rent on land	0.2	0.5	0.1	–	-100.0%	–	–	–	–	–	–

Table 39.13 Land Reform expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18					2017/18 - 2020/21	
Transfers and subsidies¹	2 030.1	1 994.8	2 023.1	2 055.9	0.4%	78.6%	2 123.0	2 245.6	2 367.8	4.8%	77.5%
Provinces and municipalities	103.6	57.7	105.7	84.6	-6.5%	3.4%	66.7	71.6	75.5	-3.7%	2.6%
Departmental agencies and accounts	1 630.8	1 365.6	1 535.2	1 432.9	-4.2%	57.8%	1 487.9	1 570.3	1 654.3	4.9%	54.2%
Households	295.7	571.6	382.1	538.4	22.1%	17.3%	568.4	603.6	637.9	5.8%	20.7%
Payments for capital assets	6.3	8.9	12.3	5.0	-7.4%	0.3%	3.4	3.6	3.8	-8.4%	0.1%
Buildings and other fixed structures	–	0.1	–	–	–	–	–	–	–	–	–
Machinery and equipment	6.3	8.8	12.3	5.0	-7.4%	0.3%	3.4	3.6	3.8	-8.4%	0.1%
Payments for financial assets	0.5	0.4	0.6	–	-100.0%	–	–	–	–	–	–
Total	2 482.1	2 547.1	2 645.1	2 640.2	2.1%	100.0%	2 723.9	2 907.9	3 076.1	5.2%	100.0%
Proportion of total programme expenditure to vote expenditure	26.4%	27.9%	26.3%	25.9%	–	–	26.1%	26.3%	26.3%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 630.8	1 365.6	1 535.2	1 432.9	-4.2%	57.8%	1 487.9	1 570.3	1 654.3	4.9%	54.2%
KwaZulu-Natal Ingonyama Trust Board	17.3	18.1	18.8	19.7	4.5%	0.7%	20.3	21.5	22.7	4.7%	0.7%
Agricultural land holding account	1 613.5	1 342.0	1 502.1	1 348.4	-5.8%	56.3%	1 326.5	1 406.7	1 484.2	3.2%	49.0%
Office of the Valuer General	–	5.5	14.3	64.8	–	0.8%	141.1	142.1	147.5	31.5%	4.4%
Households											
Other transfers to households	295.5	571.2	381.4	538.1	22.1%	17.3%	568.3	603.6	637.8	5.8%	20.7%
Capital											
Land reform grants: Land redistribution payments	–	–	380.2	46.2	–	4.1%	472.0	498.8	527.0	125.1%	13.6%
Land reform grants: Land tenure payments	295.5	571.2	1.2	491.9	18.5%	13.2%	96.3	104.8	110.8	-39.2%	7.1%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	103.6	57.7	105.7	84.5	-6.6%	3.4%	66.7	71.6	75.5	-3.7%	2.6%
Rates and taxes	103.6	57.7	105.7	84.5	-6.6%	3.4%	66.7	71.6	75.5	-3.7%	2.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities

Comprehensive coverage of the following public entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **agricultural land holding account** was established in terms of the Provision of Land and Assistance Act (1993). Section 10(1)(a) gives legal effect to the proactive acquisition of land by the minister, from money appropriated by Parliament for this purpose. The state will proactively target land and merge this with the demand or need for land. The account's total budget for 2018/19 is R521.2 million.
- The **KwaZulu-Natal Ingonyama Trust Board** is a land management agency that ensures that commercial activity on communal land is developmental and beneficial to local communities. The KwaZulu-Natal Ingonyama Trust Act (1994) makes provision for the 2.8 million hectares of land spread across KwaZulu-Natal to be held in trust and managed on behalf of communities. The affairs of the trust are administered by the Ingonyama Trust Board. The board's total budget for 2018/19 is R303.4 million.
- The **registration of deeds trading account** makes provision for the administration of the land registration system and the registration of rights in land. It requires that deeds and documents are prepared and lodged in the deeds registry by a conveyancer or public notary, and are scrutinised for accuracy and compliance with common law, case law and statutory law. The main goal of the trading account is to contribute to effective land planning, administration and property registration. The account's total budget for 2018/19 is R789.1 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
Departmental infrastructure									
Small projects (total project cost of less than R250 million over the project life cycle)									
R million									
Deeds office (Bloemfontein): Upgrading of sewerage system	Upgrading	Tender	1.8	0.1	–	0.0	0.7	–	–
Deeds office (Bloemfontein): Maintenance of fire protection system	Maintenance	Tender	2.1	0.2	0.4	–	0.2	–	–
49 Beacon Street, Ladysmith (KwaZulu-Natal): Upgrading of accommodation	Upgrading	On-going	6.5	2.1	–	0.3	0.1	–	–
Kimberley Deeds Office: Upgrading and alterations	Upgrading	Identification	0.9	–	–	–	0.8	–	–
Kimberley: Assessment of fire detection and compression systems	Assessment of fire detection	Identification	2.0	–	–	–	–	–	–
King Williams Town: Assessment of fire detection and compression systems	Assessment of fire detection	Identification	2.0	–	–	–	–	–	–
Deeds office and surveyor general office (Pietermaritzburg): Upgrading of air conditioning and fire detection systems	Assessment of fire detection	Identification	13.1	–	–	–	–	–	–
Old Cooperation Building (Pretoria) Heritage and South Block: Upgrading	Upgrading	Design	26.3	1.3	0.0	2.1	–	–	–
Bloemfontein Deeds Office: Assessment and implementation of remedial strategies for the existing climatic control systems	Upgrading	Feasibility	2.1	–	–	–	–	2.1	–
Total			56.7	3.7	0.4	2.4	1.8	2.1	–

Vote 40

Sport and Recreation South Africa

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	142.3	139.9	0.1	2.4	150.1	158.4
Active Nation	696.8	66.6	630.2	–	735.7	777.8
Winning Nation	79.8	38.3	41.5	–	84.4	89.2
Sport Support	158.1	20.0	138.1	–	168.0	177.6
Sport Infrastructure Support	13.8	13.8	–	–	15.5	16.5
Total expenditure estimates	1 090.8	278.6	809.8	2.4	1 153.8	1 219.5
Executive authority	Minister of Sport and Recreation South Africa					
Accounting officer	Director General of Sport and Recreation South Africa					
Website address	www.srsa.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Transform the delivery of sport and recreation by ensuring equitable access, development and excellence at all levels of participation, thereby improving social cohesion, nation building and the quality of life of all South Africans.

