

REPUBLIC OF SOUTH AFRICA
Department of Finance



BUDGET REVIEW
22 June 1994

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PREFACE

The first Budget of the Government of National Unity heralds a new era in South Africa's public finances. A negotiated constitutional order, an economy in the early stages of recovery and a deliberate reconstruction and development initiative present challenging opportunities for contributing through the fiscus to the pursuit of higher standards of living for all.

The annual presentation of a Budget is fundamentally an exercise in public accountability. The *Estimate of Expenditure and Estimate of Revenue* for the 1994/95 financial year, tabled in Parliament on 22 June 1994, and the accompanying Budget Speech of the Minister of Finance, contain the Government's spending plans and set out how the costs of its programmes and activities are to be met. The *Budget Review* which the Department of Finance makes available at the same time provides more detailed supporting information.

After its introduction in the National Assembly, the Appropriation Bill authorising government expenditures during the financial year must go to the Joint Committee on Finance, before being debated and finally passed towards the end of the Parliamentary Session.

In the course of the financial year, Government Departments and other spending agencies are held to these approved spending plans by a system of expenditure controls under the direction of the Department of State Expenditure. Certain changes in departmental allocations have to be approved by Parliament in the *Adjustments Budget* towards the end of the year. In due course audits of all government accounts provide Parliament and the wider public with verification of the uses to which public funds have been put. The constitutionally independent Auditor General supervises this auditing process.

Accountability is further promoted by the breakdown of expenditure into *votes* for particular State Departments, whose Directors General are the *Accounting Officers* responsible for these monies. Further breakdowns into departmental *programmes* and into the so-called *standard items* (personnel, administrative expenditure, stores, etc.) serve to indicate in more detail the commitment of funds to defined purposes. For purposes of economic analysis, the Budget also indicates whether funds are for *current expenditure* on goods and services, which includes remuneration of employees, or on transfers to other agencies of government, households or firms, or are for *capital* spending on fixed assets and equipment, or capital transfers. The interest due each year on the accumulated government debt is a further important category of current expenditure and represents a first statutory claim on revenue.

In addition to presenting expenditure estimates to Parliament, the Minister of Finance is responsible for estimating the revenue which existing taxes and tax rates will raise and proposing tax amendments, if any, to be taken up in the Second Print of Estimate of Revenue.

Income taxes paid by individuals and by companies, *value-added tax* and various other taxes, levies, fees and income are collected by *Inland Revenue*, a Branch of the Department of Finance, while *customs duties* on imports, *excise duties* on certain goods and *fuel levies* are collected by another Branch - *Customs and Excise*. Partly for administrative reasons, tax revenue is largely

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collected nationally, while non-tax user charges are mostly levied by provincial and local authorities and extra-budgetary institutions (such as universities, museums and the statutory research councils).

The Minister of Finance is also required to indicate each year how the expected *deficit* between expenditure and revenue is to be financed (or surplus is to be applied). The annual *borrowing requirement* is principally met through the issue of *government stock*, or debt, to the domestic capital market, on which interest is paid at a fixed coupon rate. Government can also borrow on foreign capital markets, in which case the interest due and final repayment have to be paid in a foreign currency. The budget deficit is an important indicator of the quality of financial management. It reflects, inter alia, the extent to which the government draws on saving which would otherwise be available for investment by the private sector. The deficit, and the overall credibility of the budget and financing proposals, can have important market effects. Capital market interest rates, for example, which determine the costs to government of financing its borrowing requirement, reflect market sentiments regarding fiscal trends and possible effects on inflation and economic activity.

Sound fiscal management requires a responsible balance to be struck between the aggregate of government expenditure and the overall tax burden imposed on the economy. As is indicated in some detail in this *Review*, the challenge of maintaining fiscal discipline means, in the present South African context, that the budget deficit has to be reduced. This has been achieved between 1992/93 and 1993/94, and the 1994/95 Budget proposals provide for a further reduction in the deficit relative to gross domestic product.

