



2019
BUDGET
ESTIMATES OF
NATIONAL EXPENDITURE

VOTE
7

NATIONAL TREASURY



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2019

National Treasury

Republic of South Africa



ISBN: 978-0-621-47021-5

RP: 17/2019

The 2019 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.

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 applicable.

Foreword

The Estimates of National Expenditure (ENE) publications are an integral part of the comprehensive annual budget process. The economic climate has made it necessary to focus on reprioritising existing resources towards areas where the most value can be derived for all South Africans. The budgets shown in this document reflect the outcome of a robust negotiation process, led by a committee of senior officials in central government departments, under the political guidance of the Ministers' Committee on the Budget. There was also wide-ranging intergovernmental consultation on budgets in the provincial and local spheres of government. Ultimately, these decisions are considered and endorsed by Cabinet.

The ENE publications present the detail of national government's expenditure estimates for the three-year 2019 medium-term expenditure framework period, most importantly for 2019/20 allocations contained in the Appropriation Bill, 2019, as tabled by the Minister of Finance, for Parliament's consideration and adoption.

The abridged ENE provides extensive information on the priorities, spending plans and service delivery commitments of all 40 national government votes, as well as for associated government agencies. The e-publications for each vote contain more detail on goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

This information in these chapters ensures that Parliament, the public, civil society, the media, government departments, public entities and the executive can keep state institutions accountable and ensure that public funds are spent to achieve the outcomes for which they were intended. Since its launch in February 2018, the Vulekamali online portal has become the main source of transparent, user-friendly information, including information contained in ENE publications, for anybody who wants to know more about how government compiles its budget and spends public funds. The website, www.vulekamali.gov.za, continues to evolve, and now also provides geospatial information on government's infrastructure projects, which are focal in this year's budget as a key impetus for economic growth. I encourage you to be active citizens and use this information to hold government accountable for obtaining the best possible outcomes with the funds entrusted to it.

I wish to thank the executive for the political leadership shown in the budget process, our government colleagues for all of their efforts and contributions, and my team at the department for working diligently to bring it all together.



Dondo Mogajane
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2019 MTEF period is from 2019/20 to 2021/22.

The ENE publications contain 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, personnel, significant as well as detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for entities that report to the vote's executive authority. Explanatory narratives set out the institution's purpose (and that of its programmes), its mandate and programme-level objectives and descriptions of subprogrammes. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. Summary data tables at the end of each vote contain data on provincial and municipal conditional grants, public-private partnerships, donor funding, infrastructure, and expenditure at the level of site service delivery, where applicable.

A separate 2019 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2019 ENE Overview contains a narrative explanation and budget-wide summary tables; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

National Treasury

National Treasury

Republic of South Africa



Contents

Budget summary	1
Vote purpose	1
Mandate	1
Selected performance indicators	2
Expenditure analysis	3
Expenditure trends	6
Expenditure estimates	7
Expenditure trends and estimates for significant spending items	7
Goods and services expenditure trends and estimates	8
Transfers and subsidies expenditure trends and estimates	8
Personnel information	10
Departmental receipts	10
Programme 1: Administration	11
Programme 2: Economic Policy, Tax, Financial Regulation and Research	13
Programme 3: Public Finance and Budget Management	15
Programme 4: Asset and Liability Management	17
Programme 5: Financial Accounting and Supply Chain Management Systems	19
Programme 6: International Financial Relations	21
Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits	24
Programme 8: Technical Support and Development Finance	26
Programme 9: Revenue Administration	27
Entities	30
Additional tables	68

Vote 7

National Treasury

Budget summary

R million	2019/20					2020/21	2021/22
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	555.7	533.4	4.1	18.2	–	599.4	636.8
Economic Policy, Tax, Financial Regulation and Research	149.7	128.1	20.8	0.9	–	159.6	169.0
Public Finance and Budget Management	320.0	263.3	54.3	2.4	–	325.3	344.2
Asset and Liability Management	108.4	107.7	–	0.7	–	116.1	122.0
Financial Accounting and Supply Chain Management Systems	1 093.6	970.0	109.7	13.9	–	1 159.2	1 222.6
International Financial Relations	5 751.5	65.6	1 027.3	0.7	4 657.9	6 059.3	6 396.6
Civil and Military Pensions, Contributions to Funds and Other Benefits	5 574.5	72.7	5 501.8	–	–	5 590.2	5 895.3
Technical Support and Development Finance	2 737.6	365.3	2 372.3	–	–	2 965.4	3 176.2
Revenue Administration	9 529.0	–	9 529.0	–	–	10 110.0	10 673.1
Financial Intelligence and State Security	4 951.1	–	4 951.1	–	–	5 223.2	5 510.5
Subtotal	30 771.1	2 506.1	23 570.3	36.8	4 657.9	32 307.7	34 146.3
Direct charge against the National Revenue Fund							
Provincial equitable share	505 553.8	–	505 553.8	–	–	542 908.6	578 645.2
Debt-service costs	202 207.8	202 207.8	–	–	–	224 066.1	247 408.4
General fuel levy sharing with metropolitan municipalities	13 166.8	–	13 166.8	–	–	14 026.9	15 182.5
National Revenue Fund payments	135.3	–	–	–	135.3	–	–
Total expenditure estimates	751 834.8	204 713.9	542 290.9	36.8	4 793.2	813 309.3	875 382.4
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 South Africa'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		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive growth	44.2% (R1.8tr)	45.6% (R2tr)	48% (R2.3tr)	50.3% (R2.5tr)	52.3% (R2.8tr)	54.2% (R3.1tr)	55.6% (R3.5tr)
Value of government gross annual borrowing	Asset and Liability Management		R200.4bn	R240.9bn	R237bn	R224.1bn	R335.3bn	R327.7bn	R331.8bn
Cost to service debt as a percentage of GDP	Asset and Liability Management		3.1% (R128.8bn)	3.3% (R146.5bn)	3.4% (R162.6bn)	3.6% (R180.1bn)	3.7% (R202.2bn)	3.9% (R224.1bn)	4.0% (R247.4bn)
Number of municipal officials trained in financial management competencies per year	Financial Accounting and Supply Chain Management Systems	Outcome 12: An efficient, effective and development-oriented public service	1 380	1 080	1 458	1 000	1 000	1 000	1 000
Number of transversal term contracts implemented per year ¹	Financial Accounting and Supply Chain Management Systems		14	28	17	22	25	28	15
Number of tenders advertised on an electronic tendering platform for contracts per year ²	Financial Accounting and Supply Chain Management Systems		– ³	– ³	17	10 000 ⁴	10 000	10 000	10 000
Number of investment plans completed per year ⁵	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	– ³	4	4	4	2	2	2
Number of catalytic projects approved per year	Technical Support and Development Finance		352	459	27	20	20	20	20
Number of programmes in integration zones identified for planning per year ⁶	Technical Support and Development Finance		30	12	12	12	12	12	14
Number of programmes in integration zones under implementation per year ⁶	Technical Support and Development Finance		13	8	10	10	10	10	10
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	142 445	136 069	149 043	150 000	160 000	160 000	160 000
Total number of placements contracted on the Jobs Fund across the term of project ⁷	Technical Support and Development Finance		77 317	90 087	70 744	105 000	80 000	80 000	80 000

- Indicator revised to include newly implemented transversal term contracts.
- Old indicator selected for publication in the 2019 Estimates of National Expenditure.
- No historical data available.
- Increase is due to the performance indicator being revised to include all tenders, not only transversal tenders.
- Indicator revised to measure all investment plans, not only precinct plans.
- Indicator reworded to reflect a group of projects managed in a coordinated way.
- Fluctuation due to project withdrawals after approval by the investment committee but prior to contracting.

Expenditure analysis

Chapter 3 of the National Development Plan sets out a vision for South Africa to build an inclusive economy that advances social equality. This vision is expressed in terms of outcome 4 (decent employment through inclusive growth), outcome 8 (sustainable human settlements and improved quality of household life), 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, which are closely aligned with the work of National Treasury. The department's continual focus, therefore, remains on: reviewing tax policy and strengthening regulation in the financial sector, managing future spending growth and fiscal risk, managing government's assets and liabilities, making government procurement more efficient, strengthening government financial management, facilitating regional and international cooperation, supporting sustainable employment, and supporting infrastructure development and economically integrated cities and communities.

The department's total budget over the medium term is R2.4 trillion, with transfers to provincial governments for the provincial equitable share accounting for 66.6 per cent per cent (R1.6 trillion) of total expenditure. These transfers increase at an average annual rate of 7.2 per cent, from R505.6 billion in 2019/20 to R578.6 billion in 2021/22, due to increases approved by Cabinet in the provincial equitable share amounting to R2.5 billion over the MTEF period. The increases in the provincial equitable share over the MTEF period are aimed at improving the capacity of provincial treasuries to manage municipal interventions and roll out provincial infrastructure, increasing capacity in the health sector for the medical interns training programme, and sector internships, and for facilitating provincial governments' social protection and community development function. The department's second largest spending area is servicing government's debt. In this regard, Cabinet has approved increases amounting to R29.8 billion over the medium term to cater for higher debt service costs. The department anticipates spending R673.7 billion over the MTEF period to service government's debt. Distributing the general fuel levy to metropolitan municipalities is the third largest cost driver, amounting to R42.4 billion over the MTEF period.

Reviewing tax policy and strengthening regulation in the financial sector

Over the medium term, the department aims to finalise 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; and the publication of the draft Carbon Tax Bill for public comment and its introduction in Parliament. Spending on these activities amounts to a projected R100 million over the medium term in the *Tax Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

The Financial Sector Regulation Amendment Bill and Financial Matters Amendment Bill were published for public comment in 2018/19. These bills provide for the licencing of state banks, the orderly curatorship and resolution of banks in distress, and the establishment of a deposit insurance scheme at the Reserve Bank. These bills will be supported through parliamentary processes in 2018/19 and 2019/20. To streamline regulations applicable to financial institutions, a new law for the proportionate regulation of the market conduct of all institutions in the financial sector will also be developed over the medium term. Spending on these activities amounts to a projected R79.7 million over the MTEF period in the *Financial Sector Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

Managing future spending growth and fiscal risk

Over the MTEF period, the department plans to ensure that all government departments remain within spending limits approved by Cabinet. The department will also continue to provide financial analyses of government programmes and advise on policy and service delivery trends. Spending on these activities amounts to a projected R989.5 million over the medium term in the *Public Finance and Budget Management* programme.

Managing government's assets and liabilities

To address the significant increase in government's contingent liabilities, over the MTEF period, the department

plans to develop a framework for reducing the number of government guarantees issued to public entities and improving the risk exposure from such guarantees. The department also plans to continue financing government's gross borrowing requirements in domestic and international capital markets, and maintaining prudent cash management to ensure that government is able to meet its financial obligations. Spending on these activities amounts to a projected R346.4 million over the medium term in the *Asset and Liability Management* programme.

Making government procurement more efficient

Over the medium term, the Office of the Chief Procurement Officer will continue to monitor government procurement and identify malpractices that result in procurement irregularities. The process to finalise the draft Public Procurement Bill will also be enhanced in 2019/20. Once effected, the legislation will introduce a series of governance reforms to the contemporary public procurement process and improve access to opportunities for small, medium and micro enterprises (SMMEs). Implementation of the strategic procurement framework will be extended to local government and state-owned companies over the MTEF period; and the e-procurement and delivery management standard to guide stakeholders through procurement and delivery management processes is currently being developed, to be completed in 2019/20. Spending on activities related to government procurement processes amounts to a projected R668.3 million over the medium term in the *Programme Management for Financial Accounting and Supply Chain Management Systems* and *Office of the Chief Procurement Officer* subprogrammes in the *Financial Accounting and Supply Chain Management Systems* 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. As at 2018/19, phases 1 and 2A were completed, with phase 2B expected to be completed by 2021/22. During phase 2B of the programme, National Treasury's corporate service units and the Department of Public Service and Administration will align their business processes with the solutions developed in the previous phases; and participate in business process configuration, user acceptance testing and data purification exercises. Spending on activities related to the integrated financial management system amounts to a projected R769.8 million over the MTEF period in the *Financial Systems* subprogramme in the *Financial Accounting and Supply Chain Management Systems* programme.

The department promotes and supports financial management reform and builds capacity in municipalities to improve the implementation of the Municipal Finance Management Act (2003) through the *local government financial management grant*. Funds disbursed through the grant over the medium term assist in: strengthening municipal budgets and improving the capacity of municipal budget and treasury offices, internal audit units and audit committees; providing for the appointment of more than 1 200 financial management interns and their training; investing in financial management systems; implementing reforms that include the development of financial recovery plans; implementing consequence management processes; and attending to matters arising from audit outcomes. Over the medium term, funding from the grant is also expected to support the implementation of current reforms in financial management, and new reforms for addressing shortcomings identified in the financial management capability maturity model. The grant is allocated R1.7 billion over the MTEF period in the *Local Government Financial Management Support* subprogramme in the *Technical Support and Development Finance* programme.

Facilitating international and regional 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 at 2018/19, South Africa made capital contributions to the bank amounting to R14.1 billion. Over the medium term, the department expects to make further capital contributions amounting to R13.5 billion. These funds are budgeted for in the *International Development*

Funding Institutions subprogramme in the *International Financial Relations* programme. Thus far, the New Development Bank has approved US\$680 million to fund South Africa's development initiatives in the energy, transport and logistics sectors. In addition, approximately US\$1.5 billion per year is available for funding the country's infrastructure build programme over the medium term.

To facilitate regional cooperation, compensation to member countries of the Common Monetary Area for the use of the rand as currency in Namibia, Lesotho and Swaziland amounts to a projected R2.7 billion over the medium term in the *African Integration and Support* subprogramme in the *International Financial Relations* programme.

Supporting sustainable employment

The Jobs Fund was launched in 2011 with a total operating budget of R9 billion to create 150 000 permanent jobs by 2023. As at 30 September 2018, the fund's 124 implementing projects reported that 116 498 new permanent jobs were created, and an additional 51 178 unemployed individuals had been placed in permanent employment. In addition, 245 743 people have benefitted from work readiness and technical training interventions. R6.7 billion of the fund's total budget has been allocated to date in a portfolio of 127 approved employment generating initiatives, and an additional R9.5 billion to date has been committed from project partners in the form of matched funding. The department anticipates spending R2.7 billion over the medium term in the *Employment Creation Facilitation* subprogramme in the *Technical Support and Development Finance* programme on activities related to the creation of sustainable employment.

Supporting infrastructure development, and economically integrated cities and communities

The *integrated city development grant* provides a financial incentive for metropolitan municipalities to plan for, prepare and implement their infrastructure investment programmes in a focused way. Funding from the grant supports programme preparation and supplements cities' capital budgets to leverage loan financing and other investments from the private sector. Transfers to the grant amount to a projected R989.2 million over the medium term in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme.

The *neighbourhood development partnership grant* supports metropolitan municipalities and intermediate city municipalities in planning and developing multifunctional urban precincts. Over the MTEF period, the grant is expected to support an estimated 18 urban hub precinct plans that seek to prioritise 60 catalytic infrastructure projects. Transfers to the grant amount to a projected R2.1 billion over the MTEF period in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme.

In respect of the infrastructure delivery improvement programme, implementation of the co-funding model has assisted provinces in setting up infrastructure units to support provincial departments and local government. Accordingly, over the medium term, an estimated 300 provincial officials are expected to be trained on the programme's infrastructure delivery management system at a projected cost of R101.3 million in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme.

The *infrastructure skills development grant* supports municipalities by recruiting and training unemployed graduates in the built environment towards their achieving professional registration with the relevant statutory councils. The grant has thus far funded the training of 648 graduates from various municipalities, with 241 graduates having completed the training, of which 200 have been permanently appointed. R474 million is allocated over the medium term in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme to further support this training initiative.

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	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	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Programme 1	366.7	363.6	375.6	412.7	467.4	436.3	414.3	439.1	437.9	484.7	473.8	473.5	102.7%	98.8%
Programme 2	133.9	135.4	131.3	146.1	150.2	151.2	139.6	164.0	151.9	141.0	152.8	152.8	104.7%	97.5%
Programme 3	257.0	266.1	262.6	287.0	294.5	281.8	286.1	303.0	288.6	290.1	298.0	298.2	101.0%	97.4%
Programme 4	3 116.9	3 264.9	3 264.3	107.2	113.1	110.1	102.4	10 100.3	10 089.8	110.4	101.6	101.5	394.7%	99.9%
Programme 5	751.4	807.1	774.5	849.9	1 216.8	1 209.9	1 087.9	1 079.1	885.8	1 196.6	1 194.1	941.0	98.1%	88.7%
Programme 6	1 247.4	3 254.9	3 546.1	5 039.1	4 978.0	4 955.8	5 836.8	5 831.4	5 469.8	5 402.1	5 542.8	5 828.2	113.0%	101.0%
Programme 7	3 962.9	3 962.9	3 967.7	4 173.2	4 462.6	4 400.2	4 835.0	4 835.0	4 618.1	5 163.8	5 163.8	5 057.3	99.5%	97.9%
Programme 8	3 143.9	2 774.6	2 472.2	2 634.7	2 612.7	2 478.4	2 873.3	2 558.5	2 526.4	2 798.8	3 012.5	2 926.8	90.9%	94.9%
Programme 9	9 434.4	9 334.4	9 334.4	10 009.2	9 363.7	9 363.7	10 218.2	10 168.2	10 218.2	9 007.2	9 007.2	9 007.2	98.1%	100.1%
Programme 10	4 542.8	4 562.1	4 562.1	4 812.5	4 812.5	4 812.5	5 005.6	5 005.6	5 105.6	4 763.5	4 763.5	4 763.5	100.6%	100.5%
Subtotal	26 957.3	28 726.1	28 690.8	28 471.4	28 471.4	28 199.8	30 799.2	40 484.3	39 792.1	29 358.4	29 710.2	29 550.0	109.2%	99.1%
Direct charge against the National Revenue Fund	519 893.8	525 742.6	526 636.1	569 787.4	570 833.0	570 197.1	615 856.8	616 714.0	616 347.8	663 014.1	664 004.0	665 795.9	100.4%	100.1%
Provincial equitable share	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	470 286.5	470 286.5	470 286.5	100.2%	100.0%
Debt-service costs	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 496.7	162 353.1	163 347.9	162 644.6	180 124.0	181 099.0	182 879.3	100.7%	100.1%
General fuel levy sharing with metropolitan municipalities	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	12 468.6	12 468.6	12 468.6	100.0%	100.0%
National Revenue Fund payments	121.0	681.7	681.7	145.0	1 221.4	1 778.0	387.6	250.0	587.1	135.1	149.9	161.5	406.8%	139.3%
Total	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5	598 396.9	646 656.0	657 198.4	656 139.9	692 372.5	693 714.3	695 345.9	100.8%	100.0%
Change to 2018 Budget estimate										1 341.8				
Economic classification														
Current payments	128 399.9	129 835.9	130 632.9	149 824.3	150 192.2	148 454.1	164 701.8	165 703.0	164 574.6	182 649.8	184 010.8	185 537.8	100.6%	99.9%
Compensation of employees	725.5	733.4	732.7	817.6	815.7	786.4	799.3	823.3	803.7	807.8	807.8	807.8	99.4%	98.4%
Goods and services	1 234.0	1 200.4	1 104.6	1 286.8	1 687.2	1 171.0	1 549.4	1 531.8	1 126.3	1 718.1	2 104.0	1 850.8	90.7%	80.5%
Interest and rent on land	126 440.4	127 902.0	128 795.6	147 720.0	147 689.2	146 496.7	162 353.1	163 347.9	162 644.6	180 124.0	181 099.0	182 879.3	100.7%	100.1%
Transfers and subsidies	414 943.1	418 317.6	418 133.0	444 099.4	443 832.7	443 701.1	476 681.9	476 352.2	476 565.4	505 164.5	505 157.9	505 141.0	100.1%	100.0%
Provinces and municipalities	394 767.6	398 594.2	398 570.7	423 409.0	423 409.0	423 376.8	454 714.4	454 714.4	454 708.9	484 296.6	484 296.6	484 296.6	100.2%	100.0%
Departmental agencies and accounts	15 420.4	15 042.1	14 816.6	15 741.5	15 096.0	15 074.1	16 281.0	15 951.0	16 251.0	14 796.7	14 624.1	14 538.3	97.5%	99.9%
Foreign governments and international organisations	854.1	777.9	831.3	838.0	925.5	907.6	917.5	913.3	1 042.1	975.5	1 137.9	1 313.3	114.2%	109.0%
Households	3 900.9	3 903.5	3 914.3	4 111.0	4 402.2	4 342.5	4 769.0	4 773.5	4 563.4	5 095.8	5 099.3	4 992.8	99.6%	98.0%
Payments for capital assets	16.4	26.1	33.2	38.0	56.9	462.5	15.7	24.1	27.0	45.8	42.6	42.6	487.9%	377.6%
Buildings and other fixed structures	-	0.4	-	-	0.2	-	-	-	-	-	-	-	-	-
Machinery and equipment	16.4	25.7	33.2	37.9	56.7	46.4	15.7	19.4	27.0	34.6	31.8	31.8	132.4%	103.6%
Software and other intangible assets	-	-	-	0.0	0.0	416.1	-	4.7	0.0	11.3	10.8	10.8	3 775.8%	2 751.1%
Payments for financial assets	3 491.7	6 289.0	6 527.9	4 297.2	5 222.6	5 779.2	5 256.7	15 119.1	14 972.8	4 512.3	4 502.9	4 624.6	181.7%	102.5%
Total	546 851.1	554 468.7	555 327.0	598 258.8	599 304.5	598 396.9	646 656.0	657 198.4	656 139.9	692 372.5	693 714.3	695 345.9	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	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Programme 1	473.5	9.2%	0.1%	555.7	599.4	636.8	10.4%	0.1%
Programme 2	152.8	4.1%	0.0%	149.7	159.6	169.0	3.4%	0.0%
Programme 3	298.2	3.9%	0.0%	320.0	325.3	344.2	4.9%	0.0%
Programme 4	101.5	-68.6%	0.5%	108.4	116.1	122.0	6.3%	0.0%
Programme 5	941.0	5.2%	0.2%	1 093.6	1 159.2	1 222.6	9.1%	0.1%
Programme 6	5 828.2	21.4%	0.8%	5 751.5	6 059.3	6 396.6	3.2%	0.8%
Programme 7	5 057.3	8.5%	0.7%	5 574.5	5 590.2	5 895.3	5.2%	0.7%
Programme 8	2 926.8	1.8%	0.4%	2 737.6	2 965.4	3 176.2	2.8%	0.4%
Programme 9	9 007.2	-1.2%	1.5%	9 529.0	10 110.0	10 673.1	5.8%	1.3%
Programme 10	4 763.5	1.5%	0.8%	4 951.1	5 223.2	5 510.5	5.0%	0.7%
Subtotal	29 550.0	0.9%	5.0%	30 771.1	32 307.7	34 146.3	4.9%	4.0%
Direct charge against the National Revenue Fund	665 795.9	8.2%	95.0%	721 050.3	779 913.3	838 148.0	8.0%	96.0%
Provincial equitable share	470 286.5	6.8%	68.2%	505 553.8	542 908.6	578 645.2	7.2%	66.9%
Debt-service costs	182 879.3	12.7%	24.8%	202 207.8	224 066.1	247 408.4	10.7%	27.3%
General fuel levy sharing with metropolitan municipalities	12 468.6	5.4%	1.8%	13 166.8	14 026.9	15 182.5	6.8%	1.7%
National Revenue Fund payments	161.5	-38.1%	0.1%	135.3	–	–	-100.0%	0.0%
Total	695 345.9	7.8%	100.0%	751 834.8	813 309.3	875 382.4	8.0%	100.0%
Change to 2018 Budget estimate				5 377.4	5 390.8	10 110.0	15 939.2	
Economic classification								
Current payments	185 537.8	12.6%	25.1%	204 700.5	225 637.1	247 133.0	10.6%	27.6%
Compensation of employees	807.8	3.3%	0.1%	869.3	934.5	995.3	7.2%	0.1%
Goods and services	1 850.8	15.5%	0.2%	1 636.8	1 724.7	1 817.4	-0.6%	0.2%
Interest and rent on land	182 879.3	12.7%	24.8%	202 207.8	224 066.1	247 408.4	10.7%	27.3%
Transfers and subsidies	505 141.0	6.5%	73.6%	542 290.9	581 642.1	619 943.2	7.1%	71.7%
Provinces and municipalities	484 296.6	6.7%	70.3%	520 334.0	558 637.4	595 642.8	7.1%	68.9%
Departmental agencies and accounts	14 538.3	-1.1%	2.4%	15 424.0	16 403.7	17 338.7	6.0%	2.0%
Foreign governments and international organisations	1 313.3	19.1%	0.2%	1 030.1	1 086.8	1 146.6	-4.4%	0.1%
Households	4 992.8	8.6%	0.7%	5 502.7	5 514.2	5 815.1	5.2%	0.7%
Payments for capital assets	42.6	17.7%	0.0%	36.8	28.2	34.2	-7.1%	0.0%
Machinery and equipment	31.8	7.5%	0.0%	29.3	25.8	31.8	-0.1%	0.0%
Software and other intangible assets	10.8	–	0.0%	7.5	2.5	2.4	-39.4%	0.0%
Payments for financial assets	4 624.6	-9.7%	1.3%	4 793.2	4 913.7	5 183.9	3.9%	0.6%
Total	695 345.9	7.8%	100.0%	751 834.8	813 309.3	875 382.4	8.0%	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 (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
South African Revenue Service	9 334 439	9 363 676	10 218 198	9 007 217	-1.2%	30.0%	9 529 031	10 110 017	10 673 090	5.8%	31.0%
Post-retirement medical scheme	2 107 413	2 133 462	2 458 759	2 850 303	10.6%	7.6%	2 893 297	3 064 719	3 233 279	4.3%	9.5%
Secret Services	4 322 574	4 556 115	4 835 448	4 484 817	1.2%	14.4%	4 656 729	4 912 674	5 182 871	4.9%	15.2%
Government Technical Advisory Centre	693 000	625 602	524 964	605 000	-4.4%	1.9%	712 073	823 769	894 834	13.9%	2.4%
BRICS	2 298 000	3 515 000	4 087 500	3 991 000	20.2%	11.0%	4 250 000	4 483 360	4 729 945	5.8%	13.8%
Total	18 755 426	20 193 855	22 124 869	20 938 337	3.7%	65.0%	22 041 130	23 394 539	24 714 019	5.7%	71.9%

Goods and services expenditure trends and estimates

Table 7.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average Expenditure/ Total (%)
Administrative fees	3 510	3 264	5 900	6 453	22.5%	0.3%	3 483	3 884	4 101	-14.0%	0.2%
Advertising	6 344	705	832	2 417	-27.5%	0.2%	1 977	2 037	2 087	-4.8%	0.1%
Minor assets	523	330	448	4 806	109.5%	0.1%	3 754	1 927	2 622	-18.3%	0.2%
Audit costs: External	11 819	11 586	16 394	15 163	8.7%	1.0%	15 444	16 845	16 706	3.3%	0.9%
Bursaries: Employees	4 802	5 648	5 700	6 997	13.4%	0.4%	9 429	9 534	9 914	12.3%	0.5%
Catering: Departmental activities	1 098	1 271	1 100	2 113	24.4%	0.1%	2 119	2 208	2 258	2.2%	0.1%
Communication	7 976	5 869	7 758	8 449	1.9%	0.5%	9 866	10 539	11 247	10.0%	0.6%
Computer services	368 743	402 010	380 744	610 725	18.3%	32.0%	532 344	570 821	600 380	-0.6%	31.8%
Consultants: Business and advisory services	516 740	534 128	487 047	793 368	15.4%	42.3%	782 305	813 054	859 885	2.7%	44.6%
Infrastructure and planning services	-	-	64	400 000	-	7.3%	-	-	-	-100.0%	5.5%
Legal services	12 126	14 944	15 285	19 304	16.8%	1.1%	16 568	16 845	17 718	-2.8%	1.0%
Contractors	2 414	2 374	14 466	15 613	86.3%	0.6%	12 443	13 188	14 144	-3.2%	0.8%
Agency and support/outourced services	11 052	11 908	7 032	7 137	-13.6%	0.7%	6 930	7 611	8 013	3.9%	0.4%
Entertainment	121	88	84	517	62.3%	-	536	537	551	2.1%	-
Fleet services (including government motor transport)	1 350	1 478	3 134	3 127	32.3%	0.2%	2 904	2 960	2 982	-1.6%	0.2%
Inventory: Clothing material and accessories	13	8	123	-	-100.0%	-	-	-	-	-	-
Consumable supplies	2 183	2 365	2 217	3 168	13.2%	0.2%	3 657	3 864	3 930	7.4%	0.2%
Consumables: Stationery, printing and office supplies	10 724	7 685	13 182	14 074	9.5%	0.8%	9 166	9 669	10 166	-10.3%	0.6%
Operating leases	52 928	71 130	66 034	81 065	15.3%	4.9%	91 400	105 996	105 248	9.1%	5.3%
Rental and hiring	10	-	-	-	-100.0%	-	-	-	-	-	-
Property payments	23 057	25 260	23 963	25 686	3.7%	1.8%	34 848	38 276	40 499	16.4%	1.9%
Transport provided: Departmental activity	1 185	-	-	-	-100.0%	-	-	-	-	-	-
Travel and subsistence	44 313	48 051	59 985	61 249	11.4%	3.9%	62 841	65 905	69 248	4.2%	3.6%
Training and development	4 908	5 855	3 352	7 425	14.8%	0.4%	7 695	8 925	9 246	7.6%	0.5%
Operating payments	10 301	9 335	4 164	5 807	-17.4%	0.5%	11 528	12 177	13 384	32.1%	0.6%
Venues and facilities	6 310	5 691	7 312	9 359	14.0%	0.5%	15 523	7 849	13 108	11.9%	0.6%
Total	1 104 550	1 170 983	1 126 320	2 104 022	24.0%	100.0%	1 636 760	1 724 651	1 817 437	-4.8%	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	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average Expenditure/ Total (%)
Households											
Social benefits											
Current	3 912 827	4 341 422	4 560 534	5 097 558	9.2%	1.0%	5 500 713	5 512 199	5 812 975	4.5%	1.0%
Employee social benefits	3 812	3 778	5 773	5 313	11.7%	-	1 768	1 668	1 760	-30.8%	-
Contribution to provident funds for associated institutions	339	314	248	330	-0.9%	-	360	380	401	6.7%	-
Parliamentary awards	19	17	18	24	8.1%	-	25	26	27	4.0%	-
Other benefits	82 512	92 820	87 805	94 584	4.7%	-	104 093	109 819	115 859	7.0%	-
Injury on duty	514 865	563 450	598 974	652 309	8.2%	0.1%	688 838	726 724	766 694	5.5%	0.1%
Post-retirement medical scheme	2 107 413	2 133 462	2 458 759	2 850 303	10.6%	0.5%	2 893 297	3 064 719	3 233 279	4.3%	0.5%
Special pensions	439 801	447 781	459 964	468 200	2.1%	0.1%	468 000	480 000	506 400	2.6%	0.1%
Political Office Bearers Pension Fund	-	-	-	68 272	-	-	323 224	50 001	50 356	-9.6%	-
Pension benefits: President of South Africa	7 275	7 732	7 407	11 732	17.3%	-	12 894	14 277	15 062	8.7%	-
Military pensions: Ex-servicemen and servicewomen	2 879	2 285	1 753	1 600	-17.8%	-	2 801	2 599	2 742	19.7%	-
South African citizen force	166 202	175 485	190 998	193 647	5.2%	-	205 293	217 131	229 073	5.8%	-
Civil protection	19	19	19	19	-	-	19	20	21	3.4%	-
Other benefits: Ex-servicemen and servicewomen	10 491	12 279	11 516	11 021	1.7%	-	18 318	19 910	21 005	24.0%	-
Non-statutory forces	575 000	899 600	737 300	737 300	8.6%	0.2%	778 589	821 411	866 589	5.5%	0.1%
Post-retirement medical scheme - Parliamentary staff	2 200	2 400	-	2 904	9.7%	-	3 194	3 514	3 707	8.5%	-