Mandate

The Department of Sport and Recreation South Africa is established in terms of the Public Service Act (1994). Its legal mandate is derived from the National Sport and Recreation Act (1998), which requires it to oversee the development and management of sport and recreation in South Africa. The act provides the framework for relationships between the department and its external clients. This includes the department's partnership with the South African Sports Confederation and Olympic Committee. The partnership is key to improving South Africa's international ranking in selected sports. The act also ensures that sport and physical activity contribute to social cohesion by legislating on sports participation and sports infrastructure.

Selected performance indicators

Table 40.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of people actively participating in sport and recreation promotion campaigns and events per year	Active Nation		20 468 ¹	12 963	21 835	47 386 ²	48 000	49 000	50 000
Number of participants in national school sport championships per year	Active Nation	Outcome 14: Nation building and social cohesion	10 915	10 685	7 925	5 000 ³	5 000	5 000	5 000
Number of schools, hubs and clubs provided with equipment and/or attire as per the established norms and standards per year ⁴	Active Nation		1 693	3 938	2 964	2 500	2 500	2 500	2 500

Table 40.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of major international events receiving intra-governmental support per year	Winning Nation	Outcome 14: Nation building and social cohesion	4	0	4	4	4	4	4
Number of athletes supported by sports academies per year	Winning Nation		– ⁵	6 089 ⁶	4 358 ⁶	3 500	3 600	3 700	3 700
Number of athletes supported through the scientific support programme per year	Winning Nation		40	43	359 ⁶	80	80	80	80
Number of athletes supported through the ministerial sports bursary programme per year	Winning Nation		40	52	66	60	60	60	60
Number of sport and recreation bodies receiving financial and non-financial support to meet transformation targets per year	Sport Support		64	65	68 ⁷	60	60	60	60
Number of municipalities provided with technical and management support per year	Sport Infrastructure Support		– ⁵	– ⁵	– ⁵	30	35	40	45

1. Figure includes spectators. Information on participants only is not available for this year.
2. The Big Walk had a significant increase in participants in 2017/18 and has developed into an established annual event on the department's calendar.
3. Decrease in participants was due to a review of the format of the championships.
4. Targets do not increase over the MTEF period due to rising inflation and improved quality of equipment and attire provided.
5. No historical data available.
6. More athletes were supported in 2016/17 in preparation for the 2016 Olympic and Paralympic Games.
7. Timeous submission of the correct documentation from national federations enabled more transfers to be actioned in 2016/17.

Expenditure analysis

The National Development Plan (NDP) recognises sport and recreation as an effective means of nation building and social cohesion. This is given expression through outcome 14 (nation building and social cohesion) of government's 2014-2019 medium-term strategic framework, with which the work of the Department of Sport and Recreation South Africa is closely aligned. As such, over the medium term, the department intends to focus on: promoting participation in sport and recreation; supporting the delivery of sport infrastructure; fostering transformation in sport and recreation; developing talented athletes by providing them with opportunities to excel; and supporting high performing athletes to achieve success in the international sporting arena.

Promoting participation in sport and recreation

The department recognises that for citizens to lead healthy lifestyles, they need get into the habit of being active from a young age. Campaigns and events promoting mass participation in sport and recreation are funded by transfers to provinces through the *mass participation and sport development grant*, which is allocated R1.9 billion over the MTEF period, and allocations amounting to R100 million for goods and services in the *Active Nation* programme. Campaigns and events include youth camps, the annual Big Walk, a national recreation day, the national indigenous games festival, the rural sport development programme, and community outreach programmes. 216 221 people are expected to participate in these events over the medium term, despite reductions of R99 million to the grant over the same period, as approved by Cabinet. Provinces are expected to absorb these reductions through implementing cost containment measures and providing less equipment to schools and hubs. However, the number of schools and hubs to which equipment is provided is not expected to be reduced.

The department will continue to assist provincial departments over the MTEF period by deploying managers to oversee youth camps hosted by provinces and providing logistical support to ensure that they are successful. At these camps, which are attended by more than 2 000 participants from various backgrounds, young people are taught leadership and life skills, and the importance of national pride. The department plans to spend R3 million in each year over the MTEF period on the camps in the *Community Sport* subprogramme in the *Active Nation* programme, while each province allocates an additional R3 million each year from the *mass participation and sport development grant*.

The department supports school sport leagues in partnership with the Department of Basic Education. As part of the programme, approximately 2 500 schools, hubs and clubs are expected to receive equipment and attire in each year over the MTEF period to facilitate sustainable participation. The department also aims to integrate the 16 priority sporting codes and indigenous games, such as morabaraba and jukskei, into the school sport system over the medium term. R40 million is allocated over the MTEF period for these activities in the *Community Sport* subprogramme in the *Active Nation* programme. A further R135.6 million over the MTEF period is allocated in the subprogramme for the department's partnership with loveLife to provide youth empowerment programmes at sport and recreation events such as national youth camps and the national school sport championships.

Young people are given opportunities to showcase their skills at events such as the national school sport championships, which exposes South African sporting talent to national federations and talent scouts. Following an evaluation in 2016, the number of age categories in the championships has been reduced, and now comprises 3 seasonal events that correspond more closely with the training and event cycles of the 16 priority sporting codes. The *School Sport* subprogramme is allocated R31.9 million in 2018/19, while R199.7 million is transferred to provinces through the *mass participation and sport development grant* in the *Provincial Sport Support and Co-ordination* subprogramme in the *Active Nation* programme. Of the projected 42 000 learners who are set to participate in school sport competitions at the district level in 2018/19, 5 000 are expected to progress to participate at the provincial training camps.

The national indigenous games festival continues to grow in popularity each year. These games showcase 9 indigenous games commonly played in South Africa. All provinces present teams selected from various communities at the games, which are held from the community level to the provincial level. The games bring people from culturally diverse backgrounds together as part of South Africa's heritage celebrations in September. The department is responsible for hosting the national indigenous games festival and is expected to spend R74.3 million on the development and hosting of the games over the MTEF period. Provincial departments are responsible for the development of indigenous games at the community level, the selection of provincial teams, and the preparation and presentation of teams at the festival. Indigenous games federations have been established at provincial level and national structures are being formally constituted for all indigenous games. The department will provide financial support to sustainable federations once they are established.

Supporting the delivery of sport infrastructure

The department anticipates spending R31.7 million over the MTEF period in the *Sport Infrastructure Support* programme to strengthen its oversight of and support to municipalities to improve the planning and delivery of infrastructure for sport and recreation. The department expects to work with the Department of Cooperative Governance, the South African Local Government Association and municipalities to ensure that funds earmarked in the *municipal infrastructure grant* for the provision of sport and recreation facilities are used to provide facilities in the areas of greatest need.