Of particular interest in South Africa's current transition are the various transfers paid to regional and local authorities to assist in financing their general responsibilities. These *intergovernmental financial relations* reflect the political geography of the constitutional order, and so will now change in several respects. The establishment of a system of intergovernmental finance consistent with the new Constitution's requirements is one of the exciting challenges South Africa faces. This Budget takes an important step in this direction in presenting a *consolidated* picture of South Africa's national and regional public finances.

Whereas in the past the South African Budget dealt with expenditure from and revenue to the *State Revenue Account* of the central government, and budgets of the former provincial administrations, self-governing territories and TBVC states were dealt with separately or by their own legislatures, the 1994/95 Budget relates to the new *National Revenue Account*. Certain revenue sources previously diverted directly to the former TBVC and self-governing states are included in the National Revenue Account, which also must incorporate the unfinanced budget positions of three of these former states. These changes mean that expenditure in the 1994/95 Budget to be defrayed from the National Revenue Account exceeds the amount corresponding to previous budgets and the former State Revenue Account.

In addition to presenting expenditure and revenue estimates for the National Revenue Account for 1994/95, the *Budget Review* introduces the *Consolidated Revenue Accounts*, comprising the combined accounts of the national government and former regional authorities. The Consolidated

Revenue Accounts are analysed by economic categories (discussed above) and also by *function*. Compiled over several years, the functional classification provides a useful register of trends in public policy. During the past five years, spending on *social services*, for example, has increased its share of the total, while spending on *protection services* has fallen.

The social development and economic reconstruction goals to which the Government of National Unity is committed have been a central consideration in this year's Budget. The *Budget Review* outlines the approach Government will take to financing development and reconstruction, and more detailed policy and programme implications will in due course be announced by responsible Ministers.

South Africa's economy, now in the early stages of recovery, is under intense scrutiny, domestically and internationally. A well-managed transition to a growing economy, complementing a successfully negotiated passage to democracy, should bring improved domestic confidence and increased foreign interest. Fiscal aspects of this transition are crucial, as substantial social development challenges need to be met together with sustained improvement in the business environment. This *Budget Review* summarises and puts in perspective the proposed expenditures and revenue of the National Government during 1994/95, against the background of an overview of the country's economic circumstances, the outcome of last year's Budget and the broad approach which the government intends following to ensure sound fiscal management.

Chapter 1 is an overview of economic conditions and prospects.

Chapter 2 presents recent fiscal trends in macroeconomic context and discusses the financing of reconstruction and development, certain tax issues, intergovernmental finance and the role of the new Financial and Fiscal Commission and aspects of public debt management.

Chapter 3 contains a brief review of the outcome of the 1993/94 Budget.

Chapter 4 summarises the 1994/95 expenditure proposals and comments on certain expenditure votes, and provides an economic and functional classification of consolidated national and regional expenditure allocations for 1994/95, together with corresponding breakdowns for recent years.

Chapter 5 discusses revenue estimates for 1994/95 and tax proposals.

Chapter 6 outlines the financing of the budget deficit.



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LIST OF ABBREVIATIONS AND DEFINITIONS

BLNS	Botswana, Lesotho, Namibia and Swaziland
CEF	Central Energy Fund
CPI	Consumer price index
CSS	Central Statistical Service
DBSA	Development Bank of Southern Africa
GATT	General Agreement on Tariffs and Trade
GDE	Gross domestic expenditure
GDP	Gross domestic product
GFS	Government Finance Statistics
GST	General sales tax
IDC	Industrial Development Corporation
IMF	International Monetary Fund
NEF	National Economic Forum
NSPF	National Supplies Procurement Fund
OECD	Organisation for Economic Co-operation and Development
PAYE	Pay-as-you-earn
PIC	Public Investment Commissioners
SAPOS	South African Post Office Limited
SBDC	Small Business Development Corporation
SITE	Standard Income Tax on Employees
RIDP	Regional Industrial Development Programme
TBVC	Transkei, Bophuthatswana, Venda and Ciskei
VAT	Value-added tax
Billion	Equal to 1 000 million
Financial year	Year beginning on 1 April
1994/95	Refers to the central government financial year which runs from 1 April 1994 to 31 March 1995
Tax year	Year beginning 1 March
1995 tax year	Runs from 1 March 1994 to 28 February 1995