Table 7.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%) 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/ Total (%) 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	13 552 569	13 610 586	14 781 389	12 982 300	-1.4%	3.0%	13 291 630	14 095 465	14 896 475	4.7%	2.4%
Finance and Accounting Services	1 850	2 085	2 038	2 100	4.3%	-	2 140	2 258	2 382	4.3%	-
Sector Education and Training Authority											
Communication	9	9	9	20	30.5%	-	21	-	-	-100.0%	-
Cooperative Banks Development Agency	17 341	16 872	19 275	19 883	4.7%	-	20 759	21 823	23 023	5.0%	-
Financial and Fiscal Commission	41 156	44 839	50 647	51 782	8.0%	-	54 319	57 309	60 461	5.3%	-
Accounting Standards Board	11 274	12 517	13 463	14 054	7.6%	-	14 340	15 124	15 955	4.3%	-
Independent Regulatory Board for Auditors	29 999	28 978	39 624	40 874	10.9%	-	43 163	45 537	48 042	5.5%	-
Auditor-General of South Africa	41 856	79 075	196 278	47 738	4.5%	-	50 411	53 184	56 109	5.5%	-
Government Technical Advisory Centre	776 062	713 608	605 040	676 073	-4.5%	0.2%	757 978	874 361	948 210	11.9%	0.1%
South African Revenue Service: Operations	8 390 995	8 320 321	9 041 607	7 757 918	-2.6%	1.8%	7 814 599	8 242 778	8 696 131	3.9%	1.4%
South African Revenue Service: Office of the Tax Ombud	-	-	35 030	41 527	-	-	40 308	42 525	44 864	2.6%	-
Financial Intelligence Centre: Operations	226 664	239 641	254 941	262 581	5.0%	0.1%	277 285	292 537	308 627	5.5%	0.1%
Secret Services: Operations	4 015 363	4 152 641	4 523 437	4 067 750	0.4%	0.9%	4 216 307	4 448 029	4 692 671	4.9%	0.8%
Capital	1 264 026	1 463 560	1 469 564	1 641 759	9.1%	0.3%	2 132 414	2 308 210	2 442 183	14.2%	0.4%
Government Technical Advisory Centre	547	-	742	785	12.8%	-	829	875	923	5.5%	-
South African Revenue Service: Machinery and equipment	943 444	1 043 355	1 141 561	1 207 772	8.6%	0.2%	1 674 124	1 824 714	1 932 095	17.0%	0.3%
Financial Intelligence Centre: Machinery and equipment	12 824	16 731	15 250	16 135	8.0%	-	17 039	17 976	18 965	5.5%	-
Secret Services: Machinery and equipment	307 211	403 474	312 011	417 067	10.7%	0.1%	440 422	464 645	490 200	5.5%	0.1%
Households											
Other transfers to households											
Current	1 484	1 093	2 869	1 782	6.3%	-	1 943	2 050	2 126	6.1%	-
Bursaries for non-employees	1 394	1 080	1 373	1 782	8.5%	-	1 943	2 050	2 126	6.1%	-
Employee social benefits	90	13	1 496	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Municipal bank accounts											
Current	11 235 865	11 819 565	12 427 803	13 114 612	5.3%	2.6%	13 849 031	14 746 521	15 941 718	6.7%	2.6%
Local government financial management grant	452 491	465 264	502 006	504 566	3.7%	0.1%	532 822	561 713	592 607	5.5%	0.1%
Infrastructure skills development grant	124 465	130 471	140 774	141 492	4.4%	-	149 416	157 930	166 616	5.6%	-
General fuel levy sharing with metropolitan municipalities	10 658 909	11 223 830	11 785 023	12 468 554	5.4%	2.5%	13 166 793	14 026 878	15 182 495	6.8%	2.4%
Capital	834 875	858 665	949 958	895 476	2.4%	0.2%	931 223	982 255	1 055 925	5.6%	0.2%
Integrated city development grant	251 300	266 805	292 119	293 609	5.3%	0.1%	310 051	327 319	351 868	6.2%	0.1%
Neighbourhood development partnership grant	583 575	591 860	657 839	601 867	1.0%	0.1%	621 172	654 936	704 057	5.4%	0.1%
Foreign governments and international organisations											
Current	740 644	816 927	915 339	1 001 785	10.6%	0.2%	886 401	935 153	986 587	-0.5%	0.2%
Common Monetary Area compensation	712 496	792 269	891 721	973 790	11.0%	0.2%	849 938	896 685	946 003	-1.0%	0.2%
Collaborative Africa Budget Reform Initiative	1 834	2 431	2 400	2 420	9.7%	-	1 808	1 907	2 012	-6.0%	-
Commonwealth Fund for Technical Cooperation	5 533	5 815	6 117	5 816	1.7%	-	6 783	7 156	7 550	9.1%	-
International Finance Facility for Immunisation	15 498	13 180	11 712	14 500	-2.2%	-	14 212	14 994	15 819	2.9%	-
African Institute for Economic Development and Planning	1 242	1 007	957	1 351	2.8%	-	1 427	1 505	1 588	5.5%	-
Regional Technical Assistance Centre for Southern Africa	959	988	1 177	1 213	8.1%	-	1 281	1 351	1 425	5.5%	-
Infrastructure Consortium for Africa	1 000	-	-	-	-100.0%	-	-	-	-	-	-
African Risk Capacity	-	-	-	-	-	-	8 106	8 552	9 022	-	-
United Kingdom tax	2 082	1 237	1 255	2 695	9.0%	-	2 846	3 003	3 168	5.5%	-
Capital	90 660	90 680	126 782	136 120	14.5%	-	143 743	151 650	159 991	5.5%	-
African Development Fund	-	-	73 192	82 530	-	-	37 389	39 446	41 616	-20.4%	-
World Bank Group	90 660	90 680	53 590	53 590	-16.1%	-	106 354	112 204	118 375	30.2%	-

Table 7.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2015/16	2016/17	2017/18		2015/16 - 2018/19	Average: Expenditure/Total (%)	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/Total (%)	
Public corporations and private enterprises												
Other transfers to public corporations												
Capital	–	–	–	–	–	–	–	1 000 000	2 000 000	4 000 000	–	0.3%
Development Bank of Southern Africa	–	–	–	–	–	–	–	1 000 000	2 000 000	4 000 000	–	0.3%
Provinces and municipalities												
Provincial revenue funds												
Current	386 500 009	410 698 585	441 331 122	470 286 510	6.8%	92.7%	505 553 753	542 908 577	578 645 170	7.2%	93.0%	
Provincial equitable share	386 500 009	410 698 585	441 331 122	470 286 510	6.8%	92.7%	505 553 753	542 908 577	578 645 170	7.2%	93.0%	
Total	418 132 959	443 701 083	476 565 360	505 157 902	6.5%	100.0%	543 290 851	583 642 080	623 943 150	7.3%	100.0%	

Personnel information

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

Number of posts estimated for 31 March 2019		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 (%)						
		2017/18	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22													
National Treasury		1 011	116	1 128	803.7	0.7	1 045	807.8	0.8	1 048	869.3	0.8	1 044	934.5	0.9	1 041	995.3	1.0	-0.1%	100.0%
Salary level																				
1 – 6	110	56	114	19.5	0.2	109	20.0	0.2	108	21.2	0.2	106	22.4	0.2	112	25.6	0.2	0.9%	10.4%	
7 – 10	356	47	411	203.5	0.5	392	218.6	0.6	394	236.2	0.6	392	254.2	0.6	388	271.7	0.7	-0.3%	37.5%	
11 – 12	285	3	298	249.9	0.8	260	228.1	0.9	264	248.8	0.9	261	264.0	1.0	258	279.6	1.1	-0.3%	25.0%	
13 – 16	258	10	305	326.5	1.1	284	341.0	1.2	282	363.1	1.3	285	394.0	1.4	283	418.4	1.5	-0.1%	27.1%	
Other	2	–	–	4.3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Programme	1 011	116	1 128	803.7	0.7	1 045	807.8	0.8	1 048	869.3	0.8	1 044	934.5	0.9	1 041	995.3	1.0	-0.1%	100.0%	
Programme 1	312	72	352	203.0	0.6	321	195.6	0.6	331	219.3	0.7	326	236.1	0.7	333	257.2	0.8	1.2%	31.4%	
Programme 2	80	2	90	77.0	0.9	81	78.8	1.0	79	82.1	1.0	82	88.5	1.1	85	94.3	1.1	1.6%	7.8%	
Programme 3	252	5	271	211.7	0.8	252	214.6	0.9	239	219.2	0.9	236	234.9	1.0	230	248.1	1.1	-3.0%	22.9%	
Programme 4	92	4	97	75.2	0.8	98	78.7	0.8	99	84.6	0.9	99	91.2	0.9	98	96.5	1.0	–	9.4%	
Programme 5	243	30	283	206.1	0.7	258	206.7	0.8	261	223.7	0.9	262	240.5	0.9	256	253.4	1.0	-0.3%	24.8%	
Programme 6	32	3	35	30.7	0.9	35	33.5	1.0	39	40.4	1.0	39	43.4	1.1	39	45.9	1.2	3.7%	3.6%	

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

2. Rand million.

Departmental receipts

Table 7.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate 2018/19	Revised estimate	Average growth rate (%)		Medium-term receipts estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18			2015/16 - 2018/19	Average: Receipt item/Total (%)	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Receipt item/Total (%)
Departmental receipts	5 602 331	4 951 206	4 430 772	3 640 640	4 040 640	-10.3%	25.1%	4 161 122	4 377 950	4 803 759	5.9%	40.1%
Sales of goods and services produced by department	38 619	11 813	116 637	119 323	119 323	45.6%	0.4%	14 363	14 242	15 012	-49.9%	0.4%
Sales by market establishments	103	100	99	120	120	5.2%	–	127	110	116	-1.1%	–
of which:												
Rental parking: Covered and open	103	100	99	120	120	5.2%	–	127	110	116	-1.1%	–

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 (%)
	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21		
Administrative fees	5	1	1	–	–	-100.0%	–	11	12	13	–	–
<i>of which:</i>												
Required information:	5	1	1	–	–	-100.0%	–	11	12	13	–	–
Duplicate certificate												
Other sales	38 511	11 712	116 537	119 203	119 203	45.7%	0.4%	14 225	14 120	14 883	-50.0%	0.4%
<i>of which:</i>												
Commission: Insurance	–	94	94	100	100	–	–	106	90	95	-1.7%	–
Directors fees	–	228	228	220	220	–	–	232	145	153	-11.4%	–
Replacement of security cards	–	10	10	15	15	–	–	16	10	11	-9.8%	–
Fees for government guarantee insurance	38 511	11 260	116 085	118 853	118 853	45.6%	0.4%	13 855	13 855	14 603	-50.3%	0.4%
Sales of assets less than R5 000	–	120	120	15	15	–	–	16	20	21	11.9%	–
Sales of scrap, waste, arms and other used current goods	20	14	11	56	56	40.9%	–	24	27	28	-20.6%	–
<i>of which:</i>												
Wastepaper	20	–	–	41	41	27.0%	–	8	7	7	-44.5%	–
Departmental publications	–	14	11	15	15	–	–	16	20	21	11.9%	–
Interest, dividends and rent on land	4 640 219	4 032 638	3 325 439	3 260 761	3 660 761	-7.6%	20.6%	3 871 805	4 087 901	4 498 048	7.1%	37.2%
Interest	4 377 214	3 881 438	3 082 460	3 100 500	3 500 500	-7.2%	19.5%	3 700 500	3 900 000	4 300 000	7.1%	35.5%
Dividends	263 005	151 200	242 979	160 261	160 261	-15.2%	1.1%	171 305	187 901	198 048	7.3%	1.7%
<i>of which:</i>												
South African Special Risk Insurance Association	263 005	151 200	242 979	160 261	160 261	-15.2%	1.1%	171 305	187 901	198 048	7.3%	1.7%
Sales of capital assets	17	136	683	–	–	-100.0%	–	–	–	–	–	–
Transactions in financial assets and liabilities	923 456	906 605	988 002	260 500	260 500	-34.4%	4.1%	274 930	275 780	290 671	3.7%	2.5%
National Revenue Fund receipts	14 377 522	14 240 651	16 600 255	10 367 392	11 685 236	-6.7%	74.9%	4 488 000	4 250 000	5 579 000	-21.8%	59.9%
<i>of which:</i>												
Revaluation of profits on foreign currency transactions	8 869 128	10 710 440	13 115 597	9 346 228	10 238 138	4.9%	56.5%	4 488 000	4 250 000	5 579 000	-18.3%	56.6%
Premiums on loan transactions	2 873 818	2 594 049	1 132 995	900 888	1 000 000	-29.7%	10.0%	–	–	–	-100.0%	2.3%
Refund of Hermes fees	56 579	–	–	–	–	-100.0%	0.1%	–	–	–	–	–
Other (mainly penalties on retail bonds and profit on script lending)	13 094	19 172	3 288	7	2 500	-42.4%	0.1%	–	–	–	-100.0%	–
Premiums on debt portfolio restructuring (switches)	2 564 903	916 990	2 348 375	120 269	444 598	-44.2%	8.3%	–	–	–	-100.0%	1.0%
Total	19 979 853	19 191 857	21 031 027	14 008 032	15 725 876	-7.7%	100.0%	8 649 122	8 627 950	10 382 759	-12.9%	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 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/Total (%) 2015/16 - 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/Total (%) 2018/19 - 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R thousand											
Ministry	3 628	3 625	3 768	4 859	10.2%	0.9%	4 434	4 743	4 980	0.8%	0.8%
Departmental Management	47 115	50 462	70 136	49 104	1.4%	12.6%	63 335	68 349	71 762	13.5%	11.1%
Corporate Services	116 477	154 858	117 542	145 771	7.8%	31.0%	155 258	162 429	172 143	5.7%	28.1%
Enterprise-Wide Risk Management	27 537	26 296	28 301	31 750	4.9%	6.6%	32 625	35 217	37 093	5.3%	6.0%
Financial Administration	38 701	37 881	41 490	43 674	4.1%	9.4%	84 452	91 411	104 119	33.6%	14.3%
Legal Services	18 656	22 914	22 035	22 593	6.6%	5.0%	22 903	24 287	25 570	4.2%	4.2%
Internal Audit	20 681	21 802	24 050	30 866	14.3%	5.7%	30 241	32 439	34 407	3.7%	5.6%
Communications	10 200	8 596	12 457	11 229	3.3%	2.5%	11 339	11 909	12 572	3.8%	2.1%
Office Accommodation	92 587	109 878	118 090	133 973	13.1%	26.4%	151 133	168 578	174 193	9.1%	27.7%
Total	375 582	436 312	437 869	473 819	8.1%	100.0%	555 720	599 362	636 839	10.4%	100.0%
Change to 2018 Budget estimate				(10 914)			–	8 708	11 345		
Economic classification											
Current payments	347 817	392 553	421 119	439 469	8.1%	92.9%	533 428	579 201	615 020	11.9%	95.6%
Compensation of employees	182 388	195 360	203 028	195 903	2.4%	45.1%	219 343	236 056	257 182	9.5%	40.1%
Goods and services ¹	165 429	197 193	218 091	243 566	13.8%	47.8%	314 085	343 145	357 838	13.7%	55.6%
of which:											
Computer services	18 613	34 860	27 945	32 825	20.8%	6.6%	43 336	45 444	49 309	14.5%	7.5%
Consultants: Business and advisory services	6 999	4 524	7 772	11 416	17.7%	1.8%	51 792	56 078	59 933	73.8%	7.9%
Legal services	11 946	14 824	14 308	14 304	6.2%	3.2%	15 068	15 845	16 663	5.2%	2.7%
Operating leases	51 091	66 026	63 709	78 602	15.4%	15.1%	88 606	103 032	102 145	9.1%	16.4%
Property payments	23 057	25 260	23 963	25 686	3.7%	5.7%	34 848	38 276	40 499	16.4%	6.1%
Travel and subsistence	14 452	14 115	28 633	18 375	8.3%	4.4%	19 812	21 355	22 197	6.5%	3.6%
Transfers and subsidies¹	4 251	4 750	7 328	7 137	18.9%	1.4%	4 104	4 308	4 508	-14.2%	0.9%
Departmental agencies and accounts	1 859	2 094	2 047	2 120	4.5%	0.5%	2 161	2 258	2 382	4.0%	0.4%
Households	2 392	2 656	5 281	5 017	28.0%	0.9%	1 943	2 050	2 126	-24.9%	0.5%
Payments for capital assets	23 367	38 914	9 333	27 213	5.2%	5.7%	18 188	15 853	17 311	-14.0%	3.5%
Machinery and equipment	23 367	38 914	9 327	17 154	-9.8%	5.1%	15 588	15 853	17 311	0.3%	2.9%
Software and other intangible assets	–	–	6	10 059	–	0.6%	2 600	–	–	-100.0%	0.6%
Payments for financial assets	147	95	89	–	-100.0%	–	–	–	–	–	–
Total	375 582	436 312	437 869	473 819	8.1%	100.0%	555 720	599 362	636 839	10.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	1.5%	1.1%	1.6%	–	–	1.8%	1.9%	1.9%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	998	1 576	3 908	3 235	48.0%	0.6%	–	–	–	-100.0%	0.1%
Employee social benefits	998	1 576	3 908	3 235	48.0%	0.6%	–	–	–	-100.0%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 859	2 094	2 047	2 120	4.5%	0.5%	2 161	2 258	2 382	4.0%	0.4%
Finance and Accounting Services	1 850	2 085	2 038	2 100	4.3%	0.5%	2 140	2 258	2 382	4.3%	0.4%
Sector Education and Training Authority											
Communication	9	9	9	20	30.5%	–	21	–	–	-100.0%	–
Households											
Other transfers to households											
Current	1 394	1 080	1 373	1 782	8.5%	0.3%	1 943	2 050	2 126	6.1%	0.3%
Bursaries for non-employees	1 394	1 080	1 373	1 782	8.5%	0.3%	1 943	2 050	2 126	6.1%	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.

Personnel information

Table 7.10 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019			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 (%)			
			2017/18			2018/19			2019/20		2020/21		2021/22						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
Administration																			
Salary level	312	72	352	203.0	0.6	321	195.6	0.6	331	219.3	0.7	326	236.1	0.7	333	257.2	0.8	1.2%	100.0%
1 – 6	95	56	98	15.6	0.2	92	15.6	0.2	89	15.9	0.2	85	16.3	0.2	89	18.6	0.2	-1.1%	27.1%
7 – 10	128	9	139	71.0	0.5	123	68.8	0.6	130	77.7	0.6	130	84.1	0.6	132	92.4	0.7	2.4%	39.3%
11 – 12	50	3	58	49.5	0.9	52	48.1	0.9	56	55.1	1.0	53	56.2	1.1	54	61.5	1.1	1.3%	16.4%
13 – 16	37	4	57	62.6	1.1	54	63.2	1.2	56	70.7	1.3	58	79.4	1.4	58	84.7	1.5	2.4%	17.2%
Other	2	–	–	4.3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

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

2. Rand million.

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 funding 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, SMME 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 7.11 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 (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Programme Management for Economic Policy, Tax, Financial Regulation and Research	21 199	44 968	43 559	52 836	35.6%	27.7%	45 207	47 880	50 190	-1.7%	31.1%
Research	10 968	7 269	10 827	–	-100.0%	5.0%	–	–	–	–	–
Financial Sector Policy	27 636	24 304	24 851	23 607	-5.1%	17.1%	24 859	26 663	28 190	6.1%	16.4%
Tax Policy	27 609	30 288	28 621	30 068	2.9%	19.9%	31 406	33 656	34 964	5.2%	20.6%
Economic Policy	26 537	27 481	24 727	26 376	-0.2%	17.9%	27 482	29 590	32 665	7.4%	18.4%
Cooperative Banks Development Agency	17 341	16 872	19 275	19 883	4.7%	12.5%	20 759	21 823	23 023	5.0%	13.5%
Total	131 290	151 182	151 860	152 770	5.2%	100.0%	149 713	159 612	169 032	3.4%	100.0%
Change to 2018 Budget estimate				11 761			(238)	1 517	1 354		
Economic classification											
Current payments	113 587	133 313	131 543	131 748	5.1%	86.9%	128 059	136 861	145 020	3.3%	85.8%
Compensation of employees	78 214	79 655	76 997	78 682	0.2%	53.4%	82 127	88 521	94 299	6.2%	54.4%
Goods and services ¹	35 373	53 658	54 546	53 066	14.5%	33.5%	45 932	48 340	50 721	-1.5%	31.4%
of which:											
Bursaries: Employees	288	280	297	333	5.0%	0.2%	365	385	431	9.0%	0.2%
Consultants: Business and advisory services	22 871	40 245	41 667	40 151	20.6%	24.7%	33 227	34 901	36 066	-3.5%	22.9%
Consumables: Stationery, printing and office supplies	511	1 418	2 983	1 781	51.6%	1.1%	1 390	1 474	1 550	-4.5%	1.0%
Travel and subsistence	5 068	6 611	4 956	6 030	6.0%	3.9%	6 128	6 383	6 892	4.6%	4.0%
Training and development	313	520	436	951	44.8%	0.4%	834	1 035	1 033	2.8%	0.6%
Operating payments	4 548	3 283	1 894	2 583	-17.2%	2.1%	2 526	2 696	3 201	7.4%	1.7%
Transfers and subsidies¹	17 421	17 180	19 658	20 117	4.9%	12.7%	20 759	21 823	23 023	4.6%	13.6%
Departmental agencies and accounts	17 341	16 872	19 275	19 883	4.7%	12.5%	20 759	21 823	23 023	5.0%	13.5%
Households	80	308	383	234	43.0%	0.2%	–	–	–	-100.0%	–
Payments for capital assets	275	688	659	905	48.7%	0.4%	895	928	989	3.0%	0.6%
Machinery and equipment	275	688	659	905	48.7%	0.4%	895	928	989	3.0%	0.6%
Payments for financial assets	7	1	–	–	-100.0%	–	–	–	–	–	–
Total	131 290	151 182	151 860	152 770	5.2%	100.0%	149 713	159 612	169 032	3.4%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.4%	0.5%	–	–	0.5%	0.5%	0.5%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	80	308	383	234	–	0.2%	–	–	–	–	–
Employee social benefits	80	308	383	234	4.7%	0.2%	–	–	–	5.0%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	17 341	16 872	19 275	19 883	–	12.5%	20 759	21 823	23 023	–	13.5%
Cooperative Banks Development Agency	17 341	16 872	19 275	19 883	4.7%	12.5%	20 759	21 823	23 023	5.0%	13.5%

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.

Personnel information

Table 7.12 Economic Policy, Tax, Financial Regulation and Research personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019			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 (%)			
			2017/18			2018/19			2019/20		2020/21		2021/22						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
Economic Policy, Tax, Financial Regulation and Research			80	77.0	0.9	81	78.8	1.0	79	82.1	1.0	82	88.5	1.1	85	94.3	1.1	1.6%	100.0%
Salary level			90	77.0	0.9	81	78.8	1.0	79	82.1	1.0	82	88.5	1.1	85	94.3	1.1	1.6%	100.0%
1 – 6	1	–	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	2	0.4	0.2	4	0.9	0.2	58.7%	2.4%
7 – 10	18	1	23	12.5	0.5	26	16.3	0.6	26	17.6	0.7	30	21.5	0.7	34	26.0	0.8	9.4%	35.5%
11 – 12	22	–	22	21.3	1.0	16	14.5	0.9	14	13.3	1.0	13	13.4	1.0	12	13.3	1.1	-9.1%	16.8%
13 – 16	39	1	44	42.9	1.0	38	47.6	1.3	38	50.9	1.3	37	53.2	1.4	35	54.1	1.5	-2.7%	45.3%

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

2. Rand million.

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 annually that gives effect to government's economic, fiscal, social and developmental goals as expressed in the National Development Plan and government's 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 use of public financial resources by monitoring, supporting and analysing public expenditure and service delivery for social and 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 7.13 Public Finance and Budget 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 (%)	Average Expenditure/ Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22		
R thousand											
Programme Management for Public Finance and Budget Management	17 884	21 417	20 833	20 635	4.9%	7.1%	26 446	27 486	30 286	13.6%	8.1%
Public Finance	59 168	56 564	61 687	63 144	2.2%	21.3%	61 252	65 355	68 654	2.8%	20.1%
Budget Office and Coordination	55 365	57 005	57 663	62 756	4.3%	20.6%	62 998	67 595	71 317	4.4%	20.6%
Intergovernmental Relations	89 004	101 953	97 805	99 730	3.9%	34.3%	114 991	107 549	113 497	4.4%	33.8%
Financial and Fiscal Commission	41 156	44 839	50 647	51 782	8.0%	16.7%	54 319	57 309	60 461	5.3%	17.4%
Total	262 577	281 778	288 635	298 047	4.3%	100.0%	320 006	325 294	344 215	4.9%	100.0%
Change to 2018 Budget estimate				7 946			14 637	(5 175)	(6 788)		
Economic classification											
Current payments	218 731	235 015	236 436	243 502	3.6%	82.6%	263 317	265 447	281 078	4.9%	81.8%
Compensation of employees	192 344	201 901	211 693	214 455	3.7%	72.5%	219 184	234 893	248 109	5.0%	71.2%
Goods and services ¹	26 387	33 114	24 743	29 047	3.3%	10.0%	44 133	30 554	32 969	4.3%	10.6%
of which:											
<i>Bursaries: Employees</i>	835	583	994	1 370	17.9%	0.3%	1 672	1 488	1 601	5.3%	0.5%
<i>Consultants: Business and advisory services</i>	6 821	14 176	5 078	5 809	-5.2%	2.8%	20 415	5 851	6 963	6.2%	3.0%
<i>Consumables: Stationery, printing and office supplies</i>	5 701	2 094	6 694	7 102	7.6%	1.9%	1 756	1 766	1 839	-36.3%	1.0%
<i>Operating leases</i>	629	889	721	876	11.7%	0.3%	1 042	1 137	1 164	9.9%	0.3%
<i>Travel and subsistence</i>	7 848	8 326	8 482	9 790	7.6%	3.0%	9 883	10 200	10 752	3.2%	3.2%
<i>Operating payments</i>	152	4 441	4	54	-29.2%	0.4%	5 884	6 219	6 571	395.5%	1.5%
Transfers and subsidies¹	42 676	45 205	51 046	51 915	6.8%	16.9%	54 319	57 309	60 461	5.2%	17.4%
Departmental agencies and accounts	41 156	44 839	50 647	51 782	8.0%	16.7%	54 319	57 309	60 461	5.3%	17.4%
Households	1 520	366	399	133	-55.6%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	1 096	1 540	1 051	2 630	33.9%	0.6%	2 370	2 538	2 676	0.6%	0.8%
Machinery and equipment	1 096	1 540	1 051	2 630	33.9%	0.6%	2 370	2 538	2 676	0.6%	0.8%
Payments for financial assets	74	18	102	-	-100.0%	-	-	-	-	-	-
Total	262 577	281 778	288 635	298 047	4.3%	100.0%	320 006	325 294	344 215	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.9%	1.0%	0.7%	1.0%	-	-	1.0%	1.0%	1.0%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	1 520	366	399	133	-	0.1%	-	-	-	-	-
Employee social benefits	1 520	366	399	133	8.0%	0.1%	-	-	-	5.3%	-

Table 7.13 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	41 156	44 839	50 647	51 782	–	16.7%	54 319	57 309	60 461	–	17.4%
Financial and Fiscal Commission	41 156	44 839	50 647	51 782	–	16.7%	54 319	57 309	60 461	–	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.

Personnel information

Table 7.14 Public Finance and Budget Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22							
Public Finance and Budget Management		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	252	5	271	211.7	0.8	252	214.6	0.9	239	219.2	0.9	236	234.9	1.0	230	248.1	1.1	-3.0%	100.0%
1 – 6	2	–	3	0.7	0.2	4	0.5	0.1	5	0.8	0.2	5	0.9	0.2	5	1.0	0.2	7.7%	2.0%
7 – 10	73	3	78	37.7	0.5	79	39.7	0.5	69	36.3	0.5	64	36.3	0.6	58	35.7	0.6	-9.8%	28.2%
11 – 12	101	–	105	82.7	0.8	91	79.6	0.9	90	84.3	0.9	90	90.4	1.0	90	96.7	1.1	-0.4%	37.7%
13 – 16	76	2	85	90.5	1.1	78	94.7	1.2	75	97.7	1.3	77	107.3	1.4	77	114.7	1.5	-0.4%	32.1%

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

2. Rand million.

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 the prudent financial management of state-owned entities through financial analysis and oversight.