To encourage participation in sport and recreation, the *Sport and Recreation Facility Planning* subprogramme will continue to advocate for municipalities to deliver community gyms and children's play parks. To give local community members and athletes in disadvantaged areas access to opportunities to exercise and improve their health and fitness, 10 community gyms across South Africa are expected to be provided in each year over the MTEF period. R11 million is allocated over the medium term for the provision of these facilities.

The department facilitates the delivery of specialised multipurpose sport courts and other infrastructure projects to improve access to sport and recreation activities through a partnership with the Sports Trust. For this purpose, the trust is expected to receive a transfer of R71.8 million over the MTEF period.

Fostering transformation in sport and recreation

The *Sport and Recreation Service Providers* subprogramme in the *Sport Support* programme will continue to fund qualifying national federations according to the recognised sport bodies grant framework. Funding will be provided across two tiers: guaranteed funding, which is mainly for administration; and conditional funding,

which constitutes the bulk of the budget and addresses issues of governance, transformation and performance. Sport federations are required to develop their own transformation targets against which they are audited. The department plans to develop mechanisms to ensure that recommendations from transformation audits are implemented, including the use of financial rewards for federations that meet transformation targets and punitive measures for federations that fail to meet their transformation targets. R327.1 million is allocated over the MTEF period for transfers to 60 national federations. The department selects 1 federation each year from the 16 priority sporting codes to receive additional support to implement key priorities. Softball will be supported in 2018/19.

Nurturing talent and supporting excellence

The department awards ministerial bursaries to learners in grades 8 to 12 who are identified as talented young athletes. These bursaries are valid for the duration of learners’ school careers, and they attend 1 of the 58 sports focus schools in South Africa, which are selected by provincial departments because of their exceptional sports coaching and facilities. In 2018/19, a minimum of 60 qualifying athletes, including learners already in the programme, are expected to be supported through the payment of school fees, the provision of school uniforms and sport clothing, sport scientific support and event attendance. R21.4 million over the MTEF period is allocated for this in the *Scientific Support* subprogramme in the *Winning Nation* programme.

An additional 40 emerging athletes identified by national federations as having the potential to compete at the high performance level are also supported by the department each year through specialist training. Support for these athletes, which also takes into consideration their circumstances and performance potential, is provided from an allocation of R142 million over the MTEF period in the *Scientific Support* subprogramme in the *Winning Nation* programme.

A further 40 elite athletes receive advanced coaching and financial support each year through the South African Sports Confederation and Olympic Committee’s high performance programme to help them prepare and perform at the 4 major multi-code games: the All Africa Games, the World Games, the Commonwealth Games, and the Olympic and Paralympic Games. The department plans to transfer R32.9 million over the medium term to the South African Sports Confederation and Olympic Committee through the *Scientific Support* subprogramme for this. Specialist training and sport scientific support is also expected to be provided to a projected 3 600 talented athletes in 2018/19 by 35 provincial and district sports academies, funded through the *mass participation and sports development grant*.

Expenditure trends

Table 40.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Active Nation														
3. Winning Nation														
4. Sport Support														
5. Sport Infrastructure Support														
Programme														
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
Programme 1	131.3	116.7	105.2	124.8	115.5	114.4	134.9	130.9	117.3	136.9	127.9	129.2	88.3%	95.0%
Programme 2	615.2	620.1	624.8	628.6	629.0	652.2	648.7	663.3	684.0	689.1	704.1	704.0	103.2%	101.8%
Programme 3	91.3	78.1	83.1	92.2	75.6	56.5	91.1	67.2	62.7	76.9	71.9	71.4	77.9%	93.5%
Programme 4	122.2	145.1	148.9	133.2	154.0	153.9	137.6	149.0	147.1	150.7	150.7	149.6	110.3%	100.1%
Programme 5	10.4	10.4	4.9	9.7	6.8	2.8	16.3	16.3	12.5	13.1	12.1	12.0	65.5%	71.1%
Total	970.4	970.4	966.8	988.5	980.9	979.9	1 028.6	1 026.6	1 023.6	1 066.6	1 066.6	1 066.4	99.6%	99.8%
Change to 2017 Budget estimate														

Table 40.2 Vote expenditure trends by programme and economic classification

Economic classification	2014/15			2015/16			2016/17			2017/18			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million														
Current payments	269.5	269.5	265.5	265.7	262.1	259.3	276.6	274.6	270.1	268.3	267.6	267.4	98.4%	98.9%
Compensation of employees	103.0	88.2	82.4	100.7	95.8	93.8	108.6	101.6	101.3	106.1	106.1	105.9	91.6%	97.9%
Goods and services	166.4	181.2	183.0	165.0	166.3	165.5	168.0	173.0	168.8	162.2	161.5	161.5	102.6%	99.5%
Interest and rent on land	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	698.8	698.8	699.1	720.7	716.6	718.6	749.8	749.8	749.4	796.1	796.1	796.1	99.9%	100.1%
Provinces and municipalities	525.6	525.6	525.6	537.3	533.2	533.2	555.7	555.7	555.4	585.8	585.8	585.8	99.8%	100.0%
Departmental agencies and accounts	26.5	26.5	26.5	30.4	30.4	30.3	33.0	33.0	33.0	34.7	34.7	34.7	-	-
Non-profit institutions	146.6	146.6	146.6	153.0	153.0	153.0	161.1	161.1	156.9	169.2	169.2	169.2	99.3%	99.3%
Households	-	-	0.4	-	-	2.0	-	-	4.1	6.4	6.4	6.4	201.6%	201.6%
Payments for capital assets	2.2	2.2	2.1	2.2	2.2	2.0	2.2	2.2	3.5	2.2	2.9	2.9	121.3%	112.3%
Machinery and equipment	2.2	2.2	1.8	2.2	2.2	2.0	2.2	2.2	3.5	2.2	2.9	2.9	117.4%	108.7%
Software and other intangible assets	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	0.1	-	-	-	-	-	0.6	-	-	-	-	-
Total	970.4	970.4	966.8	988.5	980.9	979.9	1 028.6	1 026.6	1 023.6	1 066.6	1 066.6	1 066.4	99.6%	99.8%