CHAPTER 1

UPDATE ON ECONOMIC CONDITIONS AND PROSPECTS

1.1 ECONOMIC CONDITIONS

1.1.1 Domestic production and expenditure

After a prolonged recession which began in 1989, South Africa entered an economic growth period last year. The increase in domestic output during 1993 was to a large extent the result of substantial increases in agricultural production, but other major sectors also contributed.

Real gross domestic product (GDP)¹ increased by approximately 1 per cent between 1992 and 1993, after having declined for three consecutive calendar years. The seasonally adjusted and annualised growth rate in output measured from quarter to quarter accelerated from 2½ per cent in the first quarter of 1993 to 5 and 7 per cent in the next two quarters, whereafter it slowed down to a still high level of 5 per cent in the fourth quarter. However, the recovery in real economic activity faltered somewhat in the first quarter of 1994 due to a decline in agricultural output alongside a continued slight increase in the annualised output of the non-agricultural sectors. Output was nevertheless still 3 per cent above the level of the first quarter of 1993.

The improved economic conditions were accompanied by increases in real domestic expenditure. After having declined on average by 1½ per cent per year from 1990 to 1992, aggregate real gross domestic expenditure rose by 1 per cent in 1993. Following the relatively high annualised increases of 10½ and 7 per cent in the third and fourth quarters of 1993, real domestic expenditure increased further by 2½ per cent in the first quarter of 1994. The accelerated growth comprised increases in all major components of domestic expenditure. The slower growth of expenditure in the first quarter of 1994 was primarily due to reduced growth in real outlays on private consumer goods and services and a slower build-up of inventories.

An increase in personal disposable income as well as improved consumer confidence contributed to a revival in consumption expenditure during 1993. Real private household spending is esti-

mated to have risen by ½ per cent in 1993, compared to a decline of 1½ per cent in 1992. On a quarterly basis, real private consumption expenditure increased from an annualised rate of about 1 per cent in the first quarter of 1993 to 2½ per cent in the fourth quarter. The growth in consumption then slowed down to nearly 1 per cent in the first quarter of 1994, mainly reflecting lower growth in real personal disposable income and lower consumer confidence in the pre-election period.

The growth in real consumption expenditure by general government was 1½ per cent in both 1992 and 1993. This reflects a marked slowdown compared to the increases of 4, 2½ and 2 per cent registered in the preceding three years.

Total real gross domestic fixed investment declined throughout the recession, but reached a turning point towards the middle of 1993. Fixed investment by the private sector, in particular on major capital projects such as Columbus and Alusaf, as well as the replacement of obsolete capital equipment, contributed to an increase in real capital expenditure during the second half of 1993. Real outlays on fixed capital formation rose at annualised rates of 1 and 2½ per cent in the third and fourth quarters of 1993 and by 1½ per cent in the first quarter of 1994.

As could be expected in recessionary conditions, the level of inventories in relation to sales or output levels declined during the period 1989 to 1992. However, real inventory investment started increasing from the first quarter of 1993 and the accumulation of stocks continued up to the first quarter of 1994, owing to some increase in agricultural stocks-in-trade and increased real industrial and mining inventories.

1.1.2 Domestic saving

The rise in domestic expenditure in the second half of 1993 and the first quarter of 1994 exceeded the growth in aggregate income in the economy. The ratio of gross domestic saving to gross domestic product declined from 18 per cent

in the second quarter of 1993 to approximately 16 per cent in the first quarter of 1994, compared to an average of 23,1 per cent during the period 1981 to 1990. The reduced savings ratio was the result of continued large net dissaving by the general government, which more than offset a moderate improvement in aggregate net saving by the private sector. Gross domestic saving has continued since 1985 to exceed gross domestic investment, as the continued net outflow of capital has reduced the savings available for domestic investment.