Objectives

- Exercise oversight of state-owned entities 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 by implementing effective cash management and 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 7.15 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 (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Programme Management for Asset and Liability Management	9 188	24 377	6 110	12 025	9.4%	0.4%	10 200	11 011	11 374	-1.8%	10.0%
State-Owned Entity Financial Management and Governance	30 818	33 533	5 241 566	35 159	4.5%	39.4%	36 659	39 379	41 847	6.0%	34.2%
Government Debt Management	19 446	18 824	4 810 023	19 656	0.4%	35.9%	20 777	22 158	23 435	6.0%	19.2%
Financial Operations	21 035	22 496	21 974	24 677	5.5%	0.7%	28 515	30 402	31 475	8.4%	25.7%
Strategy and Risk Management	9 794	10 916	10 088	10 068	0.9%	0.3%	12 277	13 110	13 828	11.2%	11.0%
Financial Investments	3 174 013	–	–	–	-100.0%	23.4%	–	–	–	–	–
Total	3 264 294	110 146	10 089 761	101 585	-68.5%	100.0%	108 428	116 060	121 959	6.3%	100.0%
Change to 2018 Budget estimate				(8 833)			–	(3 335)	(4 908)		
Economic classification											
Current payments	89 147	108 902	88 856	101 029	4.3%	2.9%	107 685	115 276	121 132	6.2%	99.4%
Compensation of employees	72 088	76 976	75 213	78 692	3.0%	2.2%	84 553	91 158	96 476	7.0%	78.3%
Goods and services ¹	17 059	31 926	13 643	22 337	9.4%	0.6%	23 132	24 118	24 656	3.3%	21.0%
<i>of which:</i>											
<i>Bursaries: Employees</i>	598	595	680	820	11.1%	–	1 357	1 270	1 376	18.8%	1.1%
<i>Computer services</i>	9 484	13 116	8 049	11 615	7.0%	0.3%	12 078	12 783	13 656	5.5%	11.2%
<i>Consultants: Business and advisory services</i>	2 151	14 058	91	3 424	16.8%	0.1%	3 000	3 100	3 100	-3.3%	2.8%
<i>Consumables: Stationery, printing and office supplies</i>	518	371	388	599	5.0%	–	650	686	723	6.5%	0.6%
<i>Travel and subsistence</i>	2 309	2 077	2 554	3 119	10.5%	0.1%	3 534	3 648	3 800	6.8%	3.1%
<i>Training and development</i>	362	361	168	452	7.7%	–	828	854	901	25.9%	0.7%
Transfers and subsidies¹	902	527	354	47	-62.6%	–	–	–	–	-100.0%	–
Households	902	527	354	47	-62.6%	–	–	–	–	-100.0%	–
Payments for capital assets	231	717	550	509	30.1%	–	743	784	827	17.6%	0.6%
Machinery and equipment	231	717	550	509	30.1%	–	743	784	827	17.6%	0.6%
Payments for financial assets	3 174 014	–	10 000 001	–	-100.0%	97.1%	–	–	–	–	–
Total	3 264 294	110 146	10 089 761	101 585	-68.5%	100.0%	108 428	116 060	121 959	6.3%	100.0%
Proportion of total programme expenditure to vote expenditure	11.4%	0.4%	25.4%	0.3%	–	–	0.4%	0.4%	0.4%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	902	527	354	47	–	–	–	–	–	–	–
Employee social benefits	902	527	354	47	–	–	–	–	–	–	–

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.

Personnel information

Table 7.16 Asset and Liability Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019		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 (%)				
Number of funded posts	Number of posts additional to the establishment	2017/18			2018/19			2019/20			2020/21			2021/22			2018/19 - 2021/22		
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Asset and Liability Management																			
Salary level	92	4	97	75.2	0.8	98	78.7	0.8	99	84.6	0.9	99	91.2	0.9	98	96.5	1.0	-	100.0%
1-6	3	-	3	0.7	0.2	3	0.7	0.2	4	1.0	0.2	4	1.1	0.3	4	1.2	0.3	10.1%	3.8%
7-10	37	3	42	22.0	0.5	46	28.0	0.6	46	30.1	0.7	45	31.7	0.7	44	32.9	0.7	-1.5%	45.9%
11-12	33	-	32	29.9	0.9	29	27.1	0.9	29	29.0	1.0	30	32.1	1.1	30	34.4	1.1	1.1%	29.9%
13-16	19	1	20	22.6	1.1	20	22.9	1.1	20	24.5	1.2	20	26.3	1.3	20	28.1	1.4	-	20.3%

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

2. Rand million.

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:
 - introducing policy reforms to ensure that all procuring government institutions implement a single supply chain management policy
 - providing training solutions to close the skills gap 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 resources 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 and 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 7.17 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16 - 2018/19	Average: Expenditure/ Total (%)	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
R thousand											
Programme Management for Financial Accounting and Supply Chain Management Systems	24 727	60 247	25 526	195 663	99.3%	7.5%	143 164	150 899	159 191	-6.6%	13.9%
Office of the Chief Procurement Officer	55 277	67 508	71 824	69 305	7.8%	6.5%	73 024	77 599	81 611	5.6%	6.5%
Financial Systems	441 042	797 356	374 285	644 758	13.5%	55.5%	554 463	587 345	619 494	-1.3%	51.5%
Financial Reporting for National Accounts	82 987	85 120	97 284	101 822	7.1%	9.0%	107 430	114 049	120 289	5.7%	9.5%
Financial Management Policy and Compliance Improvement	128 484	120 298	120 456	134 573	1.6%	12.4%	164 791	175 802	185 542	11.3%	14.1%
Audit Statutory Bodies	41 856	79 075	196 278	47 738	4.5%	9.0%	50 411	53 184	56 109	5.5%	4.4%
Service Charges: Commercial Banks	121	254	180	289	33.7%	-	303	320	338	5.4%	-
Total	774 494	1 209 858	885 833	1 194 148	15.5%	100.0%	1 093 586	1 159 198	1 222 574	0.8%	100.0%
Change to 2018				(2 474)			14 497	14 912	12 945		
Budget estimate											
Economic classification											
Current payments	682 887	668 755	619 095	1 079 129	16.5%	75.0%	970 030	1 036 617	1 089 458	0.3%	89.4%
Compensation of employees	179 487	200 516	206 104	206 590	4.8%	19.5%	223 701	240 470	253 363	7.0%	19.8%
Goods and services ¹	503 400	468 239	412 991	872 539	20.1%	55.5%	746 329	796 147	836 095	-1.4%	69.6%
of which:											
Audit costs: External	3 892	3 750	5 660	6 067	15.9%	0.5%	5 905	6 781	6 858	4.2%	0.5%

Table 7.17 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 (%)
	2015/16	2016/17	2017/18				2018/19	2015/16 - 2018/19	2019/20		
R thousand											
Bursaries: Employees	2 056	2 931	2 289	1 784	-4.6%	0.2%	1 878	2 230	2 146	6.4%	0.2%
Computer services	338 837	353 163	344 172	565 636	18.6%	39.4%	476 235	511 854	536 632	-1.7%	44.8%
Consultants: Business and advisory services	137 433	88 661	41 840	268 512	25.0%	13.2%	234 580	247 081	260 918	-1.0%	21.7%
Travel and subsistence	4 188	7 602	8 346	10 630	36.4%	0.8%	11 862	11 871	12 473	5.5%	1.0%
Venues and facilities	280	4 269	4 264	5 446	168.9%	0.4%	5 707	6 194	6 527	6.2%	0.5%
Transfers and subsidies¹	83 511	121 557	251 210	104 330	7.7%	13.8%	109 682	115 513	121 866	5.3%	9.7%
Departmental agencies and accounts	83 129	120 570	249 365	102 666	7.3%	13.7%	107 914	113 845	120 106	5.4%	9.5%
Households	382	987	1 845	1 664	63.3%	0.1%	1 768	1 668	1 760	1.9%	0.1%
Payments for capital assets	8 079	419 540	15 219	10 689	9.8%	11.2%	13 874	7 068	11 250	1.7%	0.9%
Machinery and equipment	8 079	3 446	15 184	9 991	7.3%	0.9%	8 999	4 602	8 862	-3.9%	0.7%
Software and other intangible assets	-	416 094	35	698	-	10.3%	4 875	2 466	2 388	50.7%	0.2%
Payments for financial assets	17	6	309	-	-100.0%	-	-	-	-	-	-
Total	774 494	1 209 858	885 833	1 194 148	15.5%	100.0%	1 093 586	1 159 198	1 222 574	0.8%	100.0%
Proportion of total programme expenditure to vote expenditure	2.7%	4.3%	2.2%	4.0%	-	-	3.6%	3.6%	3.6%	-	-

Details of transfers and subsidies

Households											
Social benefits											
Current	292	974	695	1 664	-	0.1%	1 768	1 668	1 760	-	0.1%
Employee social benefits	292	974	695	1 664	7.3%	0.1%	1 768	1 668	1 760	5.4%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	83 129	120 570	249 365	102 666	-	13.7%	107 914	113 845	120 106	-	9.5%
Accounting Standards Board	11 274	12 517	13 463	14 054	-	1.3%	14 340	15 124	15 955	-	1.3%
Independent Regulatory Board for Auditors	29 999	28 978	39 624	40 874	63.3%	3.4%	43 163	45 537	48 042	1.9%	3.8%
Auditor-General of South Africa	41 856	79 075	196 278	47 738	9.8%	9.0%	50 411	53 184	56 109	1.7%	4.4%
Households											
Other transfers to households											
Current	90	13	1 150	-	-	-	-	-	-	-	-
Employee social benefits	90	13	1 150	-	-	-	-	-	-	-	-

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.

Personnel information**Table 7.18 Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level¹**

Financial Accounting and Supply Chain Management Systems	Number of posts estimated for 31 March 2019		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 (%)			
			2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22						
Salary level	243	30	283	206.1	0.7	258	206.7	0.8	261	223.7	0.9	262	240.5	0.9	256	253.4	1.0	-0.3%	100.0%
1 - 6	9	-	9	2.2	0.2	9	2.9	0.3	9	3.1	0.3	10	3.7	0.4	10	4.0	0.4	3.6%	3.7%
7 - 10	89	29	117	53.9	0.5	107	60.2	0.6	110	67.4	0.6	110	72.6	0.7	106	75.6	0.7	-0.3%	41.8%
11 - 12	73	-	74	61.1	0.8	64	48.5	0.8	65	52.7	0.8	65	56.5	0.9	63	58.5	0.9	-0.5%	24.8%
13 - 16	72	1	83	88.8	1.1	78	95.1	1.2	77	100.5	1.3	77	107.7	1.4	77	115.2	1.5	-0.4%	29.8%

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

2. Rand million.

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) region and the Southern African Customs Union, and strengthen economic links within Africa by:
 - providing ongoing support to the committees of the SADC dealing with economic and financial protocols
 - 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 Budget Reform Initiative, the Infrastructure Consortium for Africa, the African Capacity Building Foundation, the African Institute for Economic Development and Planning, and the 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 to pay for shares, and to the African Development Fund and the International Development Association of the World Bank Group for the provision of concessional loans and grants to low-income countries. Capital transfers for the New Development Bank, in line with South Africa's agreed shareholding, will also be 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 7.19 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 (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Programme Management for International Financial Relations	14 528	9 994	7 507	11 786	-6.7%	0.2%	12 063	12 684	13 452	4.5%	0.2%
International Economic Cooperation	30 389	38 293	36 211	42 773	12.1%	0.8%	54 221	49 166	55 823	9.3%	0.9%
African Integration and Support	717 531	796 695	896 255	978 774	10.9%	17.4%	862 560	910 000	960 050	-0.6%	15.6%
International Development Funding Institutions	2 762 655	4 091 776	4 512 036	4 489 127	17.6%	81.3%	4 801 643	5 065 344	5 343 939	6.0%	82.9%
International Projects	21 031	18 995	17 829	20 316	-1.1%	0.4%	20 995	22 150	23 369	4.8%	0.4%
Total	3 546 134	4 955 753	5 469 838	5 542 776	16.1%	100.0%	5 751 482	6 059 344	6 396 633	4.9%	100.0%
Change to 2018 Budget estimate				140 656			–	(2 046)	1 434		
Economic classification											
Current payments	44 731	47 175	43 112	53 899	6.4%	1.0%	65 579	60 788	68 153	8.1%	1.0%
Compensation of employees	28 221	32 024	30 697	33 438	5.8%	0.6%	40 431	43 442	45 856	11.1%	0.7%
Goods and services ¹	16 510	15 151	12 415	20 461	7.4%	0.3%	25 148	17 346	22 297	2.9%	0.4%
of which:											
<i>Bursaries: Employees</i>	103	221	192	358	51.5%	–	865	879	926	37.3%	–
<i>Consultants: Business and advisory services</i>	73	762	708	1 050	143.2%	–	1 290	1 042	44	-65.3%	–
<i>Travel and subsistence</i>	10 448	9 320	7 014	13 305	8.4%	0.2%	11 622	12 448	13 134	-0.4%	0.2%
<i>Training and development</i>	49	105	68	180	54.3%	–	344	360	378	28.1%	–
<i>Operating payments</i>	347	385	640	1 090	46.5%	–	1 138	1 178	1 465	10.4%	–
<i>Venues and facilities</i>	4 402	822	2 668	3 129	-10.8%	0.1%	8 998	587	5 439	20.2%	0.1%
Transfers and subsidies¹	829 242	906 397	1 041 246	1 135 210	11.0%	20.0%	1 027 298	1 083 800	1 143 410	0.2%	18.5%
Foreign governments and international organisations	829 222	906 370	1 040 866	1 135 210	11.0%	20.0%	1 027 298	1 083 800	1 143 410	0.2%	18.5%
Households	20	27	380	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	162	1 073	226	660	59.7%	–	705	1 062	1 122	19.3%	–
Machinery and equipment	162	1 073	226	660	59.7%	–	705	1 062	1 122	19.3%	–
Payments for financial assets	2 671 999	4 001 108	4 385 254	4 353 007	17.7%	79.0%	4 657 900	4 913 694	5 183 948	6.0%	80.5%
Total	3 546 134	4 955 753	5 469 838	5 542 776	16.1%	100.0%	5 751 482	6 059 344	6 396 633	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	12.4%	17.6%	13.7%	18.7%	–	–	18.7%	18.8%	18.7%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	20	27	34	–	–	–	–	–	–	–	–
Employee social benefits	20	27	34	–	–	–	–	–	–	–	–
Households											
Other transfers to households											
Current	–	–	346	–	–	–	–	–	–	–	–
Employee social benefits	–	–	346	–	–	–	–	–	–	–	–
Foreign governments and international organisations											
Current	738 562	815 690	914 084	999 090	11.0%	17.8%	883 555	932 150	983 419	0.2%	16.0%
Common Monetary Area compensation	712 496	792 269	891 721	973 790	–	17.3%	849 938	896 685	946 003	–	15.4%
Collaborative Africa Budget Reform Initiative	1 834	2 431	2 400	2 420	–	–	1 808	1 907	2 012	–	–
Commonwealth Fund for Technical Cooperation	5 533	5 815	6 117	5 816	–	0.1%	6 783	7 156	7 550	–	0.1%
International Finance Facility for Immunisation	15 498	13 180	11 712	14 500	11.0%	0.3%	14 212	14 994	15 819	0.2%	0.3%
African Institute for Economic Development and Planning	1 242	1 007	957	1 351	–	–	1 427	1 505	1 588	–	–
Regional Technical Assistance Centre for Southern Africa	959	988	1 177	1 213	–	–	1 281	1 351	1 425	–	–
Infrastructure Consortium for Africa	1 000	–	–	–	-100.0%	–	–	–	–	–	0.1%
African Risk Capacity	–	–	–	–	-100.0%	–	8 106	8 552	9 022	–	0.1%
Capital	90 660	90 680	126 782	136 120	59.7%	2.3%	143 743	151 650	159 991	19.3%	2.5%
African Development Fund	–	–	73 192	82 530	–	0.8%	37 389	39 446	41 616	–	0.8%
World Bank Group	90 660	90 680	53 590	53 590	59.7%	1.5%	106 354	112 204	118 375	19.3%	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.

Personnel information

Table 7.20 International Financial Relations personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2019			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 (%)			
			2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost			2021/22		Unit cost
International Financial Relations			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2018/19 - 2021/22	
Salary level	32	3	35	30.7	0.9	35	33.5	1.0	39	40.4	1.0	39	43.4	1.1	39	45.9	1.2	3.7%	100.0%
7 – 10	11	2	12	6.2	0.5	11	5.7	0.5	13	7.3	0.6	13	7.9	0.6	14	9.1	0.6	8.4%	33.6%
11 – 12	6	–	7	5.4	0.8	8	10.3	1.3	10	14.4	1.4	10	15.4	1.5	9	15.3	1.7	4.0%	24.3%
13 – 16	15	1	16	19.1	1.2	16	17.6	1.1	16	18.8	1.2	16	20.1	1.3	16	21.5	1.3	–	42.1%

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

2. Rand million.

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 with no backlog.

Subprogrammes

- *Government Pensions Administration Agency* provides administrative services, in accordance with the Temporary 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 the 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 7.21 Civil and Military Pensions, Contributions to Funds and Other Benefits 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 (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand											
Government Pensions Administration Agency	56 586	61 278	62 061	68 856	6.8%	1.4%	72 712	76 711	80 930	5.5%	1.3%
Civil Pensions and Contributions to Funds	3 156 521	3 249 213	3 614 441	4 151 353	9.6%	78.1%	4 496 771	4 452 463	4 694 953	4.2%	80.1%
Military Pensions and Other Benefits	754 591	1 089 668	941 586	943 587	7.7%	20.5%	1 005 020	1 061 071	1 119 430	5.9%	18.6%
Total	3 967 698	4 400 159	4 618 088	5 163 796	9.2%	100.0%	5 574 503	5 590 245	5 895 313	4.5%	100.0%
Change to 2018 Budget estimate				–			–	(291 000)	(309 400)		
Economic classification											
Current payments	56 586	61 278	62 061	68 856	6.8%	1.4%	72 712	76 711	80 930	5.5%	1.3%
Goods and services ¹	56 586	61 278	62 061	68 856	6.8%	1.4%	72 712	76 711	80 930	5.5%	1.3%
of which:											
Consultants: Business and advisory services	56 586	61 278	62 061	68 856	6.8%	1.4%	72 712	76 711	80 930	5.5%	1.3%
Transfers and subsidies¹	3 911 097	4 338 881	4 556 016	5 094 940	9.2%	98.6%	5 501 791	5 513 534	5 814 383	4.5%	98.7%
Foreign governments and international organisations	2 082	1 237	1 255	2 695	9.0%	–	2 846	3 003	3 168	5.5%	0.1%
Households	3 909 015	4 337 644	4 554 761	5 092 245	9.2%	98.6%	5 498 945	5 510 531	5 811 215	4.5%	98.6%
Payments for financial assets	15	–	11	–	-100.0%	–	–	–	–	–	–
Total	3 967 698	4 400 159	4 618 088	5 163 796	9.2%	100.0%	5 574 503	5 590 245	5 895 313	4.5%	100.0%
Proportion of total programme expenditure to vote expenditure	13.8%	15.6%	11.6%	17.4%	–	–	18.1%	17.3%	17.3%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	3 909 015	4 337 644	4 554 761	5 092 245	–	98.6%	5 498 945	5 510 531	5 811 215	–	98.6%
Contribution to provident funds for associated institutions	339	314	248	330	–	–	360	380	401	–	–
Parliamentary Awards	19	17	18	24	–	2.0%	25	26	27	–	1.9%
Other benefits	82 512	92 820	87 805	94 584	9.0%	12.8%	104 093	109 819	115 859	5.5%	12.8%
Injury on duty	514 865	563 450	598 974	652 309	–	52.6%	688 838	726 724	766 694	–	54.2%
Post-retirement medical scheme	2 107 413	2 133 462	2 458 759	2 850 303	–	52.6%	2 893 297	3 064 719	3 233 279	–	54.2%
Special pensions	439 801	447 781	459 964	468 200	–	10.0%	468 000	480 000	506 400	–	8.7%
Political Office Bearers Pension Fund	–	–	–	68 272	9.2%	0.4%	323 224	50 001	50 356	4.5%	2.2%
Pension benefits: President of South Africa	7 275	7 732	7 407	11 732	–	0.2%	12 894	14 277	15 062	–	0.2%
Military pensions: Ex-servicemen and servicewomen	2 879	2 285	1 753	1 600	–	–	2 801	2 599	2 742	–	–
South African citizen force	166 202	175 485	190 998	193 647	–	4.0%	205 293	217 131	229 073	–	3.8%
Civil protection	19	19	19	19	–	0.2%	19	20	21	–	0.3%
Other benefits: Ex-servicemen and servicewomen	10 491	12 279	11 516	11 021	–	16.2%	18 318	19 910	21 005	–	14.4%
Non-statutory forces	575 000	899 600	737 300	737 300	–	–	778 589	821 411	866 589	–	0.1%
Post-retirement medical scheme: Parliamentary staff	2 200	2 400	–	2 904	9.2%	0.4%	3 194	3 514	3 707	4.5%	2.2%
Foreign governments and International organisations											
Current	2 082	1 237	1 255	2 695	–	–	2 846	3 003	3 168	–	0.1%
United Kingdom tax	2 082	1 237	1 255	2 695	-100.0%	–	2 846	3 003	3 168	–	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 capacity in the public sector 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 supporting 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 through 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 7.22 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/Total (%) 2015/16 - 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/Total (%) 2018/19 - 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R thousand											
Local Government Financial Management Support	573 946	587 935	627 762	645 481	4.0%	23.2%	681 399	718 461	757 976	5.5%	23.6%
Urban Development and Support Employment Creation Facilitation	848 285	873 855	972 917	924 829	2.9%	34.5%	962 220	1 014 957	1 090 426	5.6%	33.6%
Government Technical Advisory Centre	749 518	698 238	593 058	689 000	-2.8%	26.0%	800 073	916 769	992 484	12.9%	28.6%
Infrastructure Development Support	83 609	88 006	80 818	71 858	-4.9%	3.1%	61 734	71 467	79 299	3.3%	2.4%
Total	2 472 246	2 478 432	2 526 350	3 012 542	6.8%	100.0%	2 737 557	2 965 424	3 176 212	1.8%	100.0%
Change to 2018 Budget estimate				213 701			(250 194)	(761 525)	(775 365)		
Economic classification											
Current payments	283 806	310 424	327 830	794 150	40.9%	16.4%	365 289	388 290	411 931	-19.7%	16.5%
Goods and services ¹	283 806	310 424	327 830	794 150	40.9%	16.4%	365 289	388 290	411 931	-19.7%	16.5%
of which:											
Consultants: Business and advisory services	283 806	310 424	327 830	394 150	11.6%	12.5%	365 289	388 290	411 931	1.5%	13.1%
Transfers and subsidies¹	2 188 440	2 168 008	2 198 520	2 218 392	0.5%	83.6%	2 372 268	2 577 134	2 764 281	7.6%	83.5%
Provinces and municipalities	1 411 831	1 454 400	1 592 738	1 541 534	3.0%	57.2%	1 613 461	1 701 898	1 815 148	5.6%	56.1%
Departmental agencies and accounts	776 609	713 608	605 782	676 858	-4.5%	26.4%	758 807	875 236	949 133	11.9%	27.4%
Total	2 472 246	2 478 432	2 526 350	3 012 542	6.8%	100.0%	2 737 557	2 965 424	3 176 212	1.8%	100.0%
Proportion of total programme expenditure to vote expenditure	8.6%	8.8%	6.3%	10.1%	-	-	8.9%	9.2%	9.3%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	776 062	713 608	605 040	676 073	3.0%	26.4%	757 978	874 361	948 210	5.6%	27.4%
Government Technical Advisory Centre	776 062	713 608	605 040	676 073	-4.5%	26.4%	757 978	874 361	948 210	11.9%	27.4%
Capital	547	-	742	785	-	-	829	875	923	-	-
Government Technical Advisory Centre	547	-	742	785	-	-	829	875	923	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	576 956	595 735	642 780	646 058	-	23.5%	682 238	719 643	759 223	-	23.6%
Local government financial management grant	452 491	465 264	502 006	504 566	-	18.3%	532 822	561 713	592 607	-	18.4%
Infrastructure skills development grant	124 465	130 471	140 774	141 492	-	5.1%	149 416	157 930	166 616	-	5.2%
Capital	834 875	858 665	949 958	895 476	-	33.7%	931 223	982 255	1 055 925	-	32.5%
Integrated city development grant	251 300	266 805	292 119	293 609	-	10.5%	310 051	327 319	351 868	-	10.8%
Neighbourhood development partnership grant	583 575	591 860	657 839	601 867	-	23.2%	621 172	654 936	704 057	-	21.7%

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 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, and the seizure of counterfeit cigarettes, counterfeit CDs and DVDs, clothing, drug cases and medicament on an ongoing basis.
- Manage the South African Revenue Service's R128.9 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 7.23 Revenue Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%) 2015/16 - 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/ Total (%) 2018/19 - 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R thousand											
South African Revenue Service	9 334 439	9 363 676	10 218 198	9 007 217	-1.2%	100.0%	9 529 031	10 110 017	10 673 090	5.8%	100.0%
Total	9 334 439	9 363 676	10 218 198	9 007 217	-1.2%	100.0%	9 529 031	10 110 017	10 673 090	5.8%	100.0%
Change to 2018 Budget estimate				-			398 717	479 160	512 536		
Economic classification											
Transfers and subsidies ¹	9 334 439	9 363 676	10 218 198	9 007 217	-1.2%	100.0%	9 529 031	10 110 017	10 673 090	5.8%	100.0%
Departmental agencies and accounts	9 334 439	9 363 676	10 218 198	9 007 217	-1.2%	100.0%	9 529 031	10 110 017	10 673 090	5.8%	100.0%
Total	9 334 439	9 363 676	10 218 198	9 007 217	-1.2%	100.0%	9 529 031	10 110 017	10 673 090	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	32.5%	33.2%	25.7%	30.3%	-	-	31.0%	31.3%	31.3%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8 390 995	8 320 321	9 076 637	7 799 445	-	88.6%	7 854 907	8 285 303	8 740 995	-	83.1%
South African Revenue Service: Operations	8 390 995	8 320 321	9 041 607	7 757 918	-1.2%	88.4%	7 814 599	8 242 778	8 696 131	5.8%	82.7%
South African Revenue Service: Office of the Tax Ombud	-	-	35 030	41 527	-	0.2%	40 308	42 525	44 864	-	0.4%
Capital	943 444	1 043 355	1 141 561	1 207 772	-	11.4%	1 674 124	1 824 714	1 932 095	-	16.9%
South African Revenue Service: Machinery and equipment	943 444	1 043 355	1 141 561	1 207 772	-	11.4%	1 674 124	1 824 714	1 932 095	-	16.9%

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 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 network 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 Service 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 7.24 Financial Intelligence and State Security expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22
R thousand											
Financial Intelligence Centre	239 488	256 372	270 191	278 716	5.2%	5.4%	294 324	310 513	327 592	5.5%	5.9%
Secret Services	4 322 574	4 556 115	4 835 448	4 484 817	1.2%	94.6%	4 656 729	4 912 674	5 182 871	4.9%	94.1%
Total	4 562 062	4 812 487	5 105 639	4 763 533	1.5%	100.0%	4 951 053	5 223 187	5 510 463	5.0%	100.0%
Change to 2018 Budget estimate				–			–	–	–		
Economic classification											
Transfers and subsidies ¹	4 562 062	4 812 487	5 105 639	4 763 533	1.5%	100.0%	4 951 053	5 223 187	5 510 463	5.0%	100.0%
Departmental agencies and accounts	4 562 062	4 812 487	5 105 639	4 763 533	1.5%	100.0%	4 951 053	5 223 187	5 510 463	5.0%	100.0%
Total	4 562 062	4 812 487	5 105 639	4 763 533	1.5%	100.0%	4 951 053	5 223 187	5 510 463	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	15.9%	17.1%	12.8%	16.0%	–	–	16.1%	16.2%	16.1%	–	–
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4 242 027	4 392 282	4 778 378	4 330 331	–	92.2%	4 493 592	4 740 566	5 001 298	–	90.8%
Financial Intelligence Centre: Operations	226 664	239 641	254 941	262 581	1.5%	5.1%	277 285	292 537	308 627	5.0%	5.6%
Secret Services: Operations	4 015 363	4 152 641	4 523 437	4 067 750	–	87.1%	4 216 307	4 448 029	4 692 671	–	85.2%
Capital	320 035	420 205	327 261	433 202	–	7.8%	457 461	482 621	509 165	–	9.2%
Financial Intelligence Centre: Machinery and equipment	12 824	16 731	15 250	16 135	–	0.3%	17 039	17 976	18 965	–	0.3%
Secret Services: Machinery and equipment	307 211	403 474	312 011	417 067	–	7.5%	440 422	464 645	490 200	–	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.

Entities

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 human resources development 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.

Selected performance indicators

Table 7.25 Development Bank of Southern Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Cost-to-income ratio (bank-wide)	Administration	Outcome 12: An efficient, effective and development-oriented public service	29% (R1.0bn/R3.6bn)	18.8% (R888m/R4.7bn)	21.6% (R928m/R4.3bn)	31.7%	32.1%	30.6%	30.6%
Total value of disbursements to infrastructure-related projects	Development finance		R17.1bn	R12.4bn	R12.2bn	R16bn	R18bn	R20bn	R20bn
Value of bank-wide net profit/(loss) per year	Development finance		R2.6bn	R2.8bn	R2.3bn	R2.7bn	R2.8bn	R3.3bn	R3.3bn

Expenditure analysis

Over the medium term, the Development Bank of Southern Africa will focus on: driving financial and non-financial investments and support in the education, energy, health, housing, transport, water and communications sectors; accelerating infrastructure financing in South Africa that targets municipalities, state-owned companies, independent power producers and public-private partnerships; and providing infrastructure support in the rest of Africa that targets state-owned companies and public-private partnerships. Over the MTEF period, the bank expects to support municipalities through infrastructure development aimed at addressing backlogs in the delivery of essential social services.

As such, it aims to increase the total value of disbursements to infrastructure projects from R16 billion in 2018/19 to R20 billion in 2021/22. To complement these activities, the bank plans to set aside R111 million per year over the MTEF period as part of its *Development finance* programme to provide for interest subsidies, and support the planning and implementation of infrastructure projects in selected municipalities with capacity constraints.

Total expenditure is expected to increase at an average annual rate of 10 per cent, from R5.8 billion in 2018/19 to R7.7 billion in 2021/22. The bulk of the bank's expenditure is on interest expenses, which increase from R4 billion in 2018/19 to R5.4 billion in 2021/22 in line with the expected increases in disbursements. To ensure that the bank has adequate capacity to deliver on its mandate, its number of personnel is expected to remain constant at 678 over the MTEF period. Spending on compensation of employees is expected to increase at an average annual rate of 8.1 per cent, from R832.7 million in 2018/19 to R1.1 billion in 2021/22.

Revenue is expected to increase at an average annual rate of 9.4 per cent, from R8.5 billion in 2018/19 to R11.1 billion in 2021/22, driven by an anticipated increase in disbursements and more effective management of the non-performing loan book, which is expected to improve net loan impairments.