Expenditure estimates

Table 40.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Active Nation									
3. Winning Nation									
4. Sport Support									
5. Sport Infrastructure Support									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2018/19	2019/20	2020/21			
R million	2017/18	2014/15 - 2017/18	(%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	(%)	
Programme 1	129.2	3.4%	11.5%	142.3	150.1	158.4	7.0%	12.8%	
Programme 2	704.0	4.3%	66.0%	696.8	735.7	777.8	3.4%	64.3%	
Programme 3	71.4	-2.9%	6.8%	79.8	84.4	89.2	7.7%	7.2%	
Programme 4	149.6	1.0%	14.9%	158.1	168.0	177.6	5.9%	14.4%	
Programme 5	12.0	5.0%	0.8%	13.8	15.5	16.5	11.1%	1.3%	
Total	1 066.4	3.2%	100.0%	1 090.8	1 153.8	1 219.5	4.6%	100.0%	
Change to 2017 Budget estimate				(34.8)	(37.0)	(39.2)			
Economic classification									
Current payments	267.4	-0.3%	26.3%	278.6	296.4	315.2	5.6%	25.6%	
Compensation of employees	105.9	6.3%	9.5%	111.5	120.1	129.1	6.8%	10.3%	
Goods and services	161.5	-3.8%	16.8%	167.0	176.4	186.1	4.8%	15.3%	
Transfers and subsidies	796.1	4.4%	73.4%	809.8	854.9	901.7	4.2%	74.2%	
Provinces and municipalities	585.8	3.7%	54.5%	587.4	620.0	653.9	3.7%	54.0%	
Departmental agencies and accounts	34.7	9.3%	3.1%	36.7	38.7	40.9	5.6%	3.3%	
Non-profit institutions	169.2	4.9%	15.5%	179.0	189.0	199.4	5.6%	16.3%	
Households	6.4	-	0.3%	6.7	7.1	7.5	5.7%	0.6%	
Payments for capital assets	2.9	10.8%	0.3%	2.4	2.5	2.6	-3.5%	0.2%	
Machinery and equipment	2.9	10.8%	0.3%	2.4	2.5	2.6	-3.5%	0.2%	
Total	1 066.4	3.2%	100.0%	1 090.8	1 153.8	1 219.5	4.6%	100.0%	

Expenditure trends and estimates for significant spending items

Table 40.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Mass participation and sport development grant	525 632	533 225	555 378	585 828	3.7%	54.5%	587 386	620 016	653 932	3.7%	54.0%
The Sports Trust	21 636	27 521	20 500	21 408	-0.4%	2.3%	22 649	23 918	25 233	5.6%	2.1%
loveLife	35 333	36 612	38 508	40 433	4.6%	3.7%	42 778	45 174	47 659	5.6%	3.9%
Total	582 601	597 358	614 386	647 669	7.9%	60.5%	652 813	689 108	726 824	14.9%	60.0%

Goods and services expenditure trends and estimates

Table 40.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Administrative fees	39	44	43	899	184.6%	0.2%	950	1 003	1 059	5.6%	0.6%
Advertising	6 095	13 493	19 895	7 003	4.7%	6.8%	4 316	4 582	3 944	-17.4%	2.9%
Minor assets	82	109	357	1 193	144.1%	0.3%	1 475	1 557	1 642	11.2%	0.8%
Audit costs: External	5 132	3 757	5 129	3 689	-10.4%	2.6%	6 019	6 356	6 705	22.0%	3.3%
Bursaries: Employees	8	-	454	146	163.3%	0.1%	895	945	997	89.7%	0.4%
Catering: Departmental activities	3 956	2 464	3 276	2 735	-11.6%	1.8%	1 824	1 926	2 031	-9.4%	1.2%
Communication	3 640	3 813	4 862	5 966	17.9%	2.7%	7 575	8 016	8 458	12.3%	4.3%
Computer services	2 112	957	647	844	-26.3%	0.7%	893	943	995	5.6%	0.5%
Consultants: Business and advisory services	-	-	93	128	-	-	135	143	151	5.7%	0.1
Laboratory services	-	-	-	53	-	-	88	28	30	-17.3%	-
Legal services	3 745	4 710	4 714	1 222	-31.2%	2.1%	1 610	1 700	1 794	13.7%	0.9%
Contractors	26 460	32 615	62 027	58 636	30.4%	26.5%	55 995	59 153	63 295	2.6%	34.3%
Entertainment	61	48	50	-	-100.0%	-	-	-	-	-	-
Fleet services (including government motor transport)	46	375	2 559	-	-100.0%	0.4%	-	-	-	-	-
Inventory: Fuel, oil and gas	394	-	-	37	-54.5%	0.1%	39	43	45	6.7%	-
Inventory: Materials and supplies	6	11	6	8	10.1%	-	8	8	8	-	-
Inventory: Medicine	-	-	-	343	-	0.1%	363	383	404	5.6%	0.2%
Inventory: Other supplies	7 728	29 600	11 005	4 346	-17.5%	7.8%	1 847	1 951	2 058	-22.1%	1.5%
Consumable supplies	10 237	3 749	4 821	38	-84.5%	2.8%	40	42	44	5.0%	-
Consumables: Stationery, printing and office supplies	913	580	4 655	2 533	40.5%	1.3%	2 481	2 631	2 776	3.1%	1.5%
Operating leases	8 826	5 717	8 748	16 486	23.2%	5.9%	16 267	17 179	18 123	3.2%	9.8%
Rental and hiring	-	2	1	-	-	-	-	-	-	-	-
Property payments	2 103	811	2 793	2 717	8.9%	1.2%	2 758	2 912	3 072	4.2%	1.7%
Transport provided: Departmental activity	1 272	6 367	1 035	1 461	4.7%	1.5%	1 546	1 633	1 723	5.7%	0.9%
Travel and subsistence	29 940	26 144	23 804	31 965	2.2%	16.5%	40 066	42 222	44 546	11.7%	23.0%
Training and development	3 968	441	1 455	1 325	-30.6%	1.1%	2 202	2 326	2 454	22.8%	1.2%
Operating payments	8 708	4 047	4 707	2 118	-37.6%	2.9%	2 656	2 756	2 908	11.1%	1.5%
Venues and facilities	56 988	24 681	655	15 571	-35.1%	14.4%	14 996	15 947	16 825	2.6%	9.2%
Total	183 021	165 496	168 813	161 462	-4.1%	100.0%	167 044	176 385	186 087	4.8%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 40.6 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	26 496	30 344	32 997	34 673	9.4%	4.2%	36 684	38 738	40 869	5.6%	4.5%
Culture, Arts, Tourism, Hospitality and Sport	47	60	68	87	22.8%	-	92	97	102	5.4%	-
Sector Education and Training Authority	18 504	19 816	21 896	22 991	7.5%	2.8%	24 324	25 686	27 099	5.6%	3.0%
South African Institute for Drug-Free Sport	7 945	10 468	11 033	11 595	13.4%	1.4%	12 268	12 955	13 668	5.6%	1.5%
Boxing South Africa											