1.1.3 Employment and unemployment

Employment in the formal non-agricultural sectors of the economy was detrimentally affected by the prolonged recession of 1989 to 1993 and the consequent rationalisation programmes which led to labour shedding. From the first quarter of 1989 to the third quarter of 1993 (the latest period for which information is available) non-agricultural employment declined by more than 400 000. In the third quarter of 1993 the level of formal non-agricultural employment recorded was equal to the number of people employed in the first quarter of 1981.

The decline in formal sector employment during the recession occurred primarily in the private sector. Employment in the public sector increased during most of the recession years, but was reduced in 1993 as a result of the rationalisation programmes implemented by the commercialised enterprises of the public sector as well as a general cut-back in current expenditure by general government.

1.1.4 Labour costs and productivity

Depressed conditions in the formal sectors of the economy resulted in more moderate rates of increase in wages per worker employed by both public authorities and the private sector during 1993. The rate of increase in the nominal remuneration per worker in the non-agricultural sectors of the economy slowed from 18,3 per cent in 1989 to 15,4 per cent in 1992 and 11,1 per cent in the first three quarters of 1993, compared to the corresponding period in the preceding year.

Labour productivity improved during 1993, partly as a result of a reduction in the number of man-days lost due to strikes and work stoppages. Non-agricultural productivity growth accelerated from 0,5 per cent in 1990 to 1,4 per cent in 1992 and 2,5 per cent in the first three quarters of 1993 compared to the corresponding period in the preceding year. As a result of the lower rates of increase in real remuneration per worker and improvements in productivity, the real unit labour cost in the non-agricultural sectors of the economy declined by 1,6 per cent in the first three quarters of 1993 compared with the corresponding period in 1992.

1.1.5 Inflation

For the first year since the early 1970s both the consumer price index and the all-goods production price index recorded single digit rates of increase of 9,7 and 6,6 per cent respectively between 1992 and 1993. The lowering of price inflation follows a consistent pursuit over several years of a conservative monetary policy, the lower rates of increase in unit labour costs and the positive effects of certain exogenous factors, such as the price stability maintained by trading partner countries and lower international oil prices.

Inflation, as measured by the rate of increase in the consumer price index over twelve months, slowed down during 1992 and amounted to 9 per cent in February 1993. This declining tendency was briefly interrupted by increased education fees in March and increases in the value-added tax rate, other indirect taxes and in the petrol price in April 1993. The rate of increase in consumer prices over a period of twelve months declined to 7,1 per cent in April 1994, when the direct effect of increases in indirect taxes on the price level in 1993 fell away.

The rate of increase over twelve months in the all-goods production price index declined uninterruptedly to 5,4 per cent in October 1993, before rising to 6,2 per cent in April 1994. The slight rise in the rate of increase in production prices during the fourth quarter of 1993 and the first quarter of 1994 was mainly due to sharper increases in agricultural and other food prices.

1.1.6 Balance of payments

The surplus on the current account of the balance of payments amounted to R5,9 billion in 1993, compared to R3,9 billion in 1992. Calendar 1993 was the ninth consecutive year in which a surplus was recorded. As a percentage of gross domestic product, the surplus on the current account increased from 1,2 per cent in 1992 to 1,5 per cent in 1993. The increased economic activity and the recovery in domestic demand did not negatively affect the current account balance in 1993. The surplus amounted to R6,0 billion and R5,3 billion (seasonally adjusted and annualised) in the third and fourth quarters of 1993; however in the first quarter of 1994 it declined to R2,3 billion.

A substantial increase in the volume of merchandise exports and net gold exports was mainly responsible for the continued large surplus on the current account in 1993. The volume of merchandise exports increased by no less than 6 per cent in 1993 and the value of merchandise exports rose by 14½ per cent; in the previous year the value of exports rose by 9½ per cent. At a seasonally adjusted and annualised rate, the value of merchandise exports increased from R48,6 billion in the first quarter to R63,6 billion in the fourth quarter of 1993, before receding to R61,3 billion in the first quarter of 1994. The value of merchandise exports in the first quarter of 1994 was 26 per cent higher than in the first quarter of 1993, partly due to the effective depreciation of the rand between the two periods.