Programmes/Objectives/Activities

Table 7.26 Development Bank of Southern Africa 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 (%)
	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22		
R thousand											
Administration	710 831	855 097	1 023 418	1 011 460	12.5%	15.9%	1 127 497	1 221 472	1 288 653	8.4%	17.1%
Development finance	4 503 395	4 575 597	4 715 196	4 523 158	0.1%	81.0%	5 196 258	5 810 001	6 129 551	10.7%	79.5%
Non-financing development activities	162 564	173 907	161 852	217 981	10.3%	3.2%	226 981	234 981	247 905	4.4%	3.4%
Total	5 376 790	5 604 601	5 900 466	5 752 599	2.3%	100.0%	6 550 735	7 266 453	7 666 108	10.0%	100.0%

Statements of historical financial performance and position

Table 7.27 Development Bank of Southern Africa statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average Outcome/Budget (%)
	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2015/16 - 2018/19	
R thousand									
Revenue									
Non-tax revenue	6 518 529	7 953 469	7 445 355	8 425 451	8 638 936	8 183 343	9 805 574	8 475 827	101.9%
Sale of goods and services other than capital assets	358 659	275 914	298 929	318 266	333 941	190 196	316 676	262 204	80.0%
<i>of which:</i>									
<i>Sales by market establishment</i>	358 659	275 914	298 929	318 266	333 941	190 196	316 676	262 204	80.0%
Other non-tax revenue	6 159 870	7 677 555	7 146 425	8 107 185	8 304 995	7 993 146	9 488 898	8 213 622	102.9%
Total revenue	6 518 529	7 953 469	7 445 355	8 425 451	8 638 936	8 183 343	9 805 574	8 475 827	101.9%
Expenses									
Current expenses	5 321 516	5 314 141	6 273 125	5 542 248	6 871 699	5 868 452	7 916 464	5 564 933	84.5%
Compensation of employees	772 668	730 937	879 460	584 785	874 260	684 756	972 676	832 711	81.0%
Goods and services	1 052 463	1 197 182	1 243 075	1 222 453	1 504 759	1 252 567	1 588 417	652 334	80.3%
Depreciation	29 000	30 592	36 000	31 249	38 233	25 870	38 233	31 497	84.3%
Interest, dividends and rent on land	3 467 385	3 355 429	4 114 590	3 703 760	4 454 447	3 905 259	5 317 138	4 048 391	86.5%
Transfers and subsidies	286 000	62 649	180 000	62 352	90 000	32 014	254 000	187 667	42.6%
Total expenses	5 607 516	5 376 790	6 453 125	5 604 600	6 961 699	5 900 466	8 170 464	5 752 599	83.2%
Surplus/(Deficit)	911 013	2 576 679	992 230	2 820 851	1 677 237	2 282 877	1 635 110	2 723 227	
Statement of financial position									
Carrying value of assets	616 055	580 344	563 725	503 367	546 655	490 470	543 422	559 313	94.0%
<i>of which:</i>									
<i>Acquisition of assets</i>	(35 000)	(30 646)	(35 000)	(25 480)	(66 200)	(27 577)	(49 100)	(57 030)	75.9%
Investments	5 246 283	8 757 304	8 853 898	7 932 986	8 223 771	8 242 162	8 226 415	7 851 172	107.3%
Loans	72 504 941	70 785 250	84 583 198	72 795 497	91 811 079	76 337 840	106 731 631	86 007 541	86.0%
Receivables and prepayments	146 701	138 533	146 701	121 982	146 701	399 621	151 921	146 701	136.3%
Cash and cash equivalents	3 108 765	2 084 565	155 046	2 299 247	880 980	3 741 853	1 152 989	1 024 225	172.7%
Total assets	81 622 745	82 345 996	94 302 568	83 653 079	101 609 186	89 211 946	116 806 378	95 588 952	89.0%
Accumulated surplus/(deficit)	13 322 523	14 544 861	15 510 455	17 514 577	18 459 568	19 472 969	20 094 677	22 570 609	110.0%
Capital and reserves	6 134 426	2 827 854	2 793 254	2 624 455	2 815 706	2 955 762	2 815 706	2 751 878	76.7%
Capital reserve fund	7 900 000	11 892 344	11 892 344	11 892 344	11 892 344	11 892 344	11 892 344	11 892 344	109.2%
Borrowings	52 722 367	51 791 220	62 525 593	50 612 544	66 851 874	53 573 211	80 210 751	56 749 445	81.1%
Trade and other payables	1 142 017	894 795	294 177	838 591	1 342 964	1 204 264	1 519 511	1 495 182	103.1%
Provisions	398 311	391 822	1 283 645	167 342	243 504	111 244	270 163	127 342	36.3%
Derivatives financial instruments	3 100	3 100	3 100	3 226	3 226	2 152	3 226	2 152	84.0%
Total equity and liabilities	81 622 745	82 345 996	94 302 568	83 653 079	101 609 186	89 211 946	116 806 378	95 588 952	89.0%

Statements of estimates of financial performance and position

Table 7.28 Development Bank of Southern 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 (%)	
	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22			
R thousand									
Revenue									
Non-tax revenue	8 475 827	2.1%	100.0%	9 344 053	10 522 372	11 101 102	9.4%	100.0%	
Sale of goods and services other than capital assets	262 204	-1.7%	3.2%	269 900	302 074	318 688	6.7%	2.9%	
<i>of which:</i>									
<i>Sales by market establishment</i>	262 204	-1.7%	3.2%	269 900	302 074	318 688	6.7%	2.9%	
Other non-tax revenue	8 213 622	2.3%	96.8%	9 074 153	10 220 298	10 782 414	9.5%	97.1%	
Total revenue	8 475 827	2.1%	100.0%	9 344 053	10 522 372	11 101 102	9.4%	100.0%	

Table 7.28 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	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22		
R thousand								
Expenses								
Current expenses	5 564 933	1.5%	98.5%	6 343 008	7 046 481	7 434 038	10.1%	96.9%
Compensation of employees	832 711	4.4%	12.5%	944 197	997 660	1 052 532	8.1%	14.1%
Goods and services	652 334	-18.3%	19.2%	871 274	867 088	914 778	11.9%	12.1%
Depreciation	31 497	1.0%	0.5%	31 575	33 609	35 457	4.0%	0.5%
Interest, dividends and rent on land	4 048 391	6.5%	66.3%	4 495 961	5 148 124	5 431 271	10.3%	70.2%
Transfers and subsidies	187 667	44.2%	1.5%	207 728	219 972	232 070	7.3%	3.1%
Total expenses	5 752 599	2.3%	100.0%	6 550 735	7 266 453	7 666 108	10.0%	100.0%
Surplus/(Deficit)	2 723 227			2 793 318	3 255 918	3 434 994		
Statement of financial position								
Carrying value of assets	559 313	-1.2%	0.6%	551 232	540 116	472 898	-5.4%	0.5%
<i>of which:</i>								
<i>Acquisition of assets</i>	<i>(57 030)</i>	<i>23.0%</i>	<i>-0.0%</i>	<i>(23 493)</i>	<i>(22 493)</i>	<i>-</i>	<i>-100.0%</i>	<i>-0.0%</i>
Investments	7 851 172	-3.6%	9.4%	7 524 305	7 285 070	7 172 327	-3.0%	6.8%
Loans	86 007 541	6.7%	87.1%	95 774 241	106 547 895	122 219 276	12.4%	91.4%
Receivables and prepayments	146 701	1.9%	0.2%	151 921	157 401	157 401	2.4%	0.1%
Cash and cash equivalents	1 024 225	-21.1%	2.6%	1 322 612	1 617 780	1 619 640	16.5%	1.2%
Total assets	95 588 952	5.1%	100.0%	105 324 311	116 148 262	131 641 542	11.3%	100.0%
Accumulated surplus/(deficit)	22 570 609	15.8%	21.0%	25 363 927	28 619 845	33 997 256	14.6%	24.5%
Capital and reserves	2 751 878	-0.9%	3.2%	2 751 879	2 751 878	2 751 878	-	2.5%
Capital reserve fund	11 892 344	-	13.6%	11 892 344	11 892 344	11 892 344	-	10.8%
Borrowings	56 749 445	3.1%	60.7%	63 483 891	70 837 421	80 824 759	12.5%	60.5%
Trade and other payables	1 495 182	18.7%	1.3%	1 691 890	1 895 147	2 023 677	10.6%	1.6%
Provisions	127 342	-31.2%	0.2%	138 228	149 475	149 475	5.5%	0.1%
Derivatives financial instruments	2 152	-11.5%	0.0%	2 152	2 152	2 152	-	0.0%
Total equity and liabilities	95 588 952	5.1%	100.0%	105 324 311	116 148 262	131 641 542	11.3%	100.0%

Personnel information**Table 7.29 Development Bank of Southern Africa personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Development Bank of Southern Africa																			
Salary level	678	678	574	684.8	1.2	678	832.7	1.2	678	944.2	1.4	678	997.7	1.5	678	1 052.5	1.6	8.1%	100.0%
1 - 6	52	52	51	10.7	0.2	52	11.1	0.2	52	12.6	0.2	52	13.3	0.3	52	14.0	0.3	8.1%	7.7%
7 - 10	169	169	167	94.5	0.6	169	95.5	0.6	169	108.3	0.6	169	114.4	0.7	169	120.7	0.7	8.1%	24.9%
11 - 12	91	91	86	90.9	1.1	91	95.4	1.0	91	108.2	1.2	91	114.3	1.3	91	120.6	1.3	8.1%	13.4%
13 - 16	348	348	256	438.7	1.7	348	564.8	1.6	348	640.4	1.8	348	676.7	1.9	348	713.9	2.1	8.1%	51.3%
17 - 22	18	18	14	49.9	3.6	18	65.9	3.7	18	74.8	4.2	18	79.0	4.4	18	83.4	4.6	8.1%	2.7%

1. Rand million.

Government Pensions Administration Agency**Mandate**

The Government Pensions Administration Agency provides pension 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). Post-retirement medical subsidies are administered as provided for and regulated by the Public Services Bargaining Council resolutions; military pensions are administered in terms of the Military Pensions Act (1976); payments for injuries on duty are administered in terms of the Compensation for Occupational Injuries and Diseases Act (1993); and special pensions are administered in terms of the Special Pensions Act (1996).

Selected performance indicators

Table 7.30 Government Pensions Administration Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of National Treasury benefits paid within 60 days per year	Benefit administration	Outcome 12: An efficient, effective and development-oriented public service	-1	-1	92% (R2.8bn/R3bn)	85%	85%	90%	100%
Percentage of benefits paid accurately on behalf of National Treasury per year	Benefit administration		-1	-1	99% (R4.5bn/R4.6bn)	85%	90%	95%	100%
Percentage of Government Employees Pension Fund benefits paid within 60 days	Benefit administration		-1	-1	80% (R8.6bn/R10.8bn)	85%	90%	95%	100%
Percentage of Government Employees Pension Fund benefits paid accurately per year	Benefit administration		-1	-1	71% (R89.6bn/R126.2bn)	85%	90%	95%	100%
Percentage of client satisfaction level per year	Benefit administration		-1	-1	94% (235 492/247 915)	94%	96%	97%	100%

1. No historical data available.

Expenditure analysis

The Government Pensions Administration Agency will continue to focus on its modernisation project until the project is completed in 2019/20. The project is aimed at improving service delivery by enhancing the agency's IT infrastructure, optimising its office space, and employing new personnel as client service agents. As such, outdated and obsolete systems and applications will be replaced to enhance staff productivity, speed up the processing of claims, and effectively manage pension queries. Core pension administration functions, including benefit payments and membership maintenance processes, are also expected to be improved.

Expenditure is expected to increase at an average annual rate of 1.5 per cent, from R1.1 billion in 2018/19 to R1.2 billion in 2021/22 in line with inflation. Spending on ICT specifically is expected to increase at an average annual rate of 5.5 per cent, from R229 million in 2018/19 to R269 million in 2021/22. Spending on compensation of employees is expected to increase at an average annual rate of 5.2 per cent, from R470 million in 2018/19 to R547.4 million in 2021/22, as the modernisation project is expected to bring about efficiencies and a less labour-intensive workplace. The number of employees in filled positions is expected to remain at 1 047 over the medium term, but will be revised once the agency's organisational restructuring process is finalised.

The agency receives 93.8 per cent (R3.5 billion) of its revenue from the Government Employees Pension Fund and the remaining 6.2 per cent (R231.6 million) through transfers from the department. Revenue is expected to increase at an average annual rate of 5.7 per cent, from R1.1 billion in 2018/19 to R1.3 billion in 2021/22, to allow for the completion of the modernisation project.

Programmes/Objectives/Activities

Table 7.31 Government Pensions Administration Agency 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 (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
Administration	532 227	578 145	560 969	768 399	13.0%	62.6%	706 746	780 115	821 980	2.3%	68.7%
Benefit administration	331 272	330 150	420 574	364 975	3.3%	37.4%	329 404	344 520	364 738	-0.0%	31.3%
Total	863 499	908 295	981 543	1 133 374	9.5%	100.0%	1 036 150	1 124 635	1 186 718	1.5%	100.0%

Statements of historical financial performance and position

Table 7.32 Government Pensions Administration Agency statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
R thousand	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19
Revenue									
Non-tax revenue	1 388 495	949 109	1 219 412	941 671	1 074 408	981 055	1 135 218	1 135 218	83.2%
Sale of goods and services other than capital assets	1 388 495	947 575	1 219 412	939 605	1 074 408	978 643	1 135 218	1 135 218	83.1%
<i>of which:</i>									
Administrative fees	1 388 495	947 575	1 219 412	939 605	1 074 408	978 643	1 135 218	1 135 218	83.1%
Other non-tax revenue	–	1 534	–	2 066	–	2 412	–	–	–
Total revenue	1 388 495	949 109	1 219 412	941 671	1 074 408	981 055	1 135 218	1 135 218	83.2%
Expenses									
Current expenses	1 388 495	863 499	1 219 412	908 295	1 074 408	981 543	1 135 218	1 133 374	80.7%
Compensation of employees	481 706	433 933	484 886	458 618	513 618	481 008	525 456	470 039	91.9%
Goods and services	785 184	395 717	608 117	378 513	485 820	406 819	609 762	605 551	71.8%
Depreciation	121 605	33 849	126 409	71 164	74 970	93 716	–	57 784	79.4%
Total expenses	1 388 495	863 499	1 219 412	908 295	1 074 408	981 543	1 135 218	1 133 374	80.7%
Surplus/(Deficit)	–	85 610	–	33 376	–	(488)	–	1 844	
Statement of financial position									
Carrying value of assets	69 575	346 969	71 626	390 738	202 834	379 362	311 503	395 691	230.8%
<i>of which:</i>									
Acquisition of assets	(69 575)	(131 316)	(146 683)	(95 244)	(74 971)	(82 312)	(68 762)	(69 284)	105.0%
Inventory	1 368	1 127	1 100	544	1 370	612	2 505	612	45.6%
Receivables and prepayments	15 800	140 312	14 791	94 670	15 300	77 871	12 580	77 815	668.1%
Cash and cash equivalents	12 622	17 752	12 000	36 948	11 100	42 257	10 250	42 257	302.8%
Total assets	99 365	506 160	99 517	522 900	230 604	500 102	336 838	516 375	266.9%
Accumulated surplus/(deficit)	5 843	365 553	5 843	395 407	112 910	394 919	226 878	411 192	445.9%
Trade and other payables	71 000	105 122	71 152	93 720	75 152	68 229	71 520	68 229	116.1%
Provisions	22 522	35 485	22 522	33 773	42 542	36 954	38 440	36 954	113.6%
Total equity and liabilities	99 365	506 160	99 517	522 900	230 604	500 102	336 838	516 375	266.9%

Statements of estimates of financial performance and position

Table 7.33 Government Pensions Administration Agency 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 thousand	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22		
Revenue									
Non-tax revenue	1 135 218	6.2%	100.0%	1 142 467	1 266 587	1 339 202	5.7%	100.0%	
Sale of goods and services other than capital assets	1 135 218	6.2%	99.8%	1 142 467	1 266 587	1 339 202	5.7%	100.0%	
<i>of which:</i>									
Administrative fees	1 135 218	6.2%	99.8%	1 142 467	1 266 587	1 339 202	5.7%	100.0%	
Total revenue	1 135 218	6.2%	100.0%	1 142 467	1 266 587	1 339 202	5.7%	100.0%	
Expenses									
Current expenses	1 133 374	9.5%	100.0%	1 036 150	1 124 635	1 186 718	1.5%	100.0%	
Compensation of employees	470 039	2.7%	47.8%	499 438	516 725	547 372	5.2%	45.4%	
Goods and services	605 551	15.2%	45.6%	483 488	587 363	617 771	0.7%	51.1%	
Depreciation	57 784	19.5%	6.6%	53 224	20 547	21 575	-28.0%	3.5%	
Total expenses	1 133 374	9.5%	100.0%	1 036 150	1 124 635	1 186 718	1.5%	100.0%	
Surplus/(Deficit)	1 844			106 317	141 952	152 484			
Statement of financial position									
Carrying value of assets	395 691	4.5%	73.9%	395 691	395 691	395 691	–	76.6%	
<i>of which:</i>									
Acquisition of assets	(69 284)	-19.2%	-18.5%	(64 911)	(46 172)	(21 575)	-32.2%	-9.8%	
Inventory	612	-18.4%	0.1%	612	612	612	–	0.1%	
Receivables and prepayments	77 815	-17.8%	19.1%	77 815	77 815	77 815	–	15.1%	
Cash and cash equivalents	42 257	33.5%	6.8%	42 257	42 257	42 257	–	8.2%	
Total assets	516 375	0.7%	100.0%	516 375	516 375	516 375	–	100.0%	
Accumulated surplus/(deficit)	411 192	4.0%	76.6%	411 192	411 192	411 192	–	79.6%	
Trade and other payables	68 229	-13.4%	16.4%	68 229	68 229	68 229	–	13.2%	
Provisions	36 954	1.4%	7.0%	36 954	36 954	36 954	–	7.2%	
Total equity and liabilities	516 375	0.7%	100.0%	516 375	516 375	516 375	–	100.0%	

Personnel information

Table 7.34 Government Pensions Administration Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)		
		2017/18			2018/19			2019/20			2020/21			2021/22						
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			2018/19 - 2021/22	
Government Pensions Administration Agency		1 136	1 136	1 047	481.0	0.5	1 047	470.0	0.4	1 047	499.4	0.5	1 047	516.7	0.5	1 047	547.4	0.5	5.2%	100.0%
Salary level																				
1 – 6	632	632	581	213.7	0.4	581	171.3	0.3	581	180.3	0.3	581	185.3	0.3	581	192.6	0.3	4.0%	55.5%	
7 – 10	362	362	346	142.7	0.4	346	160.1	0.5	346	175.2	0.5	346	180.6	0.5	346	196.4	0.6	7.1%	33.0%	
11 – 12	92	92	78	78.1	1.0	78	80.8	1.0	78	82.6	1.1	78	86.7	1.1	78	91.1	1.2	4.1%	7.4%	
13 – 16	50	50	42	46.5	1.1	42	57.9	1.4	42	61.4	1.5	42	64.1	1.5	42	67.3	1.6	5.2%	4.0%	

1. Rand million.

Land and Agricultural Development Bank of South Africa

Mandate

The Land and Agricultural Development Bank of South Africa operates in the primary agriculture and agribusiness sectors, and is regulated by the Land and Agricultural Development Bank Act (2002) and the Public Finance Management Act (1999). As a development finance institution, its mandate is to address agricultural and rural development in South Africa.

Selected performance indicators

Table 7.35 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		
			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	56% (R677.9m/ R1.2bn)	54.4% (R564m/R1bn)	60.5% (R628.7m/R1bn)	54.9%	52.7%	53.2%	53.2%
Capital adequacy ratio	Administration		34%	18%	17%	16%	16%	16%	16%
Value of development loan book disbursements	Administration		R700m	R2.2bn	R1.6bn	R1bn	R1.4bn	R1.8bn	R2bn
Value of business and corporate banking loans	Corporate banking		R34.4m	R36.1m	R35m	R36.1m	R37.8m	R40m	R42.3m
Value of development loan book disbursements	Corporate banking		R370m	R388.4m	R408m	R428.6m	R428.6m	R452.1m	R465m
Value of commercial development banking	Commercial development banking		– ¹	– ¹	– ¹	R8.2bn	R8.4bn	R8.7bn	R9bn

1. No historical data available.

Expenditure analysis

In its ongoing effort to facilitate the entry of a generation of black agri-entrepreneurs into the sector, over the medium term, the Land and Agricultural Development Bank of South Africa will focus on growing its loan book and, in doing so: create appropriate equity investment structures and opportunities, enable existing farmers to undertake transformational projects to grow their enterprises, increase funding for agro-processing, and continue to help small agri-businesses access supplier and enterprise development programmes to expand their operations.

The bank expects to continue to grow its loan book in line with its balance sheet capacity, thereby ensuring that the quality of loans is maintained. As such, total gross loans are projected to increase from R45.6 billion in 2018/19 to R51 billion in 2021/22.

Total expenditure is expected to increase at an average annual rate of 3.6 per cent, from R4.7 billion in 2018/19 to R5.2 billion in 2021/22. Interest expenses related to funding liabilities are expected to increase at an average annual rate of 3.8 per cent, from R3.6 billion in 2018/19 to R4 billion in 2021/22. With the implementation of a new organisational structure, the bank's number of personnel is expected to decrease from 455 in 2018/19 to

425 in 2021/22. However, spending on compensation of employees is expected to increase at an average annual rate of 7 per cent, from R396.8 million in 2018/19 to R486.2 million in 2021/22, due to cost of living adjustments and increases in salaries as a result of promotions.

Interest income, which accounts for an estimated 97.4 per cent of the bank's revenue, is expected to increase at an average annual rate of 4.2 per cent, from R4.8 billion in 2018/19 to R5.4 billion in 2021/22, in line with projected growth in the loan book.

Programmes/Objectives/Activities

Table 7.36 Land and Agricultural Development Bank 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 (%)
	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22		
Administration	565 972	576 386	628 679	618 135	3.0%	14.2%	640 117	669 502	708 510	4.7%	13.4%
Corporate banking	2 506 955	2 867 777	1 308 987	1 138 976	-23.1%	48.4%	1 200 971	1 242 256	1 314 778	4.9%	24.9%
Commercial development banking	489 862	570 639	2 816 506	2 911 007	81.1%	37.4%	2 970 090	3 049 309	3 166 795	2.8%	61.6%
Total	3 562 789	4 014 802	4 754 172	4 668 118	9.4%	100.0%	4 811 178	4 961 067	5 190 083	3.6%	100.0%

Statements of historical financial performance and position

Table 7.37 Land and Agricultural Development Bank 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 (%)
	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19				
Revenue									
Non-tax revenue	3 636 914	3 634 597	4 150 463	4 320 559	4 886 329	4 936 507	5 101 844	4 891 180	100.0%
Sale of goods and services other than capital assets	15 790	59 356	123 885	69 946	104 345	88 976	116 420	109 749	91.0%
<i>of which:</i>									
Administrative fees	–	42 083	111 619	39 646	81 477	55 480	93 552	80 864	76.1%
Sales by market establishment	15 790	17 273	12 267	30 300	22 868	33 496	22 868	28 885	149.0%
Other non-tax revenue	3 621 124	3 575 241	4 026 577	4 250 613	4 781 985	4 847 531	4 985 424	4 781 431	100.2%
Total revenue	3 636 914	3 634 597	4 150 463	4 320 559	4 886 329	4 936 507	5 101 844	4 891 180	100.0%
Expenses									
Current expenses	3 116 009	3 508 483	3 876 454	3 945 939	4 571 794	4 685 250	4 769 500	4 589 673	102.4%
Compensation of employees	351 781	317 990	404 326	331 947	393 985	341 613	424 743	396 849	88.2%
Goods and services	264 847	692 826	663 801	575 280	463 251	564 349	502 867	595 421	128.1%
Depreciation	12 104	14 990	9 765	9 765	22 758	22 758	16 667	16 667	104.7%
Interest, dividends and rent on land	2 487 277	2 482 677	2 798 561	3 028 947	3 691 800	3 756 529	3 825 223	3 580 736	100.4%
Total expenses	3 162 236	3 562 788	3 922 343	4 014 802	4 641 932	4 754 172	4 842 455	4 668 117	102.6%
Surplus/(Deficit)	474 678	71 809	228 120	305 757	244 397	182 335	259 389	223 062	
Statement of financial position									
Carrying value of assets	213 897	224 715	253 419	240 128	258 792	369 459	245 640	251 107	111.7%
<i>of which:</i>									
Acquisition of assets	(5 849)	(5 848)	(51 100)	(24 480)	(2 500)	(1 685)	(1 180)	(1 180)	54.7%
Investments	440 496	572 543	612 154	1 328 889	1 365 765	1 572 498	1 906 818	2 485 790	137.8%
Receivables and prepayments	40 068 359	36 834 045	41 800 018	40 975 554	39 645 848	43 418 462	40 840 931	41 995 339	100.5%
Cash and cash equivalents	1 400 000	2 120 577	1 842 929	1 211 305	3 031 944	2 362 130	2 897 217	3 418 939	99.4%
Non-current assets held for sale	53 593	47 622	50 003	47 993	49 610	10 085	49 610	–	52.1%
Derivatives financial instruments	–	–	–	15 149	–	–	–	–	–
Total assets	42 176 344	39 799 502	44 558 523	43 819 018	44 351 959	47 732 634	45 940 216	48 151 175	101.4%
Accumulated surplus/(deficit)	1 922 954	3 157 141	3 427 306	3 460 474	4 402 920	3 679 326	4 803 972	3 960 232	97.9%
Capital and reserves	134 775	135 072	134 775	137 495	134 775	100 978	134 775	100 978	88.0%
Capital reserve fund	4 397 655	1 766 604	1 766 604	1 766 604	1 766 604	1 766 604	833 268	1 766 604	80.6%
Borrowings	6 940 185	4 661 306	7 749 968	5 162 294	6 800 038	5 820 682	7 845 257	6 250 345	74.6%
Trade and other payables	365 379	188 180	201 353	163 998	343 019	160 715	354 476	323 990	66.2%
Provisions	742 012	528 374	535 202	445 304	537 760	448 709	587 441	596 050	84.0%
Derivatives financial instruments	27 673 383	29 362 825	30 743 315	32 682 849	30 366 843	35 755 620	31 381 027	35 152 976	110.6%
Total equity and liabilities	42 176 344	39 799 502	44 558 523	43 819 018	44 351 958	47 732 634	45 940 216	48 151 175	101.4%

Statements of estimates of financial performance and position

Table 7.38 Land and Agricultural Development Bank 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		2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
R thousand		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	
Revenue								
Non-tax revenue	4 891 180	10.4%	100.0%	5 055 445	5 267 605	5 550 674	4.3%	100.0%
Sale of goods and services other than capital assets	109 749	22.7%	1.8%	128 387	140 208	143 794	9.4%	2.5%
<i>of which:</i>								
Administrative fees	80 864	24.3%	1.2%	97 336	106 828	107 911	10.1%	1.9%
Sales by market establishment	28 885	18.7%	0.6%	31 051	33 380	35 883	7.5%	0.6%
Other non-tax revenue	4 781 431	10.2%	98.2%	4 927 058	5 127 398	5 406 880	4.2%	97.5%
Total revenue	4 891 180	10.4%	100.0%	5 055 445	5 267 605	5 550 674	4.3%	100.0%
Expenses								
Current expenses	4 589 673	9.4%	98.4%	4 729 102	4 874 077	5 097 985	3.6%	98.3%
Compensation of employees	396 849	7.7%	8.2%	424 629	454 353	486 158	7.0%	9.0%
Goods and services	595 421	-4.9%	14.6%	616 117	642 166	603 481	0.4%	12.5%
Depreciation	16 667	3.6%	0.4%	12 405	-	-	-100.0%	0.2%
Interest, dividends and rent on land	3 580 736	13.0%	75.2%	3 675 951	3 777 558	4 008 346	3.8%	76.6%
Total expenses	4 668 117	9.4%	100.0%	4 811 179	4 961 067	5 190 083	3.6%	100.0%
Surplus/(Deficit)	223 062			244 266	306 538	360 590		
Statement of financial position								
Carrying value of assets	251 107	3.8%	0.6%	259 535	269 833	281 969	3.9%	0.5%
<i>of which:</i>								
Acquisition of assets	(1 180)	-41.3%	-0.0%	(850)	(893)	(937)	-7.4%	-0.0%
Investments	2 485 790	63.1%	3.2%	3 100 047	3 190 934	3 272 989	9.6%	5.9%
Receivables and prepayments	41 995 339	4.5%	91.1%	44 963 565	46 408 000	47 885 127	4.5%	89.6%
Cash and cash equivalents	3 418 939	17.3%	5.0%	710 885	1 948 622	1 900 034	-17.8%	4.0%
Total assets	48 151 175	6.6%	100.0%	49 034 032	51 817 389	53 340 119	3.5%	100.0%
Accumulated surplus/(deficit)	3 960 232	7.8%	7.9%	4 352 892	4 818 489	5 327 179	10.4%	9.1%
Capital and reserves	100 978	-9.2%	0.3%	100 978	100 978	100 978	-	0.2%
Capital reserve fund	1 766 604	-	4.0%	1 766 604	1 766 604	1 766 604	-	3.5%
Borrowings	6 250 345	10.3%	12.2%	5 517 978	5 696 393	5 702 593	-3.0%	11.5%
Trade and other payables	323 990	19.9%	0.5%	328 614	347 721	356 457	3.2%	0.7%
Provisions	596 050	4.1%	1.1%	646 647	693 834	745 104	7.7%	1.3%
Derivatives financial instruments	35 152 976	6.2%	74.1%	36 320 319	38 393 370	39 341 204	3.8%	73.7%
Total equity and liabilities	48 151 175	6.6%	100.0%	49 034 032	51 817 389	53 340 120	3.5%	100.0%

Personnel information

Table 7.39 Land and Agricultural Development Bank of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22							
Land and Agricultural Development Bank of South Africa		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	455	455	411	341.6	0.8	455	396.8	0.9	425	424.6	1.0	425	454.4	1.1	425	486.2	1.1	7.0%	100.0%
1 - 6	33	33	33	5.2	0.2	33	5.4	0.2	33	5.8	0.2	33	6.2	0.2	33	6.6	0.2	7.1%	7.6%
7 - 10	308	308	274	189.1	0.7	308	218.4	0.7	288	233.8	0.8	288	250.4	0.9	288	268.1	0.9	7.1%	67.7%
13 - 16	105	105	95	121.5	1.3	105	144.2	1.4	95	154.4	1.6	95	165.3	1.7	95	177.0	1.9	7.1%	22.5%
17 - 22	9	9	9	25.8	2.9	9	28.9	3.2	9	30.6	3.4	9	32.5	3.6	9	34.4	3.8	6.0%	2.1%

1. Rand million.

Public Investment Corporation

Mandate

The Public Investment Corporation was established by the Public Investment Corporation Act (2004). The corporation is a registered financial services provider, wholly owned by government, with the Minister of Finance as shareholder representative. 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 entities, most of which are pension, provident, social security, development and guardian funds.