Table 40.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Households											
Other transfers to households											
Current											
Households	–	1 811	3 828	6 372	–	0.4%	6 748	7 126	7 518	5.7%	0.8%
Bursaries for non-employees	–	1 055	–	–	–	–	–	–	–	–	–
Households	–	756	3 828	6 372	–	0.4%	6 748	7 126	7 518	5.7%	0.8%
Social benefits											
Current											
Employee social benefits	355	215	265	–	-100.0%	–	–	–	–	–	–
Households	355	157	86	–	-100.0%	–	–	–	–	–	–
Households	–	58	179	–	–	–	–	–	–	–	–
Non-profit institutions											
Current											
Various sport federations	146 615	153 013	156 923	169 178	4.9%	21.1%	178 990	189 013	199 409	5.6%	21.9%
loveLife	77 219	80 065	88 569	97 524	8.1%	11.6%	103 181	108 958	114 951	5.6%	12.6%
South African Sports Confederation and Olympic Committee	35 333	36 612	38 508	40 433	4.6%	5.1%	42 778	45 174	47 659	5.6%	5.2%
The Sports Trust	12 427	8 815	9 346	9 813	-7.6%	1.4%	10 382	10 963	11 566	5.6%	1.3%
Provinces and municipalities	21 636	27 521	20 500	21 408	-0.4%	3.1%	22 649	23 918	25 233	5.6%	2.8%
Provincial revenue funds											
Current											
Mass participation and sport development grant	525 632	533 225	555 378	585 828	3.7%	74.2%	587 386	620 016	653 932	3.7%	72.8%
Total	699 098	718 608	749 391	796 051	4.4%	100.0%	809 808	854 893	901 728	4.2%	100.0%

Personnel information

Table 40.7 Vote personnel numbers and cost by salary level and programme¹

Programmes																			
1. Administration																			
2. Active Nation																			
3. Winning Nation																			
4. Sport Support																			
5. Sport Infrastructure Support																			
	Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment										Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21											
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Sport and Recreation South Africa	222	14	172	101.3	0.6	174	105.9	0.6	170	111.5	0.7	179	120.1	0.7	187	129.1	0.7	2.4%	100.0%
Salary level																			
1 – 6	52	5	37	8.9	0.2	37	10.1	0.3	37	10.7	0.3	41	12.9	0.3	44	14.8	0.3	5.9%	22.4%
7 – 10	99	5	73	31.8	0.4	76	33.5	0.4	73	34.7	0.5	80	40.8	0.5	86	48.2	0.6	4.2%	44.4%
11 – 12	38	–	34	24.7	0.7	32	25.0	0.8	31	26.2	0.8	31	28.3	0.9	32	31.2	1.0	–	17.7%
13 – 16	31	4	26	31.3	1.2	27	32.3	1.2	27	34.6	1.3	26	35.2	1.4	24	31.8	1.3	-3.9%	14.6%
Other	2	–	2	4.7	2.3	2	5.0	2.5	2	5.3	2.7	1	2.8	2.8	1	3.0	3.0	-20.6%	0.8%
Programme	222	14	172	101.3	0.6	174	105.9	0.6	170	111.5	0.7	179	120.1	0.7	187	129.1	0.7	2.4%	100.0%
Programme 1	155	8	123	74.3	0.6	118	76.8	0.7	115	80.6	0.7	119	84.9	0.7	123	89.7	0.7	1.4%	66.9%
Programme 2	23	1	17	8.3	0.5	15	7.7	0.5	15	8.3	0.6	15	9.0	0.6	19	11.2	0.6	8.2%	9.0%
Programme 3	9	4	12	2.8	0.2	12	3.4	0.3	12	3.7	0.3	13	4.1	0.3	13	4.4	0.3	2.7%	7.0%
Programme 4	18	1	16	13.9	0.9	20	13.1	0.7	19	13.7	0.7	21	15.5	0.7	21	16.7	0.8	1.6%	11.4%
Programme 5	17	–	4	2.1	0.5	9	4.9	0.5	9	5.2	0.6	11	6.5	0.6	11	7.0	0.6	6.9%	5.6%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Departmental receipts

Table 40.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	107	406	97	170	43	-26.2%	100.0%	340	341	343	99.8%	100.0%
Sales of goods and services produced by department	52	60	63	66	34	-13.2%	32.0%	68	69	70	27.2%	22.6%
Other sales	52	60	63	66	34	-13.2%	32.0%	68	69	70	27.2%	22.6%
of which:												
Rental parking: Covered and open	33	39	40	41	24	-10.1%	20.8%	41	42	42	20.5%	14.0%
Commission on insurance and garnishee	19	21	23	25	10	-19.3%	11.2%	26	26	26	37.5%	8.2%
Replacement of lost office property	-	-	-	-	-	-	-	1	1	2	-	0.4%
Interest, dividends and rent on land	6	2	1	4	1	-45.0%	1.5%	2	2	3	44.2%	0.7%
Interest	6	2	1	4	1	-45.0%	1.5%	2	2	3	44.2%	0.7%
Transactions in financial assets and liabilities	49	344	33	100	8	-45.3%	66.5%	270	270	270	223.2%	76.7%
Total	107	406	97	170	43	-26.2%	100.0%	340	341	343	99.8%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 40.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	25.0	30.0	27.9	25.2	0.2%	23.2%	28.5	30.3	32.0	8.3%	20.0%
Management	12.7	12.9	13.4	16.4	8.9%	11.9%	20.8	22.2	23.4	12.7%	14.3%
Strategic Support	5.2	7.3	7.6	6.3	6.9%	5.7%	7.9	8.5	9.0	12.4%	5.5%
Corporate Services	37.0	41.8	38.1	40.3	2.9%	33.8%	43.3	45.8	48.6	6.4%	30.8%
Office of the Chief Financial Officer	15.4	16.9	19.8	21.0	10.7%	15.7%	23.4	23.7	24.9	5.9%	16.1%
Office Accommodation	9.8	5.5	10.5	18.7	23.9%	9.6%	18.4	19.5	20.5	3.3%	13.3%
Total	105.2	114.4	117.3	127.9	6.7%	100.0%	142.3	150.1	158.4	7.4%	100.0%
Change to 2017 Budget estimate				-			(1.5)	(2.6)	(4.3)		