After having risen sharply from a seasonally adjusted and annualised rate of R21,0 billion in the first quarter to R24,5 billion in the third quarter of 1993, the value of net gold exports fell back to R21,2 billion in the fourth quarter, but rose again to R22,6 billion in the first quarter of 1994. The value of net gold exports therefore increased by 21 per cent in 1993, following average declines of about 2 per cent per year over the period 1989-92. A rise in the rand price of gold was mainly responsible for the increase in 1993 and the first quarter of 1994. The volume of net gold exports rose by about 4 per cent in 1993.

With the increase in domestic expenditure, especially from the second half of 1993, the demand for imported goods and services also rose sharply. The value of merchandise imports

(seasonally adjusted and annualised) rose from R56,1 billion in the first quarter to R64,0 billion in the fourth quarter of 1993 and further to R65,7 billion in the first quarter of 1994. This rising tendency reflected both higher import prices (in rand terms) and volumes. For the year 1993 as a whole, the value of merchandise imports rose by 13½ per cent, after having risen by approximately 9 per cent in the previous two years. Net service and transfer payments to non-residents rose from R11,6 billion in 1992 to R13,6 billion in 1993 and amounted to R15,9 billion (seasonally adjusted and annualised) in the first quarter of 1994.

The net outflow of capital, which started in 1985, continued up to the first quarter of 1994. Over this period the cumulative net capital outflow not related to reserves amounted to about R50 billion. Total foreign debt has fallen from 43 per cent of GDP at the end of 1985 to below 15 per cent, establishing South Africa by international standards as a low-debt country. In 1993 a particularly large net outflow of capital of R16,3 billion was recorded, reflecting political uncertainty, ongoing internal unrest, expectations of continued rand depreciation, a relatively strong US dollar and the high cost of borrowing in international capital markets. Over 90 per cent of this capital outflow was in the form of short-term capital, i.e. capital with an original maturity of one year or less, including errors and unrecorded transactions.

In the first quarter of 1994 the capital account of the balance of payments improved markedly to record a net outflow of only R1,1 billion. This improvement was to a large extent due to a return-flow of short-term funds that had flowed out of the country in December. Tight conditions on the domestic money market also caused many banks to make use of foreign credit facilities to supplement their funding. The capital outflow again rose sharply in April and was reversed in May after the election of the new government.

The outflow of capital exceeded the surplus on the current account of the balance of payments in 1993, resulting in a reduction in the country's net gold and other foreign reserves. Foreign borrowing by the Reserve Bank was needed in order to maintain gross reserves at adequate levels. The net gold and other foreign reserves fell by a further R0,9 billion in the first quarter of 1994. South Africa's gross reserves at the end of March 1994 amounted to R10,3 billion, equivalent to

less than 6 weeks' imports of goods and services. The gross gold and other foreign reserves of the Reserve Bank amounted to R7,2 billion at the end of May 1994.

1.1.7 Exchange rates

The nominal effective exchange rate of the rand declined by 8,7 per cent in 1993, compared to a depreciation of 4,4 per cent in 1992. The effective exchange rate depreciated in nominal terms by a further 8,4 per cent in the first five months of 1994. The depreciation of the rand exceeded the inflation differential between South Africa and its main trading partners, and so the real effective exchange rate declined by nearly 6½ per cent from the end of 1992 to March 1994.

The exchange rate of the financial rand fluctuated widely during 1993 in reaction to domestic economic and political developments, but increased on balance by 13,1 per cent during the course of 1993. The financial rand discount narrowed from 37,2 per cent at the end of 1992 to 20,9 per cent at the end of 1993. However, the financial rand depreciated sharply by 9,5 per cent in the first five months of 1994; the discount amounted to 23,8 per cent on 31 May 1994.

1.1.8 Financial markets

Further progress