Selected performance indicators**Table 7.40 Public Investment Corporation performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Value of net profit after tax per year	Investments	Outcome 11: Create a better South Africa, a better Africa and a better world	R424m	R533m	R417m	R388m	R427m	R451m	R254m
Total amount of funds under management	Investments		R1.7tr	R1.9tr	R2.1tr	R2.1tr	R2.3tr	R2.4tr	R2.6tr
Percentage contribution of assets under management towards education, housing, health, infrastructure and environmental sustainability per year	Investments		2.5% (R63.7bn)	2.5% (R46bn)	2.6% (R48.6bn)	-1	-1	-1	-1
Percentage increase in African and offshore investment portfolios per year	Investments		15.7% (R16.9bn)	13.8% (R14.9bn)	14.5% (R15.6bn)	-1	-1	-1	-1
Amounts committed towards BEE development property investments (new developments, refurbishments and upgrades, and rural development investment) per year	Investments	Outcome 4: Decent employment through inclusive growth	R2bn	R2bn	R2bn	-1	-1	-1	-1

1. Indicator discontinued.

Expenditure analysis

The Public Investment Corporation makes investments through the Isibaya Fund under the guidance of the Government Employees Pension Fund's developmental investment framework. This requires the corporation to find a balance between financial returns, and support for long-term economic, social and environmental outcomes. The corporation's developmental investments are focused on economic and social infrastructure; sustainability projects; enterprise development; and SMMEs in the manufacturing, tourism, mining and agro-processing sectors. Over the medium term, the corporation plans to commit R9 billion towards development property investments, including new developments, refurbishments and upgrades, and rural development investments. The value of African and offshore investments is expected to increase to R15.6 billion in 2017/18, while contributions to education, health, housing, infrastructure and environmental sustainability, SMMEs, and investments in priority sectors and transformation are expected to amount to R10 billion per year over the medium term.

As the corporation intensifies its investment activities, the value of assets under management is expected to increase from R2.1 trillion in 2018/19 to R2.6 trillion in 2021/22. This necessitates the appointment of additional asset managers to strengthen capacity. As such, spending on compensation of employees is expected to increase at an average annual rate of 8.8 per cent, from R762.9 million in 2018/19 to R981.9 million in 2021/22. Spending on compensation of employees accounts for a projected 63.5 per cent (R2.7 billion) of total expenditure, which is expected to increase at an average annual rate of 9.1 per cent, from R1.2 billion in 2018/19 to R1.5 billion in 2021/22.

The corporation derives its revenue mainly from fees for managing its clients' assets, including the Government Employees Pension Fund, and from interest received, board fees, and other income. Revenue is expected to increase at an average annual rate of 6.2 per cent, from R1.5 billion in 2018/19 to R1.8 billion in 2021/22, mainly due to an anticipated increase in management fees, growth in the equities portfolio, and an increase in assets under management for the consumer price index.

Programmes/Objectives/Activities**Table 7.41 Public Investment Corporation 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 (%)
	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2021/22
Administration	325 078	430 331	439 739	503 707	15.7%	45.7%	542 041	581 119	629 353	7.7%	41.4%
Investments	399 125	368 942	625 467	678 249	19.3%	54.3%	780 012	831 246	905 654	10.1%	58.6%
Total	724 203	799 273	1 065 206	1 181 955	17.7%	100.0%	1 322 053	1 412 365	1 535 007	9.1%	100.0%

Statements of historical financial performance and position

Table 7.42 Public Investment Corporation statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited		Audited		Audited		Budget	Revised	Average: Outcome/ Budget (%)
	Budget	outcome	Budget	outcome	Budget	outcome	estimate	estimate	
	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19
Revenue									
Non-tax revenue	1 186 661	1 147 898	1 481 182	1 331 734	1 545 799	1 482 348	1 575 463	1 495 695	94.3%
Sale of goods and services other than capital assets	1 088 681	1 010 733	1 367 252	1 112 864	1 425 034	1 224 467	1 447 451	1 288 052	87.0%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>1 088 681</i>	<i>1 010 733</i>	<i>1 367 252</i>	<i>1 112 864</i>	<i>1 425 034</i>	<i>1 224 467</i>	<i>1 447 451</i>	<i>1 288 052</i>	<i>87.0%</i>
Other non-tax revenue	97 980	137 165	113 930	218 870	120 765	257 881	128 012	207 643	178.3%
Total revenue	1 186 661	1 147 898	1 481 182	1 331 734	1 545 799	1 482 348	1 575 463	1 495 695	94.3%
Expenses									
Current expenses	874 171	563 198	973 091	611 892	1 080 724	887 746	1 116 083	1 078 067	77.7%
Compensation of employees	598 775	411 136	694 923	440 303	728 105	548 907	761 599	762 910	77.7%
Goods and services	252 598	129 263	248 529	161 129	319 923	319 107	320 284	300 157	79.7%
Depreciation	22 798	22 798	29 639	10 453	32 696	19 728	34 200	15 000	57.0%
Interest, dividends and rent on land	–	–	–	6.0	–	4.0	–	–	–
Total expenses	934 769	724 204	1 066 332	799 273	1 162 033	1 065 206	1 248 089	1 181 955	85.5%
Surplus/(Deficit)	251 892	423 694	414 850	532 461	383 766	417 142	327 374	313 740	
Statement of financial position									
Carrying value of assets	97 536	19 074	122 480	69 131	96 878	98 814	101 334	173 119	86.1%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(55 980)</i>	<i>(5 064)</i>	<i>(49 944)</i>	<i>(6 405)</i>	<i>(56 564)</i>	<i>(104 145)</i>	<i>(59 166)</i>	<i>(101 497)</i>	<i>98.0%</i>
Investments	1 058 263	1 238 335	1 183 739	2 006 026	1 254 316	2 350 502	1 312 015	2 813 277	174.9%
Receivables and prepayments	105 828	122 199	112 124	79 493	118 796	95 574	124 261	267 633	122.5%
Cash and cash equivalents	465 183	605 521	561 371	403 189	732 736	299 824	766 442	305 616	63.9%
Taxation	7 158	89 821	7 586	107 878	8 039	100 210	8 409	87 919	1 237.0%
Total assets	1 733 968	2 074 950	1 987 300	2 665 717	2 210 765	2 944 924	2 312 460	3 647 564	137.5%
Accumulated surplus/(deficit)	1 227 649	1 309 585	1 467 411	1 666 267	1 676 491	1 890 414	1 753 610	2 189 213	115.2%
Capital and reserves	279 822	397 351	279 822	553 676	279 822	680 798	292 694	931 859	226.4%
Finance lease	27	595	24	744	22	1 249	23	1 585	4 346.3%
Trade and other payables	30 347	51 213	32 152	105 425	34 065	41 759	35 632	73 389	205.6%
Taxation	–	4 590	–	–	–	–	–	94 327	–
Provisions	196 123	311 616	207 891	339 605	220 365	330 703	230 502	357 190	156.6%
Total equity and liabilities	1 733 968	2 074 950	1 987 300	2 665 717	2 210 765	2 944 924	2 312 460	3 647 564	137.5%

Statements of estimates of financial performance and position

Table 7.43 Public Investment Corporation statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised	Average	Average:	Medium-term estimate			Average	Average:	
	estimate	growth	Expenditure/	2019/20	2020/21	2021/22	growth	Expenditure/	
	2018/19	rate	Total				rate	Total	
		(%)	(%)				(%)	(%)	
				2018/19	2018/19	2018/19	2018/19	2021/22	
Revenue									
Non-tax revenue	1 495 695	9.2%	100.0%	1 632 542	1 652 193	1 789 325	6.2%	100.0%	
Sale of goods and services other than capital assets	1 288 052	8.4%	85.1%	1 404 529	1 409 948	1 526 973	5.8%	85.7%	
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>1 288 052</i>	<i>8.4%</i>	<i>85.1%</i>	<i>1 404 529</i>	<i>1 409 948</i>	<i>1 526 973</i>	<i>5.8%</i>	<i>85.7%</i>	
Other non-tax revenue	207 643	14.8%	14.9%	228 013	242 245	262 352	8.1%	14.3%	
Total revenue	1 495 695	9.2%	100.0%	1 632 542	1 652 193	1 789 325	6.2%	100.0%	
Expenses									
Current expenses	1 078 067	24.2%	82.2%	1 201 307	1 321 043	1 436 105	10.0%	92.3%	
Compensation of employees	762 910	22.9%	57.0%	811 059	906 692	981 948	8.8%	63.5%	
Goods and services	300 157	32.4%	23.3%	374 318	397 433	435 835	13.2%	27.6%	
Depreciation	15 000	-13.0%	1.9%	15 930	16 918	18 322	6.9%	1.2%	
Total expenses	1 181 955	17.7%	100.0%	1 322 052	1 412 365	1 535 007	9.1%	100.0%	
Surplus/(Deficit)	313 740			310 491	239 828	254 319			
Statement of financial position									
Carrying value of assets	173 119	108.6%	2.9%	286 311	295 696	306 020	20.9%	6.4%	
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(101 497)</i>	<i>171.6%</i>	<i>-1.7%</i>	<i>(24 678)</i>	<i>(21 500)</i>	<i>(23 220)</i>	<i>-38.8%</i>	<i>-1.1%</i>	
Investments	2 813 277	31.5%	73.0%	2 982 074	3 160 639	3 350 278	6.0%	75.0%	
Receivables and prepayments	267 633	29.9%	4.9%	283 714	299 795	315 876	5.7%	7.1%	
Cash and cash equivalents	305 616	-20.4%	15.7%	514 383	444 400	243 766	-7.3%	9.2%	
Taxation	87 919	-0.7%	3.5%	93 150	98 739	104 663	6.0%	2.3%	
Total assets	3 647 564	20.7%	100.0%	4 159 632	4 299 269	4 320 603	5.8%	100.0%	

Table 7.43 Public Investment 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 (%)
				2018/19	2019/20	2020/21		
R thousand								
Accumulated surplus/(deficit)	2 189 213	18.7%	62.5%	2 196 264	2 218 099	2 120 700	-1.1%	53.4%
Capital and reserves	931 859	32.9%	22.1%	1 438 713	1 525 036	1 616 537	20.2%	33.3%
Finance lease	1 585	38.6%	0.0%	302	320	339	-40.2%	0.0%
Trade and other payables	73 389	12.7%	2.5%	45 971	48 729	51 653	-11.0%	1.4%
Taxation	94 327	173.9%	0.7%	99 940	105 936	106 155	4.0%	2.5%
Provisions	357 190	4.7%	12.2%	378 443	401 150	425 219	6.0%	9.5%
Total equity and liabilities	3 647 564	20.7%	100.0%	4 159 632	4 299 269	4 320 602	5.8%	100.0%

Personnel information

Table 7.44 Public Investment Corporation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)					
		2017/18		Unit cost	2018/19		Unit cost	2019/20		2020/21		2021/22								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Public Investment Corporation		394	394	367	549.0	1.5	394	762.9	1.9	370	811.1	2.2	370	906.7	2.5	370	981.9	2.7	8.8%	100.0%
Salary level																				
1 – 6	13	13	13	2.1	0.2	13	5.1	0.4	13	3.2	0.2	13	3.6	0.3	13	3.9	0.3	-8.5%	3.5%	
7 – 10	164	164	155	73.4	0.5	164	210.4	1.3	155	221.0	1.4	155	251.0	1.6	155	273.9	1.8	9.2%	41.8%	
11 – 12	50	50	47	73.2	1.6	50	50.2	1.0	50	61.5	1.2	50	69.8	1.4	50	76.2	1.5	15.0%	13.3%	
13 – 16	129	129	114	242.8	2.1	129	306.0	2.4	114	350.0	3.1	114	397.5	3.5	114	433.8	3.8	12.3%	31.3%	
17 – 22	38	38	38	157.4	4.1	38	191.2	5.0	38	175.4	4.6	38	184.8	4.9	38	194.2	5.1	0.5%	10.1%	

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 7.45 South African Revenue Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of compliance of personal income tax filing per year	Business and individual tax	Outcome 12: An efficient, effective and development-oriented public service	92%	91.5%	94%	92%	92%	92%	92%
			(R4.2m/ R4.6m)	(R5.2m/ R5.7m)	(R5.3m/ R5.6m)				
Percentage uptake of personal income tax eFiling channel per year	Digital information services and technology		- ¹	53%	52%	52%	53%	53%	53%
				(R2.5m/ R4.7m)	(R2.5m/ R4.8m)				

1. No historical data available.

Expenditure analysis

Over the medium term, the South African Revenue Service will continue to focus 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 the use of eFiling and improve the experience of taxpayers, monitoring taxpayer compliance, and optimising tax collections. Accordingly, over the MTEF period, the modernisation of the revenue service'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. Modernised IT infrastructure is expected to lead to changes

in compliance behaviour, and will be designed to be responsive to the needs and expectations of taxpayers.

The number of personnel is expected to decrease from 13 985 in 2018/19 to 13 333 in 2021/22 due to natural attrition. The revenue service requires a diverse skill set to expand its footprint, improve compliance and revenue collection, and drive focused initiatives. As such, 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. Accordingly, spending on compensation of employees is expected to increase at an average annual rate of 5.8 per cent, from R7.4 billion in 2018/19 to R8.8 billion in 2021/22.

Total expenditure is expected to increase at an average annual rate of 4 per cent, from R10.9 billion in 2018/19 to R12.3 billion in 2021/22. Total revenue is expected to increase at an average annual rate of 5.2 per cent, from R9.4 billion in 2018/19 to R11 billion in 2021/22. The revenue service expects to receive R30.3 billion in transfers from National Treasury, comprising an estimated 97 per cent of total revenue.

Programmes/Objectives/Activities

Table 7.46 South African Revenue Service expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Administration	4 426 193	4 500 624	4 501 685	4 510 505	0.6%	42.0%	4 593 255	4 657 654	4 811 812	2.2%	40.3%
Business and individual tax	1 596 367	1 775 760	2 306 874	2 254 640	12.2%	18.5%	2 320 758	2 459 670	2 606 913	5.0%	20.9%
Enforcement	1 691 600	1 647 465	1 291 934	1 376 269	-6.6%	14.1%	1 454 130	1 540 978	1 633 015	5.9%	13.0%
Customs and excise	1 070 770	1 190 054	1 275 735	1 277 178	6.1%	11.3%	1 349 255	1 430 346	1 516 339	5.9%	12.1%
Digital, information, services and technology	1 166 500	1 278 577	1 306 485	1 319 628	4.2%	11.9%	1 422 834	1 536 392	1 659 613	7.9%	12.9%
Projects	252 947	258 687	62 649	146 697	-16.6%	1.7%	–	–	–	-100.0%	0.3%
Office of the tax ombud	25 200	29 449	33 862	45 836	22.1%	0.3%	48 486	51 386	54 461	5.9%	0.4%
African tax administration Forum	13 089	13 623	14 527	12 112	-2.6%	0.1%	12 754	13 455	14 195	5.4%	0.1%
Davis tax committee	2 908	1 702	1 101	18	-81.6%	0.0%	19	20	21	5.4%	0.0%
South African Revenue Service advisory board	1 027	10	–	–	-100.0%	0.0%	–	–	–	–	–
Total	10 246 602	10 695 952	10 794 852	10 942 882	2.2%	100.0%	11 201 491	11 689 900	12 296 370	4.0%	100.0%

Statements of historical financial performance and position

Table 7.47 South African Revenue Service statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%) 2015/16 - 2018/19
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2018/19	
Revenue									
Non-tax revenue	473 870	564 958	535 578	1 185 350	469 173	548 593	307 777	427 776	152.6%
Sale of goods and services other than capital assets	297 447	320 479	305 561	925 135	308 616	346 263	307 777	307 776	155.8%
<i>of which:</i>									
Administrative fees	297 447	320 479	305 561	925 135	308 616	346 263	307 777	307 776	155.8%
Other non-tax revenue	176 423	244 479	230 017	260 215	160 556	202 330	–	120 000	145.9%
Transfers received	9 334 439	9 334 439	9 363 676	10 009 152	10 218 198	10 218 198	9 007 217	9 007 217	101.7%
Total revenue	9 808 309	9 899 397	9 899 254	11 194 502	10 687 371	10 766 791	9 314 994	9 434 993	104.0%
Expenses									
Current expenses	10 739 977	10 246 602	11 317 602	10 695 952	11 711 945	10 794 852	10 764 079	10 942 882	95.8%
Compensation of employees	6 718 790	6 742 941	7 285 687	7 174 527	7 731 227	7 433 028	7 380 572	7 381 700	98.7%
Goods and services	3 383 095	2 883 201	3 299 674	2 993 814	3 340 172	2 768 903	2 811 273	2 985 689	90.6%
Depreciation	633 275	615 778	729 536	524 378	637 302	588 970	569 774	575 294	89.7%
Interest, dividends and rent on land	4 816	4 682	2 704	3 234	3 244	3 951	2 459	200	91.3%
Total expenses	10 739 977	10 246 602	11 317 602	10 695 952	11 711 945	10 794 852	10 764 079	10 942 882	95.8%
Surplus/(Deficit)	(931 668)	(347 205)	(1 418 348)	498 550	(1 024 574)	(28 061)	(1 449 085)	(1 507 889)	

Table 7.47 South African Revenue Service 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	
R thousand	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19
Carrying value of assets	3 830 034	2 586 350	3 561 477	3 229 637	3 421 509	3 144 503	2 949 668	3 539 646	90.8%
<i>of which:</i>									
Acquisition of assets	(1 750 389)	(487 085)	(1 704 663)	(1 238 627)	(829 174)	(539 171)	(97 933)	(970 437)	73.8%
Inventory	–	–	–	–	–	38 330	–	38 330	–
Loans	71 017	80 452	70 452	80 542	70 542	42 217	60 542	2 217	75.4%
Accrued investment interest	41 269	5 451	15 706	–	–	–	–	–	9.6%
Receivables and prepayments	131 450	142 982	135 727	129 722	132 722	260 357	136 224	262 020	148.3%
Cash and cash equivalents	1 228 613	3 370 226	955 710	2 454 244	1 116 538	2 476 607	159 246	92 808	242.6%
Total assets	5 302 382	6 185 461	4 739 072	5 894 145	4 741 311	5 962 014	3 305 680	3 935 021	121.5%
Accumulated surplus/(deficit)	3 683 590	4 272 501	2 854 153	3 148 333	2 123 759	3 120 272	1 651 917	2 589 813	127.3%
Capital and reserves	397 573	224 244	224 545	262 186	432 983	324 624	432 983	326 287	76.4%
Finance lease	12 326	13 146	11 836	13 759	7 294	26 341	2 155	26 341	236.8%
Deferred income	–	301	–	977 466	977 243	977 430	–	–	200.1%
Trade and other payables	591 006	922 250	847 605	732 626	334 342	806 236	703 433	728 695	128.8%
Provisions	617 887	753 019	800 933	759 775	865 690	707 111	515 192	263 886	88.7%
Total equity and liabilities	5 302 382	6 185 461	4 739 072	5 894 145	4 741 311	5 962 014	3 305 680	3 935 021	121.5%

Statements of estimates of financial performance and position**Table 7.48 South African Revenue Service statements of estimates of financial performance and position**

Statement of financial performance									Average: Expen- diture/ Total (%)
	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)	
R thousand	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22		
Revenue									
Non-tax revenue	427 776	-8.9%	6.5%	312 187	315 309	318 462	-9.4%	3.4%	
Sale of goods and services other than capital assets	307 776	-1.3%	4.5%	312 187	315 309	318 462	1.1%	3.1%	
<i>of which:</i>									
Administrative fees	307 776	-1.3%	4.5%	312 187	315 309	318 462	1.1%	3.1%	
Other non-tax revenue	120 000	-21.1%	2.0%	–	–	–	-100.0%	0.3%	
Transfers received	9 007 217	-1.2%	93.5%	9 529 031	10 110 017	10 673 090	5.8%	96.6%	
Total revenue	9 434 993	-1.6%	100.0%	9 841 218	10 425 326	10 991 552	5.2%	100.0%	
Expenses									
Current expenses	10 942 882	2.2%	100.0%	11 201 491	11 689 901	12 296 370	4.0%	100.0%	
Compensation of employees	7 381 700	3.1%	67.3%	7 787 581	8 254 832	8 750 117	5.8%	69.7%	
Goods and services	2 985 689	1.2%	27.3%	2 861 718	3 017 507	3 215 789	2.5%	26.2%	
Depreciation	575 294	-2.2%	5.4%	551 981	417 340	330 229	-16.9%	4.1%	
Interest, dividends and rent on land	200	-65.0%	0.0%	211	223	234	5.4%	0.0%	
Total expenses	10 942 882	2.2%	100.0%	11 201 491	11 689 901	12 296 370	4.0%	100.0%	
Surplus/(Deficit)	(1 507 889)			(1 360 273)	(1 264 575)	(1 304 817)			
Statement of financial position									
Carrying value of assets	3 539 646	11.0%	59.8%	2 987 665	2 570 325	2 240 097	-14.1%	1 886.8%	
<i>of which:</i>									
Acquisition of assets	(970 437)	25.8%	-15.6%	–	–	–	-100.0%	-6.2%	
Inventory	38 330	–	0.4%	38 330	38 330	38 330	–	31.9%	
Loans	2 217	-69.8%	0.9%	2 217	2 217	2 217	–	1.8%	
Receivables and prepayments	262 020	22.4%	3.9%	265 522	265 522	267 889	0.7%	222.9%	
Cash and cash equivalents	92 808	-69.8%	35.0%	(762 318)	(1 582 393)	(2 517 162)	-400.5%	-2 043.5%	
Total assets	3 935 021	-14.0%	100.0%	2 531 416	1 294 001	31 371	-80.0%	100.0%	
Accumulated surplus/(deficit)	2 589 813	-15.4%	60.2%	1 229 540	(35 034)	(1 339 852)	-180.3%	-1 039.8%	
Capital and reserves	326 287	13.3%	5.5%	326 287	326 287	326 287	–	271.6%	
Finance lease	26 341	26.1%	0.4%	4 153	–	–	-100.0%	0.2%	
Trade and other payables	728 695	-7.6%	14.8%	703 903	735 063	774 722	2.1%	643.2%	
Provisions	263 886	-29.5%	10.9%	267 532	267 685	270 213	0.8%	224.8%	
Total equity and liabilities	3 935 021	-14.0%	100.0%	2 531 416	1 294 001	31 371	-80.0%	100.0%	

Personnel information

Table 7.49 South African Revenue Service personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost			2021/22		Unit cost	
South African Revenue Service		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2018/19 - 2021/22		
Salary level	13 985	13 985	13 421	7 433.0	0.6	13 333	7 381.7	0.6	13 333	7 787.6	0.6	13 333	8 254.8	0.6	13 333	8 750.1	0.7	5.8%	100.0%
1 – 6	618	618	618	132.5	0.2	499	110.1	0.2	499	116.4	0.2	499	147.4	0.3	499	156.7	0.3	12.5%	3.7%
7 – 10	8 977	8 977	8 788	3 226.9	0.4	8 697	3 282.5	0.4	8 697	3 454.8	0.4	8 697	3 585.9	0.4	8 697	3 799.3	0.4	5.0%	65.2%
11 – 12	2 450	2 450	2 297	1 804.0	0.8	2 358	1 801.2	0.8	2 358	1 904.8	0.8	2 358	2 005.6	0.9	2 358	2 126.8	0.9	5.7%	17.7%
13 – 16	1 896	1 896	1 674	2 146.5	1.3	1 740	2 079.7	1.2	1 740	2 197.2	1.3	1 740	2 386.3	1.4	1 740	2 529.6	1.5	6.7%	13.1%
17 – 22	44	44	44	123.2	2.8	39	108.2	2.8	39	114.3	2.9	39	129.7	3.3	39	137.6	3.5	8.3%	0.3%

1. Rand million.

South African Special Risks Insurance Association

Mandate

The South African Special Risks Insurance Association was established in 1979 and was registered in terms of section 21 of the Companies Act (1973). In line with the amendments of the South African Special Risks Insurance Association Act (1998) and the Companies Act (2008), government became the company's sole shareholder. 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.

Selected performance indicators

Table 7.50 South African Special Risks Insurance Association performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current		Projections	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Value of gross written premium per year	Sustainable revenue growth: Gross written premium income growth	Outcome 4: Decent employment through inclusive growth	R1.7bn	R1.7bn	R1.7bn	R1.9bn	R2bn	R2.1bn	R2.3bn
Value of net underwriting profit per year	Sustainable revenue growth: Net underwriting profit growth		R431.7m	R458.9m	R489.8m	R525.8m	R569.4m	R600.7m	R655.5m
Percentage of all fast-tracked claims to be settled within 30 days from the date of submission per year	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time	Entity mandate	86.5% (1 686/1 949)	87.2% (2 157/2 479)	86.5% (3 148/3 639)	90%	90%	90%	90%
Percentage of large loss claims per year finalised within 60 days	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time		68.1% (273/400)	79.1% (410/518)	88.5% (3 220/3 639)	70%	70%	70%	70%
Average number of days per year for processing claims less than R250 000	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time		30 days	30 days	30 days	30 days	30 days	30 days	30 days
Average number of days per year for processing large claims	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time		60 days	60 days	70 days	70 days	70 days	70 days	70 days

Expenditure analysis

Over the medium term, the South African Risks Insurance Association will focus on the sustainability of its business by establishing new distribution channels; enhancing customer services by conducting a needs analysis to understand its clients better; and improving brand awareness and product development by creating awareness of the industry, collating market intelligence and conducting research.

Over the MTEF period, expenditure is expected to increase at an average annual rate of 3.4 per cent, from R2.4 billion in 2018/19 to R2.6 billion in 2021/22. This is mainly due to increases in administrative, marketing and underwriting expenses. Over the MTEF period, the association aims to reduce its reliance on external consultants and increase its number of personnel, from 104 in 2018/19 to 128 in 2021/22. Accordingly, spending on goods and services is expected to decrease at an average annual rate of 2.7 per cent, from R2.5 billion in 2018/19 to R2.3 billion in 2021/22.

As the association expects an increase in personnel, it anticipates increases in the number of claims it receives, the monitoring of compliance with additional regulatory requirements and the development of new products. As a result, spending on compensation of employees is expected to increase at an average annual rate of 8.4 per cent, from R72.2 million in 2018/19 to R91.9 million in 2021/22. The association derives most of its revenue from underwriting premiums. Total revenue is expected to increase at an average annual rate of 10.3 per cent, from R2.4 billion in 2017/18 to R3.2 billion in 2020/21.