Economic classification

	2014/15	2015/16	2016/17	2017/18	Average growth rate (%)	Average: Expenditure/ Total (%)	2018/19	2019/20	2020/21	Average growth rate (%)	Average: Expenditure/ Total (%)
Current payments	102.7	112.2	115.4	124.8	6.7%	97.9%	139.9	147.5	155.7	7.6%	98.1%
Compensation of employees	59.7	69.3	74.3	75.4	8.1%	60.0%	80.6	84.9	89.7	6.0%	57.1%
Goods and services ¹	42.8	42.9	41.0	49.5	4.9%	37.9%	59.3	62.6	66.0	10.1%	41.0%
of which:											
Audit costs: External	5.1	3.8	5.1	3.7	-10.3%	3.8%	6.0	6.4	6.7	22.0%	3.9%
Communication	2.9	3.1	4.0	3.7	8.4%	3.0%	5.5	5.8	6.1	18.1%	3.6%
Contractors	2.5	2.0	0.9	4.7	23.4%	2.2%	3.1	3.2	4.3	-2.9%	2.6%
Operating leases	8.8	5.7	8.7	16.5	23.2%	8.6%	16.3	17.2	18.1	3.2%	11.8%
Property payments	2.1	0.8	2.8	2.7	9.7%	1.8%	2.8	2.9	3.1	4.2%	2.0%
Travel and subsistence	10.5	14.8	9.5	8.2	-7.9%	9.3%	12.0	12.7	13.4	17.6%	8.0%
Interest and rent on land	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies ¹	0.3	0.2	0.3	0.1	-34.6%	0.2%	0.1	0.1	0.1	5.4%	0.1%
Departmental agencies and accounts	0.0	0.1	0.1	0.1	22.8%	0.1%	0.1	0.1	0.1	5.4%	0.1%
Households	0.3	0.1	0.3	-	-100.0%	0.1%	-	-	-	-	-

Table 40.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Payments for capital assets	2.1	2.0	1.6	2.9	11.8%	1.9%	2.4	2.5	2.6	-3.5%	1.8%
Machinery and equipment	1.8	2.0	1.6	2.9	18.6%	1.8%	2.4	2.5	2.6	-3.5%	1.8%
Software and other intangible assets	0.3	-	-	-	-100.0%	0.1%	-	-	-	-	-
Payments for financial assets	0.1	-	0.0	-	-100.0%	-	-	-	-	-	-
Total	105.2	114.4	117.3	127.9	6.7%	100.0%	142.3	150.1	158.4	7.4%	100.0%
Proportion of total programme expenditure to vote expenditure	10.9%	11.7%	11.5%	12.0%	-	-	13.0%	13.0%	13.0%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Active Nation

Programme purpose

Support the provision of mass participation opportunities in sport and recreation.

Objectives

- Encourage an active nation and contribute to improving the overall wellbeing of South Africans by implementing lifelong participation in active recreation through facilitating the delivery of at least 4 active recreation programmes reaching at least 42 864 participants in 2018/19.
- Inspire lifelong physical activity by providing mass sport participation opportunities to at least 5 136 community members in 3 sport promotion events in 2018/19.
- Increase learners' access to sport at schools by supporting the national school sport championships for 5 000 learners in 2018/19.
- Support the provision of opportunities for mass participation in sport and recreation in all provinces by providing management and financial support through the *mass participation and sport development conditional grant* annually.

Subprogrammes

- *Programme Management: Active Nation* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions.
- *Active Recreation* delivers programmes to improve the health and wellbeing of the nation by providing mass participation opportunities in various formats to cater for a broad spectrum of participants.
- *Community Sport* delivers sport promotion programmes by increasing the number of participants in sport and recreation, with an emphasis on disadvantaged communities. The transfer to loveLife is also made through this subprogramme.
- *School Sport* supports the delivery of sport programmes to learners in conjunction with the Department of Basic Education.
- Provincial Sport Support and Coordination transfers the mass participation and sport development grant allocation to provinces and oversees the implementation thereof.

Expenditure trends and estimates

Table 40.10 Active Nation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Programme Management: Active Nation	2.8	4.8	2.3	1.3	-23.6%	0.4%	4.2	4.4	4.7	55.2%	0.5%
Active Recreation	–	–	–	–	–	–	1.2	1.3	1.4	–	0.1%
Community Sport	80.0	100.8	99.0	86.1	2.5%	13.7%	72.1	76.3	81.8	-1.7%	10.9%
School Sport	16.3	13.3	27.3	30.8	23.6%	3.3%	31.9	33.7	36.0	5.3%	4.5%
Provincial Sport Support and Coordination	525.6	533.2	555.4	585.8	3.7%	82.6%	587.4	620.0	653.9	3.7%	84.0%
Total	624.8	652.2	684.0	704.1	4.1%	100.0%	696.8	735.7	777.8	3.4%	100.0%
Change to 2017 Budget estimate				–			(31.0)	(32.9)	(33.3)		
Economic classification											
Current payments	63.7	81.5	88.1	77.8	6.9%	11.7%	66.6	70.6	76.2	-0.7%	10.0%
Compensation of employees	7.4	7.6	8.3	7.8	2.0%	1.2%	8.3	9.0	11.2	12.9%	1.2%
Goods and services ¹	56.4	73.9	79.9	70.0	7.5%	10.5%	58.3	61.6	65.0	-2.5%	8.7%
of which:											
Advertising	1.8	6.2	14.1	5.5	44.2%	1.0%	1.3	1.4	1.5	-35.9%	0.3%
Communication	0.3	0.3	0.4	1.1	57.6%	0.1%	1.1	1.2	1.3	5.6%	0.2%
Contractors	11.7	25.9	32.1	27.6	33.3%	3.6%	24.1	25.5	26.9	-0.9%	3.6%
Transport provided:	–	0.1	0.5	1.5	–	0.1%	1.5	1.6	1.7	5.7%	0.2%
Departmental activity											
Travel and subsistence	4.5	6.0	11.7	18.6	60.7%	1.5%	19.7	20.8	22.0	5.6%	2.8%
Venues and facilities	26.8	3.2	–	8.3	-32.3%	1.4%	7.0	7.4	7.8	-2.1%	1.0%
Transfers and subsidies¹	561.0	570.7	593.9	626.3	3.7%	88.3%	630.2	665.2	701.6	3.9%	90.0%
Provinces and municipalities	525.6	533.2	555.4	585.8	3.7%	82.6%	587.4	620.0	653.9	3.7%	84.0%
Non-profit institutions	35.3	36.6	38.5	40.4	4.6%	5.7%	42.8	45.2	47.7	5.6%	6.0%
Households	0.1	0.9	–	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	–	–	1.9	–	–	0.1%	–	–	–	–	–
Machinery and equipment	–	–	1.9	–	–	0.1%	–	–	–	–	–
Payments for financial assets	0.0	–	0.0	–	-100.0%	–	–	–	–	–	–
Total	624.8	652.2	684.0	704.1	4.1%	100.0%	696.8	735.7	777.8	3.4%	100.0%
Proportion of total programme expenditure to vote expenditure	64.6%	66.6%	66.8%	66.0%	–	–	63.9%	63.8%	63.8%	–	–
Details of selected transfers and subsidies											
Non-profit institutions											
Current	35.3	36.6	38.5	40.4	4.6%	5.7%	42.8	45.2	47.7	5.6%	6.0%
loveLife	35.3	36.6	38.5	40.4	4.6%	5.7%	42.8	45.2	47.7	5.6%	6.0%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	525.6	533.2	555.4	585.8	3.7%	82.6%	587.4	620.0	653.9	3.7%	84.0%
Mass participation and sport development grant	525.6	533.2	555.4	585.8	3.7%	82.6%	587.4	620.0	653.9	3.7%	84.0%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Winning Nation

Programme purpose

Support the development of elite athletes.

Objectives

- Contribute towards a winning nation by coordinating scientific support services for 80 athletes per year through the scientific support programme over the medium term.
- Develop an ethical sporting sector by financially supporting the South African Institute for Drug-Free Sport and fulfilling government's responsibility towards anti-doping annually.
- Contribute to sport tourism by facilitating intra-governmental support for the hosting of 4 approved major international events in 2018/19.

- Inspire a winning nation and produce role models by hosting 5 events (the South African Sports Awards, the Ministerial Outstanding Sports Performance Accolades, the Andrew Mlangeni Green Jacket Awards, the Honouring Women in Sport Awards and the Regional Sports Awards) that acknowledge achievements in the sport and recreation sector in 2018/19.

Subprogrammes

- *Programme Management: Winning Nation* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions.
- *Scientific Support* coordinates and monitors the provision of scientific support services to athletes and makes transfers to the South African Institute for Drug-Free Sport, and the South African Sports Confederation and Olympic Committee.
- *Major Events Support* coordinates and manages government's support services for hosting identified major events in South Africa, and uses these events to showcase South Africa as a sport tourism destination of choice.
- *Recognition Systems* provides opportunities to acknowledge past and present sporting achievements.

Expenditure trends and estimates

Table 40.11 Winning Nation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Programme Management: Winning Nation	-	-	-	-	-	-	2.4	2.6	2.7	-	2.4%
Scientific Support	40.4	33.9	39.1	46.3	4.7%	58.2%	44.7	47.3	50.0	2.6%	57.9%
Major Events Support	18.1	8.7	0.2	6.8	-27.9%	12.3%	12.8	13.6	14.4	28.5%	14.6%
Recognition Systems	24.7	13.9	23.3	18.8	-8.6%	29.5%	19.9	21.0	22.1	5.5%	25.2%
Total	83.1	56.5	62.7	71.9	-4.7%	100.0%	79.8	84.4	89.2	7.4%	100.0%
Change to 2017 Budget estimate				-			(1.4)	(1.3)	(1.4)		
Economic classification											
Current payments	52.2	27.1	27.6	32.7	-14.4%	50.9%	38.3	40.7	43.0	9.5%	47.6%
Compensation of employees	2.6	2.5	2.8	3.9	14.5%	4.3%	3.7	4.1	4.4	4.3%	5.0%
Goods and services ¹	49.6	24.7	24.8	28.8	-16.5%	46.6%	34.7	36.6	38.6	10.2%	42.6%
<i>of which:</i>											
Administrative fees	-	-	-	0.7	-	0.3%	0.8	0.8	0.9	5.7%	1.0%
Advertising	0.8	0.1	0.7	0.4	-17.5%	0.7%	1.0	1.1	1.1	38.5%	1.1%
Catering: Departmental activities	0.5	0.0	0.1	0.1	-41.9%	0.3%	0.4	0.4	0.5	67.9%	0.4%
Contractors	6.2	1.8	22.2	21.5	51.7%	18.9%	23.1	24.4	25.8	6.2%	29.2%
Travel and subsistence	4.9	3.3	0.9	0.5	-52.0%	3.5%	3.5	3.6	3.8	91.2%	3.5%
Venues and facilities	26.1	16.5	0.4	4.2	-45.7%	17.2%	4.6	5.0	5.3	8.1%	5.9%
Transfers and subsidies¹	30.9	29.4	35.1	39.2	8.2%	49.1%	41.5	43.8	46.2	5.6%	52.4%
Departmental agencies and accounts	18.5	19.8	21.9	23.0	7.5%	30.3%	24.3	25.7	27.1	5.6%	30.8%
Non-profit institutions	12.4	8.8	9.3	9.8	-7.6%	14.7%	10.4	11.0	11.6	5.6%	13.1%
Households	-	0.8	3.8	6.4	-	4.0%	6.7	7.1	7.5	5.7%	8.5%
Total	83.1	56.5	62.7	71.9	-4.7%	100.0%	79.8	84.4	89.2	7.4%	100.0%
Proportion of total programme expenditure to vote expenditure	8.6%	5.8%	6.1%	6.7%	-	-	7.3%	7.3%	7.3%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	18.5	19.8	21.9	23.0	7.5%	30.3%	24.3	25.7	27.1	5.6%	30.8%
South African Institute for Drug-Free Sport	18.5	19.8	21.9	23.0	7.5%	30.3%	24.3	25.7	27.1	5.6%	30.8%
Non-profit institutions											
Current	12.4	8.8	9.3	9.8	-7.6%	14.7%	10.4	11.0	11.6	5.6%	13.1%
South African Sports Confederation and Olympic Committee	12.4	8.8	9.3	9.8	-7.6%	14.7%	10.4	11.0	11.6	5.6%	13.1%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Sport Support

Programme purpose

Develop and support an integrated system to enhance the delivery of sport and recreation.

Objectives

- Support the delivery of sport and recreation by providing financial and non-financial support to 60 sport and recreation bodies annually.
- Foster transformation within the sport and recreation sector by monitoring the transformation statuses of selected sport federations and assisting them to reach their respective transformation targets in 2018/19.
- Empower the sport and recreation sector by managing and strengthening strategic bilateral and multilateral relations through actively participating and influencing decision-making in identified multilateral organisations, such as the African Union Sports Council, the United Nations, the Commonwealth and the World Anti-Doping Agency, over the medium term.

Subprogrammes

- *Programme Management: Sport Support* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions.
- *International Relations* coordinates and strengthens bilateral and multilateral sport and recreation relations with international partners to support sport and recreation development in South Africa.
- *Sport and Recreation Service Providers* transfers funds to sport and recreation organisations, predominantly national federations; monitors the use of the funds in line with service level agreements signed between national federations and the department; and administers transfers made to Boxing South Africa, sport federations and the Sports Trust. This subprogramme also monitors governance and sport development, and oversees the implementation of transformation programmes in line with the Transformation Charter for South African Sport and the transformation scorecard.