Programmes/Objectives/Activities

Table 7.51 South African Special Risks Insurance Association expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22		
R thousand											
Administration	542 274	534 293	647 912	232 919	-24.5%	29.3%	823 396	700 422	750 242	47.7%	25.2%
Sustainable revenue growth:	205 514	236 923	271 091	310 253	14.7%	14.4%	318 943	337 781	358 043	4.9%	13.4%
Gross written premium income growth											
Sustainable revenue growth: Net underwriting profit growth	759 188	786 490	748 554	1 782 740	32.9%	54.8%	1 288 432	1 377 301	1 459 711	-6.4%	60.0%
Capital management: Ensure compliance with statutory capital requirements and the calculation of an economic risk basis for capital value	–	4 652	5 779	5 867	–	0.2%	6 759	7 232	7 738	9.7%	0.3%
Customer centricity: Provide superior customer service to external stakeholders as part of the Customers Fairly project	2 903	4 625	4 949	5 295	22.2%	0.2%	5 666	6 062	6 487	7.0%	0.2%
Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time	6 690	–	–	–	-100.0%	0.1%	–	–	–	–	–
People, capacity and capability: Attract retain and develop skills that supports our aspirations	4 757	9 694	11 797	12 575	38.3%	0.5%	13 627	14 479	15 385	7.0%	0.6%
Brand development: Create a trusted brand that resonates with customers	5 502	5 480	5 384	7 274	9.8%	0.3%	7 674	8 096	8 542	5.5%	0.3%
Regulatory environment: Proactively manage compliance	153	3	88	9	-61.4%	0.0%	18	19	20	30.9%	0.0%
Total	1 526 981	1 582 160	1 695 553	2 356 932	15.6%	100.0%	2 464 516	2 451 392	2 606 168	3.4%	100.0%

Statements of historical financial performance and position

Table 7.52 South African Special Risks Insurance Association statements of historical financial performance and position

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R thousand									
Revenue									
Non-tax revenue	2 076 792	2 031 100	2 230 788	2 125 423	2 694 961	2 720 758	2 786 325	2 369 032	94.5%
Sale of goods and services other than capital assets	1 639 703	1 710 017	1 760 396	1 687 332	2 044 141	1 887 104	2 205 715	2 110 275	96.7%
of which:									
Administrative fees	–	–	–	569	–	177	–	–	–
Sales by market establishment	1 639 703	1 710 017	1 760 396	1 686 763	2 044 141	1 886 927	2 205 715	2 110 275	96.7%
Other non-tax revenue	437 089	321 083	470 392	438 091	650 820	833 654	580 610	258 756	86.6%
Total revenue	2 076 792	2 031 100	2 230 788	2 125 423	2 694 961	2 720 758	2 786 325	2 369 032	94.5%
Expenses									
Current expenses	1 343 836	1 321 731	1 350 311	1 381 065	1 882 109	1 353 293	2 149 353	2 538 537	98.1%
Compensation of employees	53 430	57 804	58 772	56 934	72 873	78 760	80 125	72 233	100.2%
Goods and services	1 281 816	1 256 836	1 283 024	1 316 938	1 804 255	1 269 574	2 062 501	2 462 158	98.0%
Depreciation	8 590	7 091	8 515	7 193	4 981	4 958	6 727	4 147	81.2%
Total expenses	1 549 064	1 526 981	1 601 038	1 582 160	2 132 793	1 695 553	2 348 059	2 356 932	93.8%
Surplus/(Deficit)	527 728	504 119	629 750	543 263	562 168	1 025 205	438 266	12 100	

Table 7.52 South African Special Risks Insurance Association statements of historical financial performance and position

Statement of financial position		Budget		Audited outcome		Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)	
		2015/16		2016/17		2017/18		2018/19		2018/19		2018/19		2015/16 - 2018/19	
R thousand															
Carrying value of assets		60 511	60 052	59 721	62 215	66 494	66 797	127 594	134 668						103.0%
<i>of which:</i>															
Acquisition of assets		(8 646)	(5 216)	(6 169)	(1 530)	(10 663)	(3 331)	(10 998)	(2 920)						35.6%
Investments		5 135 251	4 591 336	5 091 170	4 031 555	7 882 856	5 769 451	7 989 556	1 968 321						62.7%
Receivables and prepayments		131 451	179 426	78 905	186 180	417 254	201 295	433 753	375 915						88.8%
Cash and cash equivalents		784 235	1 767 111	1 561 840	2 790 334	1 336 473	1 940 774	1 636 830	5 983 010						234.6%
Taxation		-	-	-	26 832	-	38 068	-	-						-
Total assets		6 111 448	6 597 925	6 791 637	7 097 116	9 703 077	8 016 385	10 187 733	8 461 914						92.0%
Accumulated surplus/(deficit)		2 899 644	4 937 786	2 426 986	5 284 277	5 846 445	6 097 080	6 284 711	6 209 208						129.0%
Capital and reserves		2 428 242	434 750	3 438 710	480 286	2 472 916	529 709	2 393 164	495 513						18.1%
Deferred income		6 259	5 968	2 664	7 219	3 846	4 321	4 155	4 156						128.0%
Trade and other payables		723 542	1 110 136	861 923	1 295 947	1 273 653	1 274 242	1 503 787	1 713 312						123.6%
Taxation		44 765	94 264	54 842	18 159	102 785	91 860	-	14 809						108.3%
Provisions		8 996	15 021	6 512	11 228	3 432	19 173	1 916	24 916						337.3%
Total equity and liabilities		6 111 448	6 597 925	6 791 637	7 097 116	9 703 077	8 016 385	10 187 733	8 461 914						92.0%

Statements of estimates of financial performance and position**Table 7.53 South African Special Risks Insurance Association 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 (%)	
		2018/19		2015/16 - 2018/19		2019/20 2020/21 2021/22			2018/19 - 2021/22			
R thousand												
Revenue												
Non-tax revenue		2 369 032	5.3%	100.0%	2 813 543	2 989 092	3 174 847	10.3%	100.0%			
Sale of goods and services other than capital assets		2 110 275	7.3%	80.5%	2 225 601	2 359 135	2 500 682	5.8%	81.5%			
<i>of which:</i>												
Sales by market establishment		2 110 275	7.3%	80.5%	2 225 601	2 359 135	2 500 682	5.8%	81.5%			
Other non-tax revenue		258 756	-6.9%	19.5%	587 942	629 957	674 165	37.6%	18.5%			
Total revenue		2 369 032	5.3%	100.0%	2 813 543	2 989 092	3 174 847	10.3%	100.0%			
Expenses												
Current expenses		2 538 537	24.3%	90.3%	2 083 346	2 271 614	2 407 983	-1.7%	94.3%			
Compensation of employees		72 233	7.7%	3.8%	78 974	87 697	91 907	8.4%	3.3%			
Goods and services		2 462 158	25.1%	86.2%	1 988 938	2 142 305	2 269 825	-2.7%	89.9%			
Depreciation		4 147	-16.4%	0.3%	15 434	41 611	46 251	123.4%	1.1%			
Total expenses		2 356 932	15.6%	100.0%	2 464 515	2 451 392	2 606 167	3.4%	100.0%			
Surplus/(Deficit)		12 100			349 028	537 700	568 680					
Statement of financial position												
Carrying value of assets		134 668	30.9%	1.1%	144 649	130 618	124 393	-2.6%	1.5%			
<i>of which:</i>												
Acquisition of assets		(2 920)	-17.6%	-0.0%	(3 424)	(3 845)	(4 056)	11.6%	-0.0%			
Investments		1 968 321	-24.6%	55.4%	5 855 565	6 335 953	7 936 659	59.2%	59.7%			
Receivables and prepayments		375 915	28.0%	3.1%	400 643	429 498	311 884	-6.0%	4.2%			
Cash and cash equivalents		5 983 010	50.2%	40.3%	2 078 363	2 228 103	1 946 022	-31.2%	34.6%			
Total assets		8 461 914	8.6%	100.0%	8 479 220	9 124 172	10 318 959	6.8%	100.0%			
Accumulated surplus/(deficit)		6 209 208	7.9%	74.7%	6 701 578	7 246 602	8 227 001	9.8%	77.9%			
Capital and reserves		495 513	4.5%	6.5%	495 513	495 513	522 766	1.8%	5.5%			
Deferred income		4 156	-11.4%	0.1%	4 507	4 888	5 058	6.8%	0.1%			
Trade and other payables		1 713 312	15.6%	17.8%	1 261 652	1 358 889	1 546 997	-3.3%	16.3%			
Taxation		14 809	-46.0%	0.8%	13 167	16 569	16 845	4.4%	0.2%			
Provisions		24 916	18.4%	0.2%	2 803	1 711	292	-77.3%	0.1%			
Total equity and liabilities		8 461 914	8.6%	100.0%	8 479 220	9 124 172	10 318 959	6.8%	100.0%			

Personnel information

Table 7.54 South African Special Risks Insurance Association personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)	
		2017/18			2018/19			2019/20			2020/21			2021/22					2018/19 - 2021/22
South African Special Risks Insurance Association		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	101	101	105	78.8	0.8	104	72.2	0.7	112	79.0	0.7	118	87.7	0.7	128	91.9	0.7	8.4%	100.0%
1 – 6	16	16	21	5.2	0.2	19	4.3	0.2	27	7.2	0.3	30	9.3	0.3	37	7.7	0.2	21.6%	24.2%
7 – 10	43	43	44	21.9	0.5	43	18.4	0.4	43	19.7	0.5	46	21.7	0.5	49	23.6	0.5	8.8%	39.3%
1 – 12	23	23	22	20.7	0.9	23	18.3	0.8	23	18.7	0.8	23	20.9	0.9	23	22.3	1.0	6.9%	20.0%
3 – 16	13	13	12	16.7	1.4	13	15.7	1.2	13	16.8	1.3	13	17.9	1.4	13	19.1	1.5	6.8%	11.3%
7 – 22	6	6	6	14.3	2.4	6	15.6	2.6	6	16.7	2.8	6	17.9	3.0	6	19.1	3.2	7.0%	5.2%

1. Rand million.

Accounting Standards Board

Mandate

The legislative mandate of the Accounting Standards Board is to develop 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.

Selected performance indicators

Table 7.55 Accounting Standards Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
Number of communication newsletters issued to enhance stakeholder engagements per year	Administration	Outcome 12: An efficient, effective and development-oriented public service	-1	-1	4	4	4	4	4
Number of existing or new standards of generally recognised accounting practice developed and other pronouncements	Administration		-1	-1	6	8	8	8	8

1. No historical data available.

Expenditure analysis

Over the medium term, the Accounting Standards Board will focus on the development of a comprehensive reporting framework with standards of generally recognised accounting practice for each material item of revenue, expenses, assets and liabilities. This is expected to improve decision-making in all spheres of government and enhance accountability for the financial resources assigned to each reporting entity.

Expenditure is expected to increase at an average annual rate of 4.2 per cent, from R14.4 million in 2018/19 to R16.3 million in 2021/22. Spending on compensation of employees is expected to increase at an average annual rate of 6.1 per cent, from R9.9 million in 2018/19 to R11.9 million in 2021/22. Revenue is expected to increase at an average annual rate of 4.3 per cent, from R14.3 million in 2018/19 to R16.3 million in 2021/22. Transfers from the department account for 98.1 per cent (R45.4 million) of the board's total revenue over the medium term.

Programmes/Objectives/Activities

Table 7.56 Accounting Standards Board 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 (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
Administration	11 679	12 963	13 660	14 378	7.2%	100.0%	14 690	15 372	16 250	4.2%	100.0%
Total	11 679	12 963	13 660	14 378	7.2%	100.0%	14 690	15 372	16 250	4.2%	100.0%

Statements of historical financial performance and position

Table 7.57 Accounting Standards Board statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	Budget	2015/16	Budget	2016/17	Budget	2017/18			
Revenue									
Non-tax revenue	115	331	166	360	354	476	176	284	178.9%
Other non-tax revenue	115	331	166	360	354	476	176	284	178.9%
Transfers received	11 274	11 274	12 517	12 517	13 463	13 463	14 054	14 054	100.0%
Total revenue	11 389	11 605	12 683	12 877	13 817	13 939	14 230	14 338	101.2%
Expenses									
Current expenses	11 526	11 679	12 821	12 963	13 878	13 660	14 268	14 378	100.4%
Compensation of employees	8 767	8 838	9 634	10 439	9 287	10 812	9 730	9 927	106.9%
Goods and services	2 683	2 827	3 141	2 454	4 518	2 874	4 470	4 380	84.6%
Depreciation	76	14	46	70	73	(26)	68	71	49.0%
Total expenses	11 526	11 679	12 821	12 963	13 878	13 660	14 268	14 378	100.4%
Surplus/(Deficit)	(137)	(74)	(138)	(86)	(61)	279	(38)	(40)	
Statement of financial position									
Carrying value of assets	122	184	125	191	125	234	149	162	148.0%
<i>of which:</i>									
Acquisition of assets	–	–	–	(77)	–	(17)	–	–	–
Receivables and prepayments	55	56	55	69	55	61	55	55	109.5%
Cash and cash equivalents	394	441	382	443	369	2 796	392	392	264.9%
Total assets	571	681	562	703	549	3 091	596	609	223.2%
Accumulated surplus/(deficit)	137	123	138	38	125	317	149	162	116.6%
Trade and other payables	97	350	203	185	203	281	213	213	143.7%
Provisions	337	208	221	480	221	2 493	234	234	337.1%
Total equity and liabilities	571	681	562	703	549	3 091	596	609	223.2%

Statements of estimates of financial performance and position

Table 7.58 Accounting Standards Board 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 (%)	
				2018/19	2015/16 - 2018/19	2019/20			2020/21
Revenue									
Non-tax revenue	284	-5.0%	2.8%	275	291	306	2.5%	1.9%	
Other non-tax revenue	284	-5.0%	2.8%	275	291	306	2.5%	1.9%	
Transfers received	14 054	7.6%	97.2%	14 340	15 124	15 955	4.3%	98.1%	
Total revenue	14 338	7.3%	100.0%	14 615	15 415	16 261	4.3%	100.0%	
Expenses									
Current expenses	14 378	7.2%	100.0%	14 690	15 372	16 250	4.2%	100.0%	
Compensation of employees	9 927	3.9%	76.1%	10 713	11 199	11 853	6.1%	71.9%	
Goods and services	4 380	15.7%	23.7%	3 932	4 148	4 375	-0.0%	27.8%	
Depreciation	71	71.8%	0.2%	45	25	22	-32.3%	0.3%	
Total expenses	14 378	7.2%	100.0%	14 690	15 372	16 250	4.2%	100.0%	
Surplus/(Deficit)	(40)			(75)	43	11			
Statement of financial position									
Carrying value of assets	162	-4.2%	22.1%	117	92	22	-48.6%	18.8%	
Receivables and prepayments	55	-0.6%	7.3%	55	55	55	–	11.5%	
Cash and cash equivalents	392	-3.9%	70.6%	384	274	310	-7.5%	69.7%	
Total assets	609	-3.7%	100.0%	556	421	387	-14.0%	100.0%	
Accumulated surplus/(deficit)	162	9.6%	15.1%	117	92	22	-48.6%	18.8%	
Trade and other payables	213	-15.3%	30.4%	192	68	38	-43.7%	23.9%	
Provisions	234	4.0%	54.5%	247	261	327	11.8%	57.3%	
Total equity and liabilities	609	-3.7%	100.0%	556	421	387	-14.0%	100.0%	

Personnel information

Table 7.59 Accounting Standards Board personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)	
		2017/18			2018/19			2019/20			2020/21			2021/22					
Accounting Standards Board		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2018/19 - 2021/22		
Salary level	7	7	7	10.8	1.5	7	9.9	1.4	7	10.7	1.5	7	11.2	1.6	7	11.9	1.7	6.1%	100.0%
1-6	1	1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	1	0.3	0.3	7.5%	14.3%
7-10	1	1	1	0.7	0.7	1	0.7	0.7	1	0.8	0.8	1	0.8	0.8	1	0.9	0.9	7.5%	14.3%
13-16	4	4	4	7.1	1.8	4	6.3	1.6	4	7.0	1.7	4	7.3	1.8	4	7.7	1.9	6.8%	57.1%
17-22	1	1	1	2.8	2.8	1	2.7	2.7	1	2.7	2.7	1	2.8	2.8	1	3.0	3.0	3.8%	14.3%

1. Rand million.

Cooperative Banks Development Agency

Mandate

The Cooperative Banks Development Agency was established in terms of the Cooperative Banks Act (2007), with the Reserve Bank as the sole supervisor of cooperative banks. The agency is mandated to provide for the registration and supervision of financial services cooperatives that take deposits, 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.

Selected performance indicators

Table 7.60 Cooperatives Banks Development Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections	
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of cooperative financial institutions provided with direct technical assistance per year	Capacity building and information	Entity mandate	25	31	7	7	7	7
Number of organised groups assisted with the establishment of a cooperative financial institution per year	Capacity building and information		-1	3	2	2	2	2
Number of cooperative financial institutions using the banking platform per year	Central support services		3	8	10	15	15	15
Number of offsite reports of cooperative financial institutions processed per year	Supervision unit	Outcome 4: Decent employment through inclusive growth	74	60	60	-2	-2	-2

1. No historical data available.

2. indicator discontinued.

Expenditure analysis

Over the MTEF period, the Cooperative Banks Development Agency will continue to promote a sustainable cooperative banking environment conducive to affordable financial services. As such, over the MTEF period, the agency aims to automate the sector to provide back office support through shared services and access to the national payment system to enable members to transact with any other cooperative banking institution on the system in the country. The agency will also endeavour to intensify and decentralise its capacity building programmes and services through mentorship and coaching, and direct technical assistance to deal with challenges of inaccurate financial information, solvency-related issues, inadequately skilled management and a lack of good corporate governance.

Expenditure is expected to decrease at an average annual rate of 7.6 per cent, from R29.3 million in 2018/19 to R23.1 million in 2021/22, due to the relocation of the supervision unit to the Reserve Bank. The agency's number of personnel is expected to increase from 23 in 2018/19 to 25 in 2021/22 to fulfil operational requirements and deliver on its mandate. Spending on compensation of employees is expected to account for 73.1 per cent (R53.9 million) of the agency's total expenditure over the medium term, increasing at an average annual rate of 7.8 per cent, from R15.7 million in 2018/19 to R19.7 million in 2021/22. Departmental transfers account for 96.8 per cent (R65.6 million) of total revenue over the medium term. Revenue is expected to decrease at an average annual rate of 8.1 per cent, from R29.7 million in 2018/19 to R23.1 million in 2021/22, due to budget cuts and a decline in stakeholder grants.

Programmes/Objectives/Activities

Table 7.61 Cooperative Banks Development Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%) 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/ Total (%) 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Administration	6 208	7 703	8 699	5 834	-2.0%	22.6%	6 396	6 663	7 060	6.6%	27.2%
Supervision unit	5 415	4 833	5 754	–	-100.0%	12.6%	–	–	–	–	–
Capacity building and information	12 306	13 094	14 182	9 823	-7.2%	39.5%	8 241	8 685	9 052	-2.7%	37.1%
Central support services	3 561	6 726	7 719	13 594	56.3%	25.4%	8 158	6 575	6 961	-20.0%	35.6%
Total	27 490	32 356	36 354	29 251	2.1%	100.0%	22 795	21 923	23 073	-7.6%	100.0%

Statements of historical financial performance and position

Table 7.62 Cooperative Banks Development Agency statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average: Outcome/ Budget (%) 2015/16 - 2018/19
	Budget	2015/16	Budget	2016/17	Budget	2017/18	Budget estimate	2018/19	
Revenue									
Non-tax revenue	386	1 100	640	3 245	519	3 882	474	400	427.2%
Sale of goods and services other than capital assets	5	10	5	12	7	14	7	–	147.5%
<i>of which:</i>									
<i>Sales by market establishment</i>	5	10	5	10	7	13	7	–	135.2%
<i>Other sales</i>	–	–	–	2	–	1	–	–	–
Other non-tax revenue	381	1 090	635	3 233	512	3 868	467	400	430.6%
Transfers received	18 041	26 150	35 380	30 705	38 496	29 064	39 284	29 342	87.9%
Total revenue	18 427	27 250	36 020	33 950	39 015	32 946	39 758	29 742	93.0%
Expenses									
Current expenses	17 727	22 404	36 020	32 356	39 015	36 354	39 758	29 251	90.8%
Compensation of employees	10 930	12 329	17 715	14 861	19 379	17 166	16 089	15 716	93.7%
Goods and services	6 747	9 943	18 255	17 265	19 486	18 873	23 554	13 420	87.4%
Depreciation	50	132	50	230	150	315	115	115	217.0%
Transfers and subsidies	700	5 086	–	–	–	–	–	–	726.6%
Total expenses	18 427	27 490	36 020	32 356	39 015	36 354	39 758	29 251	94.2%
Surplus/(Deficit)	–	(240)	–	1 594	–	(3 408)	–	491	
Statement of financial position									
Carrying value of assets	252	984	728	1 088	889	1 068	1 045	1 145	147.0%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(70)</i>	<i>(948)</i>	<i>(300)</i>	<i>(334)</i>	<i>(356)</i>	<i>(295)</i>	<i>(400)</i>	<i>(391)</i>	<i>174.8%</i>
Receivables and prepayments	583	1 355	617	1 420	5	3 319	4	–	504.1%
Cash and cash equivalents	1 956	17 646	2 614	9 766	2 904	3 598	2 513	3 261	343.2%
Total assets	2 791	19 985	3 959	12 274	3 798	7 985	3 562	4 406	316.4%
Accumulated surplus/(deficit)	378	2 484	849	3 958	255	420	369	911	419.9%
Capital and reserves	1 350	1 588	1 430	1 708	1 530	1 838	1 618	1 938	119.3%
Deferred income	–	8 019	–	3 148	–	356	–	–	–
Trade and other payables	606	7 287	1 184	2 501	1 374	4 523	895	895	374.6%
Provisions	457	607	496	959	639	848	680	662	135.4%
Total equity and liabilities	2 791	19 985	3 959	12 274	3 798	7 985	3 562	4 406	316.5%

Statements of estimates of financial performance and position

Table 7.63 Cooperative Banks Development Agency 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				2015/16 - 2018/19	2019/20	2020/21		
R thousand									
Revenue									
Non-tax revenue	400	-28.6%	6.7%	2 036	100	50	-50.0%	2.7%	
Other non-tax revenue	400	-28.4%	6.7%	2 036	100	50	-50.0%	2.7%	
Transfers received	29 342	3.9%	93.3%	20 759	21 823	23 023	-7.8%	97.3%	
Total revenue	29 742	3.0%	100.0%	22 795	21 923	23 073	-8.1%	100.0%	
Expenses									
Current expenses	29 251	9.3%	95.4%	22 795	21 923	23 073	-7.6%	100.0%	
Compensation of employees	15 716	8.4%	47.9%	16 320	17 894	19 687	7.8%	73.1%	
Goods and services	13 420	10.5%	46.8%	6 430	3 982	3 326	-37.2%	26.7%	
Depreciation	115	-4.5%	0.6%	45	47	60	-19.5%	0.3%	
Total expenses	29 251	2.1%	100.0%	22 795	21 923	23 073	-7.6%	100.0%	
Surplus/(Deficit)	491			-	-	-			
Statement of financial position									
Carrying value of assets	1 145	5.2%	13.3%	988	1 039	870	-8.7%	36.4%	
of which:									
Acquisition of assets	(391)	-25.6%	-5.0%	(704)	(162)	(97)	-37.2%	-11.6%	
Cash and cash equivalents	3 261	-43.0%	71.7%	1 613	1 940	998	-32.6%	63.6%	
Total assets	4 406	-39.6%	100.0%	2 601	2 979	1 868	-24.9%	100.0%	
Accumulated surplus/(deficit)	911	-28.4%	17.7%	1 986	1 939	1 534	19.0%	61.1%	
Capital and reserves	1 938	6.9%	22.2%	-	-	-	-100.0%	11.0%	
Trade and other payables	895	-50.3%	33.4%	350	860	176	-41.8%	18.0%	
Provisions	662	2.9%	9.1%	265	180	158	-38.0%	9.9%	
Total equity and liabilities	4 406	-39.6%	100.0%	2 601	2 979	1 868	-24.9%	100.0%	

Personnel information

Table 7.64 Cooperative Banks Development Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18		Unit cost	2018/19		Unit cost	2019/20		2020/21		2021/22				2018/19 - 2021/22			
Cooperative Banks Development Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	26	26	28	17.2	0.6	23	15.7	0.7	25	16.3	0.7	25	17.9	0.7	25	19.7	0.8	7.8%	100.0%
1-6	1	1	1	0.5	0.5	1	0.1	0.1	3	0.5	0.2	3	0.5	0.2	3	0.6	0.2	58.3%	10.1%
7-10	16	16	16	5.7	0.4	14	6.1	0.4	14	6.4	0.5	14	7.1	0.5	14	7.8	0.6	8.4%	57.2%
1-12	3	3	4	3.3	0.8	3	2.6	0.9	3	3.1	1.0	3	3.4	1.1	3	3.7	1.2	12.5%	12.3%
3-16	6	6	7	7.6	1.1	5	6.8	1.4	5	6.3	1.3	5	6.9	1.4	5	7.6	1.5	3.5%	20.4%

1. Rand million.

Financial and Fiscal Commission

Mandate

The Financial and Fiscal Commission derives its mandate from the Financial and Fiscal Commission Act (1997). The commission's legislative mandate is to advise relevant authorities on the financial and fiscal requirements for national, provincial and local spheres of government in terms of section 220 of the Constitution. Other legislation that informs the commission's mandate includes: the Intergovernmental Fiscal Relations Act (1997), the Money Bills Amendment Procedure and Related Matters Act (2009), the Provincial Tax Regulation Process Act (2001), the Municipal Fiscal Powers and Functions Act (2007), the Borrowing Powers of Provincial Government Act (1995), the Municipal Finance Management Act (2003), and the Local Government: Municipal Systems Act (2000).

Selected performance indicators

Table 7.65 Financial and Fiscal Commission performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of briefings on the Division of Revenue Bill submission per year	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	18	18	18	9	9	9	9
Number of peer reviewed book chapters and publications produced per year	Research		7	4	1	4	4	4	4

Expenditure analysis

Over the medium term, the Financial and Fiscal Commission will focus on generating and disseminating influential policy recommendations to strengthen the intergovernmental system. This includes policy research and briefings to better understand housing demand, delivery and funding options, the impact of government spending on food security, the identification of fiscal levers for national development, and the sustainability of the country's fiscal policy.

Revenue is expected to increase from R52.7 million in 2018/19 to R60.5 million in 2021/22 at an average annual rate of 4.7 per cent, with departmental transfers set to account for 99.9 per cent (R172.1 million) of this amount. In line with this, total expenditure is expected to increase at an average annual rate of 4.7 per cent, from R52.7 million in 2018/19 to R60.5 million in 2021/22.

The number of personnel in the commission is projected to increase from 37 in 2018/19 to 39 in 2021/22, driving an increase in spending on compensation of employees at an average annual rate of 9 per cent, from R35.8 million to R46.3 million over the same period.

Programmes/Objectives/Activities

Table 7.66 Financial and Fiscal Commission expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Administration	21 166	27 737	30 516	29 767	12.0%	58.2%	26 381	26 122	25 027	-5.6%	48.0%
Research	20 249	17 787	17 016	22 925	4.2%	41.8%	28 045	31 297	35 435	15.6%	52.0%
Total	41 415	45 524	47 532	52 692	8.4%	100.0%	54 426	57 419	60 462	4.7%	100.0%

Statements of historical financial performance and position

Table 7.67 Financial and Fiscal Commission statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget Revised estimate estimate		Average: Outcome/ Budget (%) 2015/16 - 2018/19
	Budget	2015/16	Budget	2016/17	Budget	2017/18	Budget	2018/19	
Revenue									
Non-tax revenue	106	1 354	106	5 313	464	3 767	106	910	1 450.6%
Other non-tax revenue	106	1 354	106	5 313	464	3 767	106	910	1 450.6%
Transfers received	41 156	41 156	44 839	44 839	50 647	50 647	51 782	51 782	100.0%
Total revenue	41 262	42 510	44 945	50 152	51 111	54 414	51 888	52 692	105.6%
Expenses									
Current expenses	41 261	41 415	44 945	45 525	51 111	47 532	51 888	52 692	98.9%
Compensation of employees	23 792	26 046	27 142	28 128	32 061	31 541	34 947	35 751	103.0%
Goods and services	17 383	15 265	17 720	17 226	18 887	15 771	16 775	16 775	91.9%
Depreciation	87	104	83	171	163	220	166	166	132.6%
Total expenses	41 261	41 415	44 945	45 525	51 111	47 532	51 888	52 692	98.9%
Surplus/(Deficit)	-	1 095	-	4 627	-	6 882	-	-	

Table 7.67 Financial and Fiscal Commission statements of historical financial performance and position

Statement of financial position	Budget		Audited outcome		Budget		Audited outcome		Budget		Revised estimate		Average: Outcome/Budget (%)
	2015/16		2016/17		2017/18		2018/19		2018/19		2015/16 - 2018/19		
R thousand													
Carrying value of assets	744	1 230	791	1 608	1 608	1 654	1 608	1 819					132.8%
of which:													
Acquisition of assets	(72)	(627)	(77)	(548)	–	(322)	(166)	(166)					528.1%
Receivables and prepayments	144	152	144	242	242	220	242	242					110.9%
Cash and cash equivalents	3 470	3 661	3 685	8 404	8 404	15 437	8 404	16 981					185.6%
Total assets	4 359	5 043	4 620	10 254	10 254	17 311	10 254	19 042					175.2%
Accumulated surplus/(deficit)	104	1 159	158	6 022	6 022	12 667	6 022	14 026					275.3%
Capital and reserves	919	919	919	919	919	919	919	919					100.0%
Trade and other payables	1 975	1 294	2 098	1 867	1 867	1 847	1 867	2 032					90.2%
Provisions	1 361	1 671	1 445	1 446	1 446	1 878	1 446	2 066					123.9%
Total equity and liabilities	4 359	5 043	4 620	10 254	10 254	17 311	10 254	19 042					175.2%

Statements of estimates of financial performance and position**Table 7.68 Financial and Fiscal Commission 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 (%)
				2019/20	2020/21	2021/22		
R thousand	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Revenue								
Non-tax revenue	910	-12.4%	5.6%	107	109	–	-100.0%	0.5%
Other non-tax revenue	910	-12.4%	5.6%	107	109	–	-100.0%	0.5%
Transfers received	51 782	8.0%	94.4%	54 319	57 309	60 461	5.3%	99.5%
Total revenue	52 692	7.4%	100.0%	54 426	57 418	60 461	4.7%	100.0%
Expenses								
Current expenses	52 692	8.4%	100.0%	54 426	57 418	60 461	4.7%	100.0%
Compensation of employees	35 751	11.1%	64.7%	38 566	41 995	46 271	9.0%	72.1%
Goods and services	16 775	3.2%	34.9%	15 685	15 239	13 997	-5.9%	27.6%
Depreciation	166	16.9%	0.4%	175	184	193	5.2%	0.3%
Total expenses	52 692	8.4%	100.0%	54 426	57 418	60 461	4.7%	100.0%
Surplus/(Deficit)	–			–	–	–		
Statement of financial position								
Carrying value of assets	1 819	13.9%	14.8%	2 001	2 201	2 422	10.0%	9.6%
of which:								
Acquisition of assets	(166)	-35.8%	-5.1%	(169)	(177)	(195)	5.5%	-0.8%
Receivables and prepayments	242	16.8%	2.0%	266	293	322	10.0%	1.3%
Cash and cash equivalents	16 981	66.8%	83.2%	18 679	20 547	22 601	10.0%	89.2%
Total assets	19 042	55.7%	100.0%	20 946	23 041	25 345	10.0%	100.0%
Accumulated surplus/(deficit)	14 026	129.6%	57.1%	15 442	17 078	18 878	10.4%	74.0%
Capital and reserves	919	–	9.3%	919	919	919	–	4.2%
Trade and other payables	2 032	16.2%	16.3%	2 313	2 544	2 799	11.3%	10.9%
Provisions	2 066	7.3%	17.2%	2 272	2 500	2 750	10.0%	10.8%
Total equity and liabilities	19 042	55.7%	100.0%	20 946	23 041	25 345	10.0%	100.0%

Personnel information**Table 7.69 Financial and Fiscal Commission personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2019	Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number						
	Number of funded posts		Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
	Number	Number of posts on approved establishment	2017/18		2018/19			2019/20		2020/21		2021/22				2018/19 - 2021/22			
Financial and Fiscal Commission	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Salary level	39	34	33	31.5	1.0	37	35.8	1.0	39	38.6	1.0	39	42.0	1.1	39	46.3	1.2	9.0%	100.0%
1–6	1	1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	6.4%	2.6%
7–10	10	9	9	5.2	0.6	10	5.7	0.6	10	6.2	0.6	10	6.5	0.6	10	6.9	0.7	6.4%	26.0%
11–12	7	7	7	5.9	0.8	6	5.0	0.8	7	5.4	0.8	7	7.2	1.0	7	9.3	1.3	23.1%	17.5%
13–16	20	16	15	18.2	1.2	19	23.0	1.2	20	24.8	1.2	20	26.0	1.3	20	27.6	1.4	6.4%	51.3%
17–22	1	1	1	2.1	2.1	1	1.9	1.9	1	2.1	2.1	1	2.2	2.2	1	2.3	2.3	5.8%	2.6%

1. Rand million.

Financial Intelligence Centre

Mandate

The Financial Intelligence Centre was established by the Financial Intelligence Centre Act (2001) to combat activities related to money laundering and the financing of terrorist and related activities, identify the proceeds of unlawful 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 in terms of the act. To deliver on this mandate and protect the integrity of South Africa's financial system, the act works in conjunction with other legislation, which includes the Prevention of Organised Crime Act (1998), the Protection of Constitutional Democracy Against Terrorist and Related Activities Act (2004), and the South African Police Service Act (1995).

Selected performance indicators

Table 7.70 Financial Intelligence Centre performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of Financial Intelligence Centre inspection reports issued per year	Delivery of intelligence on financial crimes and Financial Intelligence Centre Act (2001)-related regulatory services	Outcome 3: All people in South Africa are and feel safe	145	132	138	138	145	155	165
Number of identified policy-making activities attended within regional and intergovernmental organisations per year	Enablement of financial intelligence regulatory capabilities		-1	-1	-1	8	8	8	8

1. No historical data available.

Expenditure analysis

Over the medium term, the Financial Intelligence Centre will focus on stabilising and maintaining its ICT network and systems by enhancing the capability of its analytical software. This is intended to reinforce the integrity of South Africa's financial system, and improve access to information for the centre's clients. Improving these capabilities will require a steady increase in maintenance costs, which are expected to amount to R2.6 million over medium term, for the centre's ICT systems. The centre's expenditure is expected to increase at an average annual rate of 5 per cent, from R295.3 million in 2018/19 to R342.2 million in 2021/22. Similarly, revenue is expected to increase at an average annual rate of 5.5 per cent, from R280.2 million in 2018/19 to R329.1 million in 2021/22, of which 99.6 per cent (R932.4 million) of total revenue over the MTEF period is received through transfers from the department.

Programmes/Objectives/Activities

Table 7.71 Financial Intelligence Centre expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Average Expenditure/ Total (%)	
	2015/16	2016/17	2017/18	2018/19		2015/16 - 2018/19	2018/19 - 2021/22	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22		
Administration	40 270	42 347	45 145	53 034	9.6%	17.6%	55 951	59 029	62 275	5.5%	18.1%			
Delivery of intelligence on financial crimes and Financial Intelligence Centre Act (2001)-related regulatory services	130 191	134 898	145 140	170 565	9.4%	56.6%	179 946	186 390	196 641	4.9%	57.6%			
Enablement of financial intelligence regulatory capabilities	71 159	59 883	60 622	71 658	0.2%	25.8%	75 600	78 927	83 268	5.1%	24.3%			
Total	241 620	237 128	250 907	295 258	6.9%	100.0%	311 497	324 345	342 184	5.0%	100.0%			

Statements of historical financial performance and position

Table 7.72 Financial Intelligence Centre statements of historical financial performance and position

Statement of financial performance									
R thousand	2015/16		2016/17		2017/18		2018/19		Average: Outcome/ Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	1 800	2 375	1 500	7 875	2 713	5 299	1 500	1 500	226.9%
Other non-tax revenue	1 800	2 375	1 500	7 875	2 713	5 299	1 500	1 500	226.9%
Transfers received	239 488	240 178	256 372	256 372	270 191	270 191	278 716	278 716	100.1%
Total revenue	241 288	242 553	257 872	264 247	272 904	275 490	280 216	280 216	101.0%
Expenses									
Current expenses	257 813	241 619	276 779	237 128	288 610	250 907	296 759	295 258	91.5%
Compensation of employees	142 623	135 385	156 495	145 040	158 534	156 771	173 411	186 623	98.9%
Goods and services	85 754	80 235	90 323	68 820	104 570	71 242	96 567	81 855	80.1%
Depreciation	29 073	25 637	29 924	22 824	25 467	22 706	26 741	26 741	88.0%
Interest, dividends and rent on land	362	362	37	443	39	189	41	39	215.7%
Total expenses	257 813	241 619	276 779	237 128	288 610	250 907	296 759	295 258	91.5%
Surplus/(Deficit)	(16 525)	934	(18 907)	27 119	(15 706)	24 583	(16 543)	(15 042)	
Statement of financial position									
Carrying value of assets	91 606	81 656	88 902	77 429	79 350	71 749	69 508	101 927	101.0%
<i>of which:</i>									
Acquisition of assets	(32 460)	(22 339)	(36 595)	(17 976)	(52 012)	(18 073)	(12 153)	(57 026)	86.6%
Investments	–	–	–	20	–	1 505	–	989	–
Inventory	99	87	99	80	73	92	65	65	96.4%
Receivables and prepayments	4 216	2 518	2 350	5 996	3 894	4 959	1 890	4 660	146.8%
Cash and cash equivalents	147	49 544	14 802	76 740	19 905	96 122	17 631	34 555	489.6%
Total assets	96 068	133 805	106 153	160 265	103 222	174 427	89 094	142 196	154.8%
Accumulated surplus/(deficit)	69 110	90 646	66 103	117 766	60 743	142 349	44 201	114 396	193.7%
Finance lease	217	221	558	2 059	479	1 432	2 104	1 540	156.4%
Trade and other payables	19 020	28 165	21 145	33 240	31 863	20 487	31 465	15 196	93.8%
Provisions	7 721	14 773	18 347	7 200	10 137	10 159	11 324	11 064	90.9%
Total equity and liabilities	96 068	133 805	106 153	160 265	103 222	174 427	89 094	142 196	154.8%

Statements of estimates of financial performance and position

Table 7.73 Financial Intelligence Centre statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)	
				2018/19	2019/20	2020/21			2021/22
Revenue									
Non-tax revenue	1 500	-14.2%	1.6%	1 584	1 100	1 500	–	0.5%	
Other non-tax revenue	1 500	-14.2%	1.6%	1 584	1 100	1 500	–	0.5%	
Transfers received	278 716	5.1%	98.4%	294 324	310 513	327 592	5.5%	99.5%	
Total revenue	280 216	4.9%	100.0%	295 908	311 613	329 092	5.5%	100.0%	
Expenses									
Current expenses	295 258	6.9%	100.0%	311 497	324 345	342 184	5.0%	100.0%	
Compensation of employees	186 623	11.3%	60.7%	196 887	208 206	219 658	5.6%	63.7%	
Goods and services	81 855	0.7%	29.6%	86 358	91 107	96 118	5.5%	27.9%	
Depreciation	26 741	1.4%	9.6%	28 212	24 988	26 362	-0.5%	8.4%	
Interest, dividends and rent on land	39	-52.5%	0.1%	41	43	46	5.5%	0.0%	
Total expenses	295 258	6.9%	100.0%	311 497	324 345	342 184	5.0%	100.0%	
Surplus/(Deficit)	(15 042)			(15 589)	(12 732)	(13 092)			
Statement of financial position									
Carrying value of assets	101 927	7.7%	55.5%	93 399	86 117	73 024	-10.5%	73.8%	
<i>of which:</i>									
Acquisition of assets	(57 026)	36.7%	-19.6%	(19 678)	(17 701)	(13 270)	-38.5%	-21.2%	
Investments	989	–	0.4%	1 099	1 219	1 404	12.4%	1.0%	
Inventory	65	-9.3%	0.1%	70	63	58	-3.7%	0.1%	
Receivables and prepayments	4 660	22.8%	2.9%	4 226	3 713	3 076	-12.9%	3.2%	
Cash and cash equivalents	34 555	-11.3%	41.1%	27 493	22 044	22 044	-13.9%	21.9%	
Total assets	142 196	2.0%	100.0%	126 287	113 155	99 606	-11.2%	100.0%	
Accumulated surplus/(deficit)	114 396	8.1%	75.8%	97 105	84 436	71 211	-14.6%	75.9%	
Finance lease	1 540	91.0%	0.8%	1 866	2 051	1 966	8.5%	1.6%	
Trade and other payables	15 196	-18.6%	16.1%	15 643	14 353	13 437	-4.0%	12.3%	
Provisions	11 064	-9.2%	7.3%	11 673	12 315	12 992	5.5%	10.2%	
Total equity and liabilities	142 196	2.0%	100.0%	126 287	113 155	99 605	-11.2%	100.0%	

Personnel information

Table 7.74 Financial Intelligence Centre personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22							
Financial Intelligence Centre		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	224	224	217	156.8	0.7	224	186.6	0.8	224	196.9	0.9	224	208.2	0.9	224	219.7	1.0	5.6%	100.0%
1 – 6	20	20	21	3.6	0.2	20	4.8	0.2	20	5.1	0.3	20	5.4	0.3	20	5.7	0.3	5.6%	8.9%
7 – 10	94	94	89	40.7	0.5	94	49.1	0.5	94	51.8	0.6	94	54.8	0.6	94	57.8	0.6	5.6%	42.0%
11 – 12	53	53	54	41.5	0.8	53	47.7	0.9	53	50.4	1.0	53	53.2	1.0	53	56.2	1.1	5.6%	23.7%
13 – 16	53	53	49	63.1	1.3	53	71.4	1.3	53	75.3	1.4	53	79.6	1.5	53	84.0	1.6	5.6%	23.7%
17 – 22	4	4	4	7.8	2.0	4	13.5	3.4	4	14.4	3.6	4	15.2	3.8	4	16.0	4.0	5.7%	1.8%

1. Rand million.

Financial Sector Conduct Authority

Mandate

The Financial Sector Conduct Authority was established on 1 April 2018 in terms of the Financial Sector Regulation Act (2017) as a peak of the Twin Peaks model for regulating the financial sector in its capacity as a market conduct authority responsible for ensuring the integrity and efficiency of financial markets, and promoting financial consumer education. The authority's regulatory strategy identifies 6 priority focus areas: building a new organisation; supporting the development of an inclusive and transformed financial sector; implementing a robust regulatory framework that promotes the fair treatment of customers; ensuring that financial customers are informed; strengthening the efficiency and integrity of South Africa's financial markets; and understanding new ways of doing business.

Selected performance indicators

The Authority is still in the process of determining its performance indicators.

Expenditure analysis

Over the MTEF period, Financial Sector Conduct Authority will continue focus on regulating and supervising market conduct in the financial services sector, ensuring the integrity and efficiency of formal markets and allied institutions, protecting consumers, and improving consumer access to financial literacy programmes through the new market conduct regulator.

In its supervisory role over the medium term, the authority will aim to implement the Twin Peaks regulation model, which is set to provide a comprehensive framework for regulating the financial sector. It involves the establishment of 2 regulatory authorities: a prudential authority responsible for the oversight of the safety and soundness of banks, insurers and financial conglomerates; and a new market conduct authority responsible for ensuring the integrity and efficiency of financial markets, and promoting financial consumer education.

The authority's expenditure is expected to decrease at an average annual rate of 2.4 per cent, from R934.1 million in 2018/19 to R869.5 million in 2021/22. Spending on compensation of employees is expected to increase at an average annual rate of 5.4 per cent, from R509.7 million in 2018/19 to R597.5 million in 2021/22. This is mainly due to cost of living adjustments and the expected increase in the number of personnel from 669 in 2018/19 to 709 in 2021/22, as a result of the planned implementation of the Twin Peaks model in 2018/19.

The authority generates revenue through levies raised from financial institutions and fees charged for licensing them. Revenue is expected to increase at an average annual rate of 2.1 per cent, R803.1 million in 2018/19 to R855.3 million in 2021/22, mainly due to an increase in levies.

Programmes/Objectives/Activities

Table 7.75 Financial Sector Conduct Authority expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/Total (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Administration	-	-	-	385 591	-	-	376 027	375 945	391 078	0.5%	44.2%
Supervise the financial advisory and intermediary activities in the financial services sector in terms of the Financial Advisory and Intermediary Act (2002)	-	-	-	174 725	-	-	127 383	129 387	136 307	-7.9%	16.3%
Supervise the long-term and short-term insurance industries in terms of the Long-Term Insurance Act (1998)	-	-	-	114 508	-	-	120 576	115 313	120 515	1.7%	13.6%
Supervise retirement funds and friendly societies	-	-	-	162 285	-	-	103 151	108 823	112 135	-11.6%	13.9%
Supervise the collective investment schemes in securities in terms of the Collective Investment Schemes Control Act (2002)	-	-	-	50 729	-	-	53 418	54 358	56 279	3.5%	6.2%
Supervise the South African licensed exchanges, central securities depositories and clearing houses in terms of the Securities Services Act (2004)	-	-	-	21 105	-	-	22 224	23 446	23 693	3.9%	2.6%
Combat market abuse in terms of the Securities Services Act (2004)	-	-	-	18 969	-	-	19 973	21 073	22 208	5.4%	2.4%
Regulate credit rating agencies	-	-	-	6 204	-	-	6 532	6 890	7 260	5.4%	0.8%
Total	-	-	-	934 116	-	-	829 284	835 235	869 475	-2.4%	100.0%

Statements of historical financial performance and position

Table 7.76 Financial Sector Conduct Authority statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2018/19	2015/16 - 2018/19
R thousand									
Revenue									
Non-tax revenue	-	-	-	-	-	-	857 220	803 123	93.7%
Sale of goods and services other than capital assets	-	-	-	-	-	-	798 569	748 730	93.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	-	-	-	-	-	-	798 569	748 730	93.8%
Other non-tax revenue	-	-	-	-	-	-	58 651	54 393	92.7%
Total revenue	-	-	-	-	-	-	857 220	803 123	93.7%
Expenses									
Current expenses	-	-	-	-	-	-	744 081	816 036	109.7%
Compensation of employees	-	-	-	-	-	-	494 546	509 662	103.1%
Goods and services	-	-	-	-	-	-	227 199	280 555	123.5%
Depreciation	-	-	-	-	-	-	22 336	25 819	115.6%
Transfers and subsidies	-	-	-	-	-	-	118 708	118 080	99.5%
Total expenses	-	-	-	-	-	-	862 789	934 116	108.3%
Surplus/(Deficit)	-	-	-	-	-	-	(5 569)	(130 993)	
Statement of financial position									
Carrying value of assets	-	-	-	-	-	-	159 390	89 191	56.0%
<i>of which:</i>									
<i>Acquisition of assets</i>	-	-	-	-	-	-	(130 465)	(34 071)	26.1%
Investments	-	-	-	-	-	-	67 687	67 686	100.0%
Accrued investment interest	-	-	-	-	-	-	67	86	129.2%
Receivables and prepayments	-	-	-	-	-	-	33 113	28 180	85.1%
Cash and cash equivalents	-	-	-	-	-	-	269 131	324 627	120.6%
Total assets	-	-	-	-	-	-	529 387	509 770	96.3%
Accumulated surplus/(deficit)	-	-	-	-	-	-	186 448	156 624	84.0%
Capital and reserves	-	-	-	-	-	-	127 566	114 187	89.5%
Finance lease	-	-	-	-	-	-	1 950	1 950	100.0%
Trade and other payables	-	-	-	-	-	-	117 191	134 668	114.9%
Provisions	-	-	-	-	-	-	96 332	102 341	106.2%
Total equity and liabilities	-	-	-	-	-	-	529 487	509 770	96.3%

Statements of estimates of financial performance and position

Table 7.77 Financial Sector Conduct Authority 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	2015/16 - 2018/19	2019/20		
R thousand									
Revenue									
Non-tax revenue		803 123	–	–	768 448	810 712	855 301	2.1%	100.0%
Sale of goods and services other than capital assets		748 730	–	–	711 172	750 286	791 552	1.9%	92.7%
of which:									
Sales by market establishment		748 730	–	–	711 172	750 286	791 552	1.9%	92.7%
Other non-tax revenue		54 393	–	–	57 276	60 426	63 749	5.4%	7.3%
Total revenue		803 123	–	–	768 448	810 712	855 301	2.1%	100.0%
Expenses									
Current expenses		816 036	–	–	829 284	835 235	869 475	2.1%	96.8%
Compensation of employees		509 662	–	–	536 674	566 192	597 466	5.4%	63.9%
Goods and services		280 555	–	–	265 423	240 362	241 895	-4.8%	29.7%
Depreciation		25 819	–	–	27 187	28 681	30 114	5.3%	3.2%
Transfers and subsidies		118 080	–	–	–	–	–	-100.0%	3.2%
Total expenses		934 116	–	–	829 284	835 235	869 475	-2.4%	100.0%
Surplus/(Deficit)		(130 993)			(60 836)	(24 523)	(14 174)		
Statement of financial position									
Carrying value of assets		89 191	–	–	97 401	106 052	109 946	7.2%	21.2%
of which:									
Acquisition of assets		(34 071)	–	–	(35 397)	(37 320)	(34 044)	-0.0%	-7.4%
Investments		67 686	–	–	69 070	74 624	74 686	3.3%	15.0%
Accrued investment interest		86	–	–	70	73	77	-3.6%	0.0%
Receivables and prepayments		28 180	–	–	30 568	31 134	32 847	5.2%	6.5%
Cash and cash equivalents		324 627	–	–	267 823	250 384	253 773	-7.9%	57.3%
Total assets		509 770	–	–	464 932	462 267	471 329	-2.6%	100.0%
Accumulated surplus/(deficit)		156 624	–	–	95 788	95 788	95 788	-15.1%	23.1%
Capital and reserves		114 187	–	–	121 145	128 451	136 122	6.0%	26.3%
Finance lease		1 950	–	–	2 047	2 150	2 268	5.2%	0.4%
Trade and other payables		134 668	–	–	137 180	119 062	113 909	-5.4%	26.5%
Provisions		102 341	–	–	108 772	116 816	123 242	6.4%	23.7%
Total equity and liabilities		509 770	–	–	464 932	462 267	471 329	-2.6%	100.0%

Personnel information

Table 7.78 Financial Sector Conduct Authority personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost	2020/21		Unit cost			2021/22		Unit cost	
Financial Sector Conduct Authority																			
Salary level	669	736	–	–	–	669	509.7	0.8	689	536.7	0.8	699	566.2	0.8	709	597.5	0.8	5.4%	100.0%
1–6	113	113	–	–	–	113	32.8	0.3	113	34.5	0.3	113	35.6	0.3	113	37.6	0.3	4.7%	16.3%
7–10	308	375	–	–	–	308	187.8	0.6	328	197.7	0.6	338	209.6	0.6	348	221.2	0.6	5.6%	47.8%
1–12	116	116	–	–	–	116	103.9	0.9	116	109.4	0.9	116	116.0	1.0	116	122.4	1.1	5.6%	16.8%
3–16	116	116	–	–	–	116	139.2	1.2	116	146.5	1.3	116	153.8	1.3	116	162.4	1.4	5.3%	16.8%
7–22	16	16	–	–	–	16	46.1	2.9	16	48.5	3.0	16	51.2	3.2	16	54.0	3.4	5.4%	2.3%

1. Rand million.

Financial Services Board

Mandate

The Financial Services Board was 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 was primarily derived from the Financial Services Board Act (1990), committing it to promote and maintain a sound financial investment environment in South Africa. The board was also responsible for ensuring that entities comply with relevant legislation and capital adequacy requirements.

Expenditure analysis

The Financial Services Board ceased to exist on 31 March 2018 upon the passing of the Financial Sector Regulation Bill to implement the Twin Peaks model for financial regulation and supervision. As such, the Financial Sector Conduct Authority was established on 1 April 2018 in terms of the Financial Sector Regulation Act (2017) as one of the peaks of the Twin Peaks model. The Minister of Finance has since granted approval for the transfer of the board's assets and liabilities to the Financial Sector Conduct Authority.

Government Technical Advisory Centre

Mandate

The Government Technical Advisory Centre was established in terms of the Public Service Act (1994) as a government component. It is mandated to assist organs of state in building their capacity for efficient, effective and transparent financial management. The centre's 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 feasibility of infrastructure projects, and provide knowledge management and ancillary support for projects.

Selected performance indicators

Table 7.79 Government Technical Advisory Centre performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of technical advisory projects supported per year	Transaction and advisory services	Outcome 12: An efficient, effective and development-oriented public service	135	84	80	120	140	160	180
Number of transactional advisory projects supported per year	Transaction and advisory services	Outcome 4: Decent employment through inclusive growth	10	12	19	17	19	19	19
Number of capital project appraisals conducted on behalf of National Treasury per year	Transaction and advisory services		16	10	10	10	10	10	10
Number of expenditure reviews conducted per year	Transaction and advisory services	Outcome 12: An efficient, effective and development-oriented public service	5	10	10	10	10	10	10
Number of other specialised procurement projects supported per year	Transaction and advisory services	Outcome 12: An efficient, effective and development-oriented public service	– ¹	10	10	10	10	10	10

1. No historical data available.

Expenditure analysis

Over the medium term, the Government Technical Advisory Centre plans to continue providing advisory services to government departments and other organs of state to strengthen their institutional capacity and expertise. This is intended to improve their planning of infrastructure projects, and is expected to lead to expenditure of R60 million over the MTEF period. The centre also plans to continue implementing the Jobs Fund, which aims to create 150 000 sustainable job opportunities over the medium term. The Jobs Fund will oversee a portfolio of employment facilitation projects undertaken by a range of implementing partners in the public and private sectors.

The centre uses consultants for a variety of services, including technical support for programme and project management, strategic planning and management, ICT projects, specialised procurement, infrastructure advice and policy costing. As a result, spending on goods and services, mainly for consultants, is expected to account for 62.2 per cent (R739.7 million) of the centre's total spending over the MTEF period. Spending on goods and services increases at an average annual rate of 7.3 per cent, from R210.3 million in 2018/19 to R259.9 million in 2021/22. The centre's number of personnel is expected to remain constant over the MTEF period. Spending on compensation of employees is expected to increase at an average annual rate of 5.7 per cent, from R130.9 million in 2018/19 to R154.5 million in 2021/22.

Total revenue is expected to amount to R1 billion over the medium term, with cost recovery fees accounting for 74.6 per cent (R762.3 million) and transfers from the department accounting for 20.8 per cent (R212.5 million),

with the remainder received in the form of donor funding. Revenue is expected to increase at an average annual rate of 0.5 per cent, from R344.1 million in 2018/19 to R349.2 million in 2021/22.

Programmes/Objectives/Activities

Table 7.80 Government Technical Advisory Centre expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
Administration	25 786	40 137	81 628	98 280	56.2%	19.7%	88 872	82 474	87 308	-3.9%	23.6%
Transaction and advisory services	146 214	132 887	121 633	151 604	1.2%	44.9%	189 060	192 504	209 469	11.4%	48.5%
Project management unit (Jobs Fund, municipal finance improvement programme)	157 592	84 749	102 629	94 252	-15.7%	35.4%	103 404	110 548	118 522	7.9%	27.9%
Total	329 592	257 773	305 890	344 136	1.4%	100.0%	381 336	385 526	415 299	6.5%	100.0%

Statements of historical financial performance and position

Table 7.81 Government Technical Advisory Centre statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%) 2015/16 - 2018/19
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19	
Revenue									
Non-tax revenue	954 856	257 331	275 832	166 345	296 165	219 296	359 159	248 058	47.2%
Sale of goods and services other than capital assets	954 656	232 499	246 764	137 984	288 165	190 642	342 159	217 880	42.5%
<i>of which:</i>									
Administrative fees	913 658	156 880	130 793	72 846	211 475	76 652	226 391	106 912	27.9%
Sales by market establishment	–	75 619	115 971	65 138	76 690	113 990	115 768	110 968	118.6%
Other sales	40 998	–	–	–	–	–	–	–	–
Other non-tax revenue	200	24 832	29 068	28 361	8 000	28 654	17 000	30 178	206.4%
Transfers received	995 564	140 485	305 295	125 714	118 845	115 000	95 618	96 079	31.5%
Total revenue	1 950 420	397 816	581 127	292 059	415 010	334 296	454 777	344 137	40.2%
Expenses									
Current expenses	464 489	329 592	868 911	257 773	414 920	305 890	454 681	344 137	56.2%
Compensation of employees	99 435	62 861	100 101	90 554	110 742	107 807	123 540	130 895	90.4%
Goods and services	362 333	266 474	768 658	165 062	301 518	195 567	328 675	210 257	47.5%
Depreciation	2 721	257	152	2 157	2 660	2 516	2 466	2 985	98.9%
Transfers and subsidies	1 485 931	–	–	–	–	–	96	–	–
Total expenses	1 950 420	329 592	868 911	257 773	414 920	305 890	454 777	344 137	33.5%
Surplus/(Deficit)	–	68 224	(287 784)	34 286	90	28 406	–	–	–
Statement of financial position									
Carrying value of assets	–	5 552	3 970	4 427	5 074	6 314	2 875	9 544	216.8%
<i>of which:</i>									
Acquisition of assets	–	(5 504)	(575)	(1 053)	(3 740)	(4 424)	(245)	(3 050)	307.7%
Receivables and prepayments	3 433	9 450	4 245	15 834	22 155	60 210	28 667	22 155	184.0%
Cash and cash equivalents	23 962	872 582	723 908	554 517	426 932	855 230	443 042	426 935	167.5%
Total assets	27 395	887 584	732 123	574 778	454 161	921 754	474 584	458 634	168.4%
Accumulated surplus/(deficit)	250	181 218	468 266	215 504	215 504	243 910	215 504	243 910	98.3%
Capital reserve fund	–	–	–	–	54 232	–	70 090	54 232	43.6%
Borrowings	–	–	–	2 021	–	–	–	–	–
Trade and other payables	27 145	704 264	262 221	355 064	182 664	673 700	187 099	158 601	287.0%
Provisions	–	2 102	1 636	2 189	1 761	4 144	1 891	1 891	195.3%
Total equity and liabilities	27 395	887 584	732 123	574 778	454 161	921 754	474 584	458 634	168.4%

Statements of estimates of financial performance and position

Table 7.82 Government Technical Advisory Centre 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 (%)
				2019/20	2020/21	2021/22		
R thousand	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Revenue								
Non-tax revenue	248 058	-1.2%	64.8%	245 827	253 133	263 334	2.0%	74.0%
Sale of goods and services other than capital assets	217 880	-2.1%	56.5%	220 627	230 075	242 438	3.6%	66.7%
<i>of which:</i>								
Administrative fees	106 912	-12.0%	29.6%	110 468	113 850	119 852	3.9%	33.0%
Sales by market establishment	110 968	13.6%	26.9%	110 159	116 225	122 586	3.4%	33.7%
Other non-tax revenue	30 178	6.7%	8.3%	25 200	23 058	20 896	-11.5%	7.3%
Transfers received	96 079	-11.9%	35.2%	95 732	78 031	85 863	-3.7%	26.0%
Total revenue	344 137	-4.7%	100.0%	341 559	331 164	349 197	0.5%	100.0%
Expenses								
Current expenses	344 137	1.4%	100.0%	381 236	385 420	415 299	6.5%	100.0%
Compensation of employees	130 895	27.7%	31.9%	138 562	146 315	154 504	5.7%	37.4%
Goods and services	210 257	-7.6%	67.5%	241 759	238 031	259 906	7.3%	62.2%
Depreciation	2 985	126.5%	0.7%	915	1 074	889	-33.2%	0.4%
Transfers and subsidies	-	-	-	100	106	-	-	0.0%
Total expenses	344 137	1.4%	100.0%	381 336	385 526	415 299	6.5%	100.0%
Surplus/(Deficit)	-			(39 777)	(54 362)	(66 102)		
Statement of financial position								
Carrying value of assets	9 544	19.8%	1.0%	6 460	8 202	8 009	-5.7%	2.1%
<i>of which:</i>								
Acquisition of assets	(3 050)	-17.9%	-0.5%	(3 165)	(3 230)	(3 408)	3.8%	-0.8%
Receivables and prepayments	22 155	32.8%	3.8%	28 667	38 981	46 297	27.8%	9.2%
Cash and cash equivalents	426 935	-21.2%	95.2%	403 265	351 487	238 778	-17.6%	88.7%
Total assets	458 634	-19.8%	100.0%	438 392	398 670	293 084	-13.9%	100.0%
Accumulated surplus/(deficit)	243 910	10.4%	34.4%	204 133	149 771	83 669	-30.0%	41.5%
Capital reserve fund	54 232	-	3.0%	70 090	84 430	46 300	-5.1%	16.2%
Trade and other payables	158 601	-39.2%	62.2%	162 146	162 345	160 991	0.5%	41.8%
Provisions	1 891	-3.5%	0.4%	2 023	2 124	2 124	3.9%	0.5%
Total equity and liabilities	458 634	-19.8%	100.0%	438 392	398 670	293 084	-13.9%	100.0%

Personnel information

Table 7.83 Government Technical Advisory Centre personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18		Unit cost	2018/19		Unit cost	2019/20		2020/21		2021/22				2018/19 - 2021/22			
Government Technical Advisory Centre		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	156	156	145	107.8	0.7	156	130.9	0.8	156	138.6	0.9	156	146.3	0.9	156	154.5	1.0	5.7%	100.0%
7 - 10	54	54	48	20.4	0.4	54	26.0	0.5	54	27.6	0.5	54	29.3	0.5	54	31.0	0.6	6.1%	34.6%
11 - 12	49	49	48	31.4	0.7	49	41.9	0.9	49	44.3	0.9	49	46.8	1.0	49	49.3	1.0	5.6%	31.4%
13 - 16	53	53	49	53.7	1.1	53	63.0	1.2	53	66.6	1.3	53	70.3	1.3	53	74.1	1.4	5.6%	34.0%
17 - 22	-	-	-	2.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Rand million.

Independent Regulatory Board for Auditors

Mandate

The Independent Regulatory Board for Auditors was established under the Auditing Profession Act (2005) and became operational in April 2006. The board is mandated to protect the public by regulating audits performed by registered auditors; improve the development and maintenance of internationally comparable ethical and auditing standards for auditors that promote investment and, as a consequence, employment in South Africa; set out measures to advance the implementation of appropriate standards of competence and good ethics in the auditing profession; and provide for procedures for disciplinary action in instances of improper conduct.

Selected performance indicators

Table 7.84 Independent Regulatory Board for Auditors performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of monitoring visits completed per year in accordance with the monitoring plan approved by the auditing development committee on a quarterly basis	Education	Outcome 11: Create a better South Africa, a better Africa and a better world	-1	-1	105% (45/42)	90%	90%	90%	90%
Percentage of inspections completed per year in accordance with the inspection plan per year	Inspections		-1	-1	106% (188/177)	85%	85%	85%	85%
Percentage of complaints closed within 18 months of receipt of complaint per year	Investigations		-1	-1	74% (74/100)	80%	75%	75%	75%
Percentage of target dates met for issuing audit pronouncements, audit reports and comment letters as per the committee for accounting standards project timetable, which is adjusted on a quarterly basis, per year	Standards		-1	-1	100% (7)	85%	85%	85%	85%

1. No historical data available.

Expenditure analysis

Over the medium term, the Independent Regulatory Board for Auditors aims to strengthen the quality of financial reporting in South Africa, thereby contributing to investor confidence and enhancing the business environment. The board plans to carry out its mandate of protecting the financial interests of the public by ensuring that only suitably qualified individuals are admitted to the auditing profession, and that registered auditors deliver quality services and adhere to the highest ethics standards. In this regard, the board intends to continue developing and maintaining relationships with stakeholders to improve performance, accountability and public confidence.

The board's number of personnel is projected to increase from 86 in 2018/19 to 92 in 2021/22. As a result, spending on compensation of employees is expected to increase at an average annual rate of 7.7 per cent, from R84.8 million in 2018/19 to R105.9 million in 2021/22. This increase is expected to drive an increase in total expenditure at an average annual rate of 6.2 per cent, from R132 million in 2018/19 to R158 million in 2021/22.

The board is expected to receive 30.4 per cent (R136.7 million) of its revenue over the MTEF period through transfers from the department. Other revenue is generated through the registration of auditors and trainees, annual renewal charges, and fees for the inspection of registered auditors. Total revenue is expected to increase at an average annual rate of 9.4 per cent, from R120.7 million in 2018/19 to R158 million in 2021/22.