Expenditure trends and estimates

Table 40.12 Sport Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Programme Management: Sport Support	3.3	3.3	3.5	4.7	11.9%	2.5%	4.9	5.6	6.0	8.7%	3.2%
International Relations	10.8	5.3	6.5	5.2	-21.6%	4.6%	5.4	6.0	6.4	7.3%	3.5%
Sport and Recreation Service Providers	134.7	145.4	137.1	140.8	1.5%	92.9%	147.8	156.4	165.2	5.5%	93.2%
Total	148.9	153.9	147.1	150.7	0.4%	100.0%	158.1	168.0	177.6	5.6%	100.0%
Change to 2017				-			(0.9)	(0.1)	(0.1)		
Budget estimate											
Economic classification											
Current payments	42.1	35.6	27.0	20.1	-21.8%	20.8%	20.0	22.2	23.7	5.6%	13.2%
Compensation of employees	10.5	12.4	13.9	14.2	10.6%	8.5%	13.7	15.5	16.7	5.6%	9.2%
Goods and services ¹	31.6	23.2	13.2	6.0	-42.6%	12.3%	6.3	6.7	7.0	5.6%	4.0%
<i>of which:</i>											
Communication	0.3	0.3	0.3	0.4	11.5%	0.2%	0.4	0.5	0.5	5.6%	0.3%
Contractors	3.8	2.4	2.1	0.9	-39.0%	1.5%	0.9	1.0	1.0	5.7%	0.6%
Consumables: Stationery, printing and office supplies	0.5	0.1	0.1	0.2	-27.9%	0.1%	0.2	0.2	0.2	5.7%	0.1%
Travel and subsistence	9.6	1.7	1.1	2.3	-37.4%	2.5%	2.4	2.5	2.6	3.8%	1.5%
Operating payments	5.2	0.6	0.9	0.4	-56.6%	1.2%	0.6	0.6	0.6	14.8%	0.3%
Venues and facilities	3.9	4.5	-	1.6	-26.1%	1.7%	1.7	1.8	1.9	5.6%	1.0%
Transfers and subsidies¹	106.8	118.3	120.1	130.5	6.9%	79.2%	138.1	145.8	153.9	5.6%	86.8%
Departmental agencies and accounts	7.9	10.5	11.0	11.6	13.4%	6.8%	12.3	13.0	13.7	5.6%	7.7%
Non-profit institutions	98.9	107.6	109.1	118.9	6.4%	72.3%	125.8	132.9	140.2	5.6%	79.1%
Households	0.0	0.3	-	-	-100.0%	-	-	-	-	-	-
Total	148.9	153.9	147.1	150.7	0.4%	100.0%	158.1	168.0	177.6	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	15.4%	15.7%	14.4%	14.1%	-	-	14.5%	14.6%	14.6%	-	-

Table 40.12 Sport Support expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7.9	10.5	11.0	11.6	13.4%	6.8%	12.3	13.0	13.7	5.6%	7.7%
Boxing South Africa	7.9	10.5	11.0	11.6	13.4%	6.8%	12.3	13.0	13.7	5.6%	7.7%
Non-profit institutions											
Current	98.9	107.6	109.1	118.9	6.4%	72.3%	125.8	132.9	140.2	5.6%	79.1%
Various sport federations	77.2	80.1	88.6	97.5	8.1%	57.2%	103.2	109.0	115.0	5.6%	64.9%
The Sports Trust	21.6	27.5	20.5	21.4	-0.4%	15.2%	22.6	23.9	25.2	5.6%	14.2%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 5: Sport Infrastructure Support

Programme purpose

Regulate and manage the provision of sport and recreation facilities.

Objectives

- Improve decision-making and maximise the use of available resources by assisting all provinces in compiling accurate facility audits and using these audits to lobby municipalities to provide facilities where they are needed over the medium term.
- Assist municipalities in complying with facility norms and standards by providing technical and management support during the construction phase of sport and recreation facilities on an ongoing basis.

Subprogrammes

- *Programme Management: Infrastructure Support* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions.
- *Sport and Recreation Facility Management* provides technical assistance to local authorities and other relevant stakeholders for constructing and managing sport facilities to ensure compliance with national standards.
- *Sport and Recreation Facility Planning* lobbies for, facilitates and coordinates the provision of sport and recreation facilities by municipalities and other relevant institutions. This subprogramme also works closely with the Department of Cooperative Governance and Traditional Affairs to use a portion of the *municipal infrastructure grant* ringfenced for sport and recreation facilities.

Expenditure trends and estimates

Table 40.13 Sport Infrastructure Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme Management: Infrastructure Support	–	–	0.0	1.3	–	4.0%	2.4	2.6	2.7	27.9%	15.5%
Sport and Recreation Facility Management	2.7	0.7	8.5	7.2	37.8%	59.0%	7.9	9.3	9.9	11.4%	59.3%
Sport and Recreation Facility Planning	2.2	2.1	4.0	3.6	17.8%	36.9%	3.4	3.7	3.9	3.0%	25.2%
Total	4.9	2.8	12.5	12.1	34.7%	100.0%	13.8	15.5	16.5	11.1%	100.0%
Change to 2017 Budget estimate				–			0.0	(0.2)	(0.2)		
Economic classification											
Current payments	4.9	2.8	12.0	12.1	34.7%	98.3%	13.8	15.5	16.5	11.1%	100.0%
Compensation of employees	2.3	2.0	2.1	4.9	29.1%	34.5%	5.2	6.5	7.0	13.1%	40.9%
Goods and services ¹	2.7	0.9	9.9	7.2	39.0%	63.7%	8.5	9.0	9.5	9.8%	59.1%
of which:											
Communication	0.0	0.0	0.1	0.2	81.2%	1.1%	0.2	0.2	0.3	5.7%	1.7%
Contractors	2.4	0.5	4.8	4.0	18.4%	36.0%	4.8	5.1	5.4	10.5%	33.4%
Travel and subsistence	0.4	0.3	0.7	2.2	74.3%	11.2%	2.5	2.6	2.8	7.7%	17.4%
Training and development	–	–	–	0.6	–	1.9%	0.8	0.8	0.9	14.1%	5.4%
Operating payments	0.0	0.0	0.0	0.1	30.0%	0.4%	0.1	0.1	0.1	5.6%	0.7%
Payments for financial assets	–	–	0.6	–	–	1.7%	–	–	–	–	–
Total	4.9	2.8	12.5	12.1	34.7%	100.0%	13.8	15.5	16.5	11.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.3%	1.2%	1.1%	–	–	1.3%	1.3%	1.4%	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

Boxing South Africa administers professional boxing, recognises amateur boxing, creates synergy between professional and amateur boxing, and promotes interaction between associations of boxers, managers, promoters and trainers. The organisation's total budget for 2018/19 is R15 million.

The **South African Institute for Drug-Free Sport** promotes participation in sport without the use of prohibited performance enhancing substances and methods, and educates sportspeople on fair play and the harmful effects of the use of prohibited performance enhancing substances and methods. The institute's total budget for 2018/19 is R30.9 million.