Programmes/Objectives/Activities

Table 7.85 Independent Regulatory Board for Auditors expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate 2018/19	Average growth rate (%) 2015/16 - 2018/19	Average Expenditure/Total (%) 2015/16 - 2018/19	Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average Expenditure/Total (%) 2018/19 - 2021/22
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22		
R thousand											
Administration	31 948	37 976	40 858	43 905	11.2%	34.8%	47 779	50 453	52 781	6.3%	33.5%
Legal	18 829	13 172	15 990	15 008	-7.3%	14.4%	20 042	19 432	21 125	12.1%	13.0%
Education	8 250	6 190	8 439	11 713	12.4%	7.7%	11 457	12 043	12 781	3.0%	8.3%
Inspections	20 442	25 137	25 808	31 011	14.9%	22.9%	32 291	34 741	36 601	5.7%	23.2%
Investigations	6 592	10 761	13 758	19 040	42.4%	10.9%	18 775	20 074	21 288	3.8%	13.6%
Standards	9 401	9 903	10 219	11 282	6.3%	9.2%	11 813	12 593	13 406	5.9%	8.4%
Total	95 462	103 139	115 072	131 959	11.4%	100.0%	142 157	149 336	157 982	6.2%	100.0%

Statements of historical financial performance and position

Table 7.86 Independent Regulatory Board for Auditors 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 thousand	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19
Revenue									
Non-tax revenue	56 098	62 296	68 617	69 750	72 710	74 230	75 625	79 776	104.8%
Sale of goods and services other than capital assets	51 199	57 573	66 043	65 078	69 237	69 051	71 818	75 769	103.6%
<i>of which:</i>									
Administrative fees	1 671	5 118	1 680	2 820	3 220	2 670	3 120	4 820	159.2%
Sales by market establishment	49 528	52 455	64 363	62 258	66 017	66 381	68 698	70 949	101.4%
Other non-tax revenue	4 899	4 723	2 574	4 672	3 473	5 179	3 807	4 007	125.9%
Transfers received	29 999	29 999	28 978	28 978	39 624	39 624	40 874	40 874	100.0%
Total revenue	86 097	92 295	97 595	98 728	112 334	113 854	116 499	120 650	103.2%
Expenses									
Current expenses	97 517	95 462	112 177	103 139	116 225	115 072	126 593	131 959	98.5%
Compensation of employees	62 996	59 784	73 012	73 107	79 225	81 974	86 145	84 751	99.4%
Goods and services	31 639	33 948	36 998	28 281	34 854	31 676	38 597	45 407	98.0%
Depreciation	2 882	1 730	2 167	1 751	2 146	1 422	1 851	1 801	74.1%
Total expenses	97 517	95 462	112 177	103 139	116 225	115 072	126 593	131 959	98.5%
Surplus/(Deficit)	(11 420)	(3 167)	(14 582)	(4 411)	(3 891)	(1 218)	(10 094)	(11 309)	
Statement of financial position									
Carrying value of assets	7 294	6 078	3 586	5 381	4 667	5 074	3 689	6 387	119.1%
<i>of which:</i>									
Acquisition of assets	(1 119)	(1 533)	(1 119)	(1 132)	(1 549)	(1 165)	(3 546)	(3 114)	94.7%
Investments	–	70	–	72	–	–	–	–	–
Inventory	167	192	173	157	198	162	173	162	94.7%
Receivables and prepayments	6 488	4 156	2 185	5 121	2 771	5 107	2 345	5 107	141.4%
Cash and cash equivalents	24 433	33 236	10 645	30 617	7 648	32 604	–	18 181	268.3%
Non-current assets held for sale	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	100.0%
Total assets	48 382	53 732	26 589	51 348	25 284	52 947	16 207	39 837	169.9%
Accumulated surplus/(deficit)	12 818	22 143	–	16 670	12 779	14 537	(5 096)	3 228	276.0%
Capital and reserves	26 872	27 443	21 436	28 505	10 000	29 420	10 000	29 420	168.0%
Borrowings	–	–	–	–	–	–	5 830	–	–
Trade and other payables	8 692	4 146	5 153	6 173	2 505	8 990	5 473	7 189	121.4%
Total equity and liabilities	48 382	53 732	26 589	51 348	25 284	52 947	16 207	39 837	169.9%

Statements of estimates of financial performance and position

Table 7.87 Independent Regulatory Board for Auditors 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 thousand	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22		
Revenue									
Non-tax revenue	79 776	8.6%	67.4%	98 994	103 799	109 940	11.3%	68.7%	
Sale of goods and services other than capital assets	75 769	9.6%	62.9%	95 146	101 457	108 195	12.6%	66.5%	
<i>of which:</i>									
Administrative fees	4 820	-2.0%	3.7%	3 450	3 664	3 891	-6.9%	2.8%	
Sales by market establishment	70 949	10.6%	59.3%	91 696	97 793	104 304	13.7%	63.7%	
Other non-tax revenue	4 007	-5.3%	4.4%	3 848	2 342	1 745	-24.2%	2.2%	
Transfers received	40 874	10.9%	32.6%	43 163	45 537	48 042	5.5%	31.3%	
Total revenue	120 650	9.3%	100.0%	142 157	149 336	157 982	9.4%	100.0%	
Expenses									
Current expenses	131 959	11.4%	100.0%	142 157	149 336	157 982	6.2%	100.0%	
Compensation of employees	84 751	12.3%	67.2%	93 762	100 291	105 923	7.7%	66.1%	
Goods and services	45 407	10.2%	31.2%	46 618	47 268	50 282	3.5%	32.7%	
Depreciation	1 801	1.3%	1.5%	1 777	1 777	1 777	-0.4%	1.2%	
Total expenses	131 959	11.4%	100.0%	142 157	149 336	157 982	6.2%	100.0%	
Surplus/(Deficit)	(11 309)			–	–	–			
Statement of financial position									
Carrying value of assets	6 387	1.7%	11.9%	5 179	7 661	8 374	9.4%	29.2%	
<i>of which:</i>									
Acquisition of assets	(3 114)	26.6%	-3.8%	(2 135)	(2 237)	(2 347)	-9.0%	-10.0%	
Inventory	162	-5.5%	0.3%	180	180	180	3.6%	0.8%	
Receivables and prepayments	5 107	7.1%	10.0%	3 001	3 812	4 038	-7.5%	16.2%	
Cash and cash equivalents	18 181	-18.2%	57.2%	–	–	–	-100.0%	11.4%	
Non-current assets held for sale	10 000	–	20.5%	10 000	10 000	10 000	–	42.5%	
Total assets	39 837	-9.5%	100.0%	18 360	21 653	22 592	-17.2%	100.0%	

Statements of estimates of financial performance and position

Table 7.88 Independent Regulatory Board for Auditors 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 (%)
				2019/20	2020/21	2021/22		
R thousand	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22
Accumulated surplus/(deficit)	3 228	-47.4%	27.3%	(17 050)	(17 050)	(17 050)	-274.2%	-59.7%
Capital and reserves	29 420	2.3%	59.0%	29 420	29 420	29 420	-	125.0%
Borrowings	-	-	-	350	1 097	2 098	-	4.1%
Trade and other payables	7 189	20.1%	13.7%	5 640	8 186	8 124	4.2%	30.6%
Total equity and liabilities	39 837	-9.5%	100.0%	18 360	21 653	22 592	-17.2%	100.0%

Personnel information

Table 7.89 Independent Regulatory Board for Auditors personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22							
Independent Regulatory Board for Auditors		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	92	92	89	82.0	0.9	86	84.8	1.0	92	93.8	1.0	92	100.3	1.1	92	105.9	1.2	7.7%	100.0%
1 - 6	10	10	12	1.8	0.1	10	1.6	0.2	10	1.8	0.2	10	1.9	0.2	10	2.0	0.2	6.8%	11.1%
7 - 10	30	30	28	12.6	0.5	29	12.4	0.4	30	13.4	0.4	30	14.3	0.5	30	15.1	0.5	6.8%	32.9%
11 - 12	6	6	5	4.9	1.0	5	4.8	1.0	6	5.2	0.9	6	5.6	0.9	6	5.9	1.0	6.8%	6.3%
13 - 16	42	42	40	51.8	1.3	38	55.0	1.4	42	61.6	1.5	42	65.9	1.6	42	69.6	1.7	8.1%	45.3%
17 - 22	4	4	4	10.9	2.7	4	10.9	2.7	4	11.8	3.0	4	12.7	3.2	4	13.4	3.4	7.2%	4.4%

1. Rand million.

Office of the Ombud for Financial Services Providers

Mandate

The legislative mandate of the Office of the Ombud for Financial Services Providers is stated in the Financial Advisory and Intermediary Services Act (2002), in terms of which the organisation is established. The act gives the ombud the statutory powers to consider and dispose of complaints against financial services providers, particularly intermediaries selling investment products.

Selected performance indicators

Table 7.90 Office of the Ombud for Financial Services Providers performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of satisfied customers as measured by returned customer survey forms per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers	Outcome 11: Create a better South Africa, a better Africa and a better world	-1	-1	-1	80%	80%	80%	80%
Percentage of closed complaints within 9 months of date of receipt of complaint per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		-1	-1	-1	85%	85%	85%	85%
Percentage of complaints responded to within 7 days of date of receipt of complaint per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		-1	-1	-1	80%	80%	80%	80%

1. No historical data available.

Expenditure analysis

Over the medium term, the Office of the Ombud for Financial Services Providers plans to focus on providing quality customer service by attending to complaints and cases promptly and efficiently, strengthening the office's organisational capacity, and communicating effectively with stakeholders. To achieve these objectives, spending on goods and services, including in respect of lease payments, consultants, and staff training and development, is expected to account for 33.1 per cent (R59.3 million) of total expenditure over the MTEF period, increasing from R19.7 million in 2018/19 to R20.6 million in 2021/22. Expenditure is expected to increase at an average annual rate of 5.6 per cent, from R54.7 million in 2018/19 to R64.5 million in 2021/22.

In line with an expected increase in the number of complaints received, the number of personnel is expected to increase from 91 in 2018/19 to 93 in 2021/22. Accordingly, spending on compensation of employees is expected to increase at an average annual rate of 7.9 per cent, from R33.9 million in 2018/19 to R42.6 million in 2021/22, accounting for 64.9 per cent (R121.7 million) of total estimated expenditure over the MTEF period.

Revenue is expected to increase at an average annual rate of 5.5 per cent, from R54.8 million in 2018/19 to R64.5 million in 2021/22, mainly from levies charged.

Programmes/Objectives/Activities

Table 7.91 Office of the Ombud for Financial Service Providers expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22		
Administration	15 768	19 917	21 687	25 822	17.9%	44.5%	26 523	28 024	29 167	4.1%	45.8%
Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers	19 912	24 409	23 253	26 057	9.4%	50.7%	28 746	30 886	32 146	7.3%	49.2%
Enhanced stakeholder management	1 517	2 228	2 410	2 816	22.9%	4.8%	2 858	3 025	3 148	3.8%	5.0%
Total	37 197	46 554	47 350	54 695	13.7%	100.0%	58 127	61 935	64 462	5.6%	100.0%

Statements of historical financial performance and position

Table 7.92 Office of the Ombud for Financial Service Providers statements of historical financial performance and position

Statement of financial performance										Average: Outcome/ Budget (%)
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2015/16 - 2018/19	
	2015/16		2016/17		2017/18		2018/19			
Revenue										
Non-tax revenue	–	16	–	9	–	–	–	–	–	
Sale of goods and services other than capital assets	–	16	–	9	–	–	–	–	–	
<i>of which:</i>										
Administrative fees	–	16	–	9	–	–	–	–	–	
Transfers received	43 423	43 423	39 128	39 128	47 981	49 421	54 158	54 846	101.2%	
Total revenue	43 423	43 439	39 128	39 137	47 981	49 421	54 158	54 846	101.2%	
Expenses										
Current expenses	44 230	37 197	44 795	46 554	48 067	47 350	54 158	54 695	97.1%	
Compensation of employees	26 020	24 537	28 258	29 264	31 925	30 045	35 653	33 887	96.6%	
Goods and services	17 161	11 730	15 454	16 404	15 122	16 376	17 427	19 696	98.5%	
Depreciation	1 014	895	1 061	864	1 014	923	1 072	1 052	89.7%	
Interest, dividends and rent on land	35	35	22	22	6	6	6	60	178.3%	
Total expenses	44 230	37 197	44 795	46 554	48 067	47 350	54 158	54 695	97.1%	
Surplus/(Deficit)	(807)	6 242	(5 667)	(7 417)	(86)	2 071	–	151		
Statement of financial position										
Carrying value of assets	3 629	1 953	4 445	1 904	3 635	1 712	3 861	3 861	60.6%	
<i>of which:</i>										
Acquisition of assets	(2 454)	(675)	(3 554)	(824)	(3 678)	(738)	(1 419)	(1 419)	32.9%	
Receivables and prepayments	725	8 918	777	819	774	1 918	822	822	402.7%	
Cash and cash equivalents	222	250	266	1 960	94	3 617	94	94	875.9%	
Total assets	4 576	11 121	5 488	4 683	4 503	7 247	4 777	4 777	143.9%	
Accumulated surplus/(deficit)	2 086	9 134	3 467	1 717	1 631	3 789	1 631	1 631	184.6%	
Finance lease	157	157	95	68	–	–	–	–	89.3%	
Trade and other payables	1 524	1 114	1 165	1 514	1 243	1 545	1 416	1 416	104.5%	
Provisions	780	621	660	925	1 086	1 068	1 153	1 153	102.4%	
Derivatives financial instruments	29	95	101	459	543	846	577	577	158.2%	
Total equity and liabilities	4 576	11 121	5 488	4 683	4 503	7 248	4 777	4 777	143.9%	

Statements of estimates of financial performance and position

Table 7.93 Office of the Ombud for Financial Service Providers 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	2015/16 - 2018/19	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22
R thousand								
Revenue								
Transfers received	54 846	8.1%	100.0%	58 127	61 935	64 462	5.5%	100.0%
Total revenue	54 846	8.1%	100.0%	58 127	61 935	64 462	5.5%	100.0%
Expenses								
Current expenses	54 695	13.7%	100.0%	58 127	61 935	64 462	5.6%	100.0%
Compensation of employees	33 887	11.4%	63.6%	38 186	40 898	42 567	7.9%	64.9%
Goods and services	19 696	18.9%	34.3%	18 803	19 837	20 646	1.6%	33.1%
Depreciation	1 052	5.5%	2.0%	1 132	1 194	1 243	5.7%	1.9%
Interest, dividends and rent on land	60	19.7%	0.1%	6	6	6	-53.0%	0.0%
Total expenses	54 695	13.7%	100.0%	58 127	61 935	64 462	5.6%	100.0%
Surplus/(Deficit)	151			-	-	-		
Statement of financial position								
Carrying value of assets	3 861	25.5%	40.7%	4 100	4 355	4 533	5.5%	80.9%
<i>of which:</i>								
Acquisition of assets	(1 419)	28.1%	-15.9%	(1 507)	(1 601)	(1 666)	5.5%	-29.8%
Receivables and prepayments	822	-54.8%	35.3%	873	927	965	5.5%	17.2%
Cash and cash equivalents	94	-27.8%	24.0%	94	94	98	1.3%	1.8%
Total assets	4 777	-24.5%	100.0%	5 067	5 376	5 595	5.4%	100.0%
Accumulated surplus/(deficit)	1 631	-43.7%	51.3%	1 631	1 631	1 698	1.3%	31.8%
Trade and other payables	1 416	8.3%	23.3%	1 599	1 794	1 867	9.7%	32.0%
Provisions	1 153	22.9%	16.1%	1 224	1 300	1 353	5.5%	24.2%
Derivatives financial instruments	577	82.5%	8.6%	613	651	678	5.5%	12.1%
Total equity and liabilities	4 777	-24.5%	100.0%	5 067	5 376	5 595	5.4%	100.0%

Personnel information

Table 7.94 Office of the Ombud for Financial Service Providers personnel numbers and cost by salary level

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Office of the Ombud for Financial Service Providers	91	91	93	30.0	0.3	91	33.9	0.4	103	38.2	0.4	93	40.9	0.4	93	42.6	0.5	7.9%	100.0%
Salary level																			
1 - 6	49	49	51	6.0	0.1	49	6.8	0.1	61	7.7	0.1	51	8.3	0.2	51	8.6	0.2	8.1%	55.7%
7 - 10	31	31	31	11.5	0.4	31	13.0	0.4	31	14.8	0.5	31	15.9	0.5	31	16.5	0.5	8.3%	32.7%
11 - 12	7	7	7	5.8	0.8	7	6.1	0.9	7	6.9	1.0	7	7.4	1.1	7	7.7	1.1	8.1%	7.4%
13 - 16	3	3	3	3.8	1.3	3	4.4	1.5	3	4.7	1.6	3	5.0	1.7	3	5.2	1.7	6.1%	3.2%
17 - 22	1	1	1	3.0	3.0	1	3.7	3.7	1	4.1	4.1	1	4.4	4.4	1	4.6	4.6	7.9%	1.1%

1. Rand million.

Office of the Pension Funds Adjudicator

Mandate

The Office of the Pension Funds Adjudicator was established in terms of the Pension Funds Act (1956). Its mandate, which became effective in January 1998, is to investigate and determine complaints lodged. To achieve this, the office is required to ensure a procedurally fair, economical and expeditious resolution of complaints in terms of the act by ensuring that its services are accessible to all; investigate complaints in a procedurally fair manner; reach a just and expeditious resolution of complaints in accordance with the law; incorporate innovation and proactive thought and action in its activities; and provide opportunities for individual growth. The office has jurisdiction only over funds that are registered under the Pension Funds Act (1956).

Selected performance indicators**Table 7.95 Office of the Pension Funds Adjudicator performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of valid complaints resolved within 9 months of complaint being lodged per year	Dispose of complaints received	Outcome 12: An efficient, effective and development-oriented public service	95% (3 648/3 840)	95% (3 648/3 840)	98% (4 317/4 405)	95%	95%	95%	95%

Expenditure analysis

Over the MTEF period, the Office of the Pension Funds Adjudicator will focus on: reducing turnaround times in dealing with grievances to within 9 months of a complaint being lodged by training staff; implementing better systems and upgrading technological resources such as data management systems to enhance ICT operations; improving its interaction with stakeholders and the public; and finding more effective ways to trace the beneficiaries of unclaimed benefits. Expenditure is expected to increase at an average annual rate of 5.6 per cent, from R66.5 million in 2018/19 to R78.4 million in 2021/22.

The number of personnel in the office is expected to increase from 59 in 2018/19 to 60 in 2021/22. The planned appointment of a permanent team leader in 2018/19 is expected to improve operational efficiency. As a result, spending on compensation of employees increases at an average annual rate of 4.7 per cent, from R39.3 million in 2018/19 to R45.1 million in 2021/22. The entity generates its revenue from levies, which is expected to amount to R236.1 million over the medium term. Revenue is expected to increase at an average annual rate of 9.1 per cent, from R63.9 million in 2018/19 to R83 million in 2021/22.

Programmes/Objectives/Activities**Table 7.96 Office of the Pension Funds Adjudicator 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 (%)
	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Administration	4 995	6 377	6 524	7 525	14.6%	11.5%	8 155	8 578	9 025	6.2%	11.5%
Dispose of complaints received	40 603	44 057	46 788	55 872	11.2%	84.8%	58 964	62 283	65 787	5.6%	83.9%
Achieve operational excellence	1 684	1 036	1 083	1 121	-12.7%	2.3%	1 102	1 164	1 229	3.1%	1.6%
Effective stakeholder relationships	501	528	280	2 021	59.2%	1.4%	2 130	2 250	2 376	5.5%	3.0%
Total	47 783	51 998	54 675	66 539	11.7%	100.0%	70 351	74 275	78 417	5.6%	100.0%

Statements of historical financial performance and position**Table 7.97 Office of the Pension Funds Adjudicator 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 (%)
	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2018/19	2015/16 - 2018/19
Revenue									
Non-tax revenue	10	20	10	16	14	92	15	15	291.8%
Other non-tax revenue	10	20	10	16	14	92	15	15	291.8%
Transfers received	47 137	47 137	52 316	52 316	59 286	59 038	65 485	63 920	99.2%
Total revenue	47 147	47 157	52 326	52 332	59 300	59 130	65 500	63 935	99.2%
Expenses									
Current expenses	51 807	47 783	56 710	51 998	57 948	54 675	66 233	66 539	95.0%
Compensation of employees	28 847	26 914	33 141	29 112	33 877	32 346	37 905	39 258	95.4%
Goods and services	18 520	17 487	19 669	19 333	20 171	20 397	23 732	22 684	97.3%
Depreciation	4 440	3 382	3 900	3 545	3 900	1 932	4 596	4 597	79.9%
Interest, dividends and rent on land	—	—	—	8.0	—	—	—	—	—
Total expenses	51 807	47 783	56 710	51 998	57 948	54 675	66 233	66 539	95.0%
Surplus/(Deficit)	(4 660)	(626)	(4 384)	334	1 352	4 455	(733)	(2 604)	

Table 7.97 Office of the Pension Funds Adjudicator statements of historical financial performance and position

Statement of financial position		Budget		Audited outcome		Budget		Audited outcome		Budget		Revised estimate		Average: Outcome/Budget (%)
R thousand		2015/16		2016/17		2017/18		2018/19		2018/19		2018/19		2015/16 - 2018/19
Carrying value of assets		7 755	7 945	6 229	5 582	4 769	4 720	3 769	5 440					105.2%
of which:														
Acquisition of assets		(3 585)	(2 415)	(2 450)	(1 181)	(1 180)	(1 169)	(2 000)	(4 950)					105.4%
Receivables and prepayments		703	1 894	727	3 992	765	6 615	1 442	6 417					520.2%
Cash and cash equivalents		500	1 573	500	1 998	500	3 645	500	500					385.8%
Total assets		8 958	11 412	7 456	11 572	6 034	14 980	5 711	12 357					178.7%
Accumulated surplus/(deficit)		4 005	8 271	3 619	8 605	2 514	13 060	2 016	10 588					333.4%
Trade and other payables		3 577	1 730	2 355	1 485	1 964	443	2 062	500					41.8%
Provisions		1 376	1 411	1 482	1 482	1 556	1 477	1 633	1 269					93.3%
Total equity and liabilities		8 958	11 412	7 456	11 572	6 034	14 980	5 711	12 357					178.7%

Statements of estimates of financial performance and position**Table 7.98 Office of the Pension Funds Adjudicator 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 thousand		Revised estimate	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22	
Revenue									
Non-tax revenue		15	-9.1%	0.1%	16	17	18	6.3%	0.0%
Other non-tax revenue		15	-9.1%	0.1%	16	17	18	6.3%	0.0%
Transfers received		63 920	10.7%	99.9%	74 454	78 623	83 026	9.1%	100.0%
Total revenue		63 935	10.7%	100.0%	74 470	78 640	83 044	9.1%	100.0%
Expenses									
Current expenses		66 539	11.7%	100.0%	70 351	74 275	78 417	5.6%	100.0%
Compensation of employees		39 258	13.4%	57.6%	40 410	42 672	45 098	4.7%	57.9%
Goods and services		22 684	9.1%	36.3%	25 068	26 457	27 885	7.1%	35.2%
Depreciation		4 597	10.8%	6.1%	4 873	5 146	5 434	5.7%	6.9%
Total expenses		66 539	11.7%	100.0%	70 351	74 275	78 417	5.6%	100.0%
Surplus/(Deficit)		(2 604)			4 119	4 365	4 627		
Statement of financial position									
Carrying value of assets		5 440	-11.9%	48.3%	6 940	8 340	9 740	21.4%	51.8%
of which:									
Acquisition of assets		(4 950)	27.0%	-19.8%	(4 115)	(4 362)	(4 623)	-2.3%	-31.5%
Receivables and prepayments		6 417	50.2%	36.8%	6 419	6 419	6 419	0.0%	44.7%
Cash and cash equivalents		500	-31.8%	14.9%	500	500	500	-	3.5%
Total assets		12 357	2.7%	100.0%	13 859	15 259	16 659	10.5%	100.0%
Accumulated surplus/(deficit)		10 588	8.6%	79.9%	12 014	13 339	14 659	11.5%	86.9%
Trade and other payables		500	-33.9%	8.7%	500	500	500	-	3.5%
Provisions		1 269	-3.5%	11.3%	1 345	1 420	1 500	5.7%	9.6%
Total equity and liabilities		12 357	2.7%	100.0%	13 859	15 259	16 659	10.5%	100.0%

Personnel information**Table 7.99 Office of the Pension Funds Adjudicator personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2019		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 (%)				
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22							
Office of the Pension Funds Adjudicator		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	59	59	64	32.3	0.5	59	39.3	0.7	60	40.4	0.7	60	42.7	0.7	60	45.1	0.8	4.7%	100.0%
1-6	-	-	16	2.0	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7-10	39	39	32	11.1	0.3	39	16.1	0.4	38	14.4	0.4	38	15.2	0.4	38	16.1	0.4	-0.0%	64.0%
11-12	7	7	4	3.0	0.7	7	5.6	0.8	8	6.4	0.8	7	5.8	0.8	6	5.2	0.9	-2.9%	11.7%
13-16	12	12	11	13.6	1.2	12	15.2	1.3	13	17.1	1.3	14	19.0	1.4	15	21.0	1.4	11.4%	22.6%
17-22	1	1	1	2.7	2.7	1	2.4	2.4	1	2.6	2.6	1	2.7	2.7	1	2.9	2.9	6.4%	1.7%

1. Rand million.

Additional tables

Table 7.A Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Conditional grants to municipalities							
Technical Support and Development Finance							
Integrated city development grant	251 300	266 805	292 119	293 609	310 051	327 319	351 868
Local government financial management grant	452 491	465 264	502 006	504 566	532 822	561 713	592 607
Neighbourhood development partnership grant	583 575	591 860	657 839	601 867	621 172	654 936	704 057
Infrastructure skills development grant	124 465	130 471	140 774	141 492	149 416	157 930	166 616
Total	1 411 831	1 454 400	1 592 738	1 541 534	1 613 461	1 701 898	1 815 148

1. Detail provided in the Division of Revenue Act (2019).

Table 7.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
R thousand										
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	9 000 000	583 575	591 860	657 839	601 867	621 172	654 936	704 057
Total			9 000 000	583 575	591 860	657 839	601 867	621 172	654 936	704 057

Table 7.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
R thousand													
Foreign In cash													
Japan	Establish and operationalise a management information system	Public Finance and Budget Management	3 years	302	Goods and services	Upgrade of development cooperation information system	120	–	259	–	–	–	–
Belgian Technical Cooperation	Training on non-accredited courses through the Gauteng City Region Academy	Financial Accounting and Supply Chain Management Systems	6 months	1 775	Goods and services	Training on non-accredited courses	1 775	–	–	–	–	–	–
Organisation of Economic Cooperation and Development	United Nations Framework Convention on Climate Change	Technical Support and Development Finance	Once off	1 942	Goods and services	Attending of climate change expert group global forum	–	–	–	–	–	–	–
German Foreign Service Academy	Training for international diplomats unit	Technical Support and Development Finance	Once off	1 108	Goods and services	Holding of seminar series on Germany's electricity supply industry	–	–	–	–	–	–	–
Belgian Technical Cooperation	Developing standard operating procedures in relation to the Municipal Finance Management Act (2003)	Financial Accounting and Supply Chain Management Systems	1 year	2 560	Goods and services	Provision of technical assistance for public finance management in the development of Municipal Finance Management Act (2003) standard operating procedures	2 318	242	–	–	–	–	–
European Union	General advisory and policy support services	Technical Support and Development Finance	4 years	215 400	Goods and services	Strengthening of the capability of the programme by providing technical support for public institutional strengthening, thereby contributing to outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework	71 139	10 406	31 138	–	–	–	–

Table 7.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
R thousand													
Japan International Cooperation Agency (JICA)	Municipal minimum competency training	Financial Accounting and Supply Chain Management Systems	15 months	1 270	Goods and services	Training of 22 municipal officials on the Minimum Competency Programme	770	500	–	–	–	–	
European Union	Official development assistance programme	Public Finance and Budget Management	4 years	12 577	Goods and services	Improvement of outcome-orientated delivery systems by leveraging off the official development assistance programme	376	–	–	–	–	–	
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	50 600	Compensation of employees	Supporting of capacity building in public finance management: Project management and implementation	19 000	7 500	6 000	2 000	–	–	
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	3 150	Goods and services	Conducting of audits and evaluations	250	500	400	400	–	–	
Flanders	Technical and management support programme	Financial Accounting and Supply Chain Management Systems	4 years	27 000	Goods and services	Provision of technical and management support	8 200	4 700	–	–	–	–	
Canada	Building a capable state	Public Finance and Budget Management	5 years	65 450	Goods and services	Provision of assistance to the government of South Africa to improve service delivery and accountability within its administration and its public service	14 184	6 605	29 278	–	–	–	
European Union	South Africa towards inclusive economic development	Economic Policy, Tax, Financial Regulation and Research	2 years	45 000	Goods and services	Strengthen capacity of National Treasury and other institutions in the region, and analyse macroeconomic developments and policy options in Southern Africa	–	–	–	35 000	10 000	–	
European Union	The infrastructure delivery management system and continued development of a supportive body of knowledge	Public Finance and Budget Management	3 years	98 411	Goods and services	Support the provision of effective and efficient infrastructure delivery in all spheres of government	–	–	–	30 912	32 767	34 732	
European Union	Improving state capacity to build prosperous local communities	Public Finance and Budget Management	3 years	51 879	Goods and services	Facilitate infrastructure development to improve rural-urban linkages; improve governance processes of the state and its entities; develop and implement innovative service delivery models; address gaps in state capacity; and improve business processes and systems	–	–	–	–	12 555	23 681	15 643

Table 7C: Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
R thousand													
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	93 500	Goods and services	Provision of support to institutional transformation and improvement process in the public sector	12 000	6 850	-	-	-	-	
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	72 600	Goods and services	Provision of support to institutional transformation and improvement process in the public sector	44 000	3 850	-	-	-	-	
Deutsche Gesellschaft für Internationale Zusammenarbeit	Strengthening local government programme	Financial Accounting and Supply Chain Management Systems	4 years	10 810	Goods and services	Provision of support in the implementation of the Municipal Finance Management Act (2003)	800	-	-	-	-	-	
Deutsche Gesellschaft für Internationale Zusammenarbeit	Governance support programme	Financial Accounting and Supply Chain Management Systems	4 years	5 754	Goods and services	Provision of support to the Office of the Accountant-General and Office of the Chief Procurement Officer on public finance management	2 200	-	-	-	-	-	
European Union	Official development assistance programme	Public Finance and Budget Management	3 years	41 850	Goods and services	Improvement of outcome-orientated delivery systems by leveraging off the official development assistance programme	13 950	13 950	-	-	-	-	
European Union	Official development assistance programme	Public Finance and Budget Management	3 years	30 250	Goods and services	Improvement of outcome-orientated delivery systems by leveraging off the official development assistance programme.	6 760	-	-	-	-	-	
Total				833 188			197 842	55 103	67 075	68 312	55 322	58 413	15 643



2019 BUDGET

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002

Tel +27 12 315 5944 | **Fax** +27 12 406 9055

Web: www.treasury.gov.za



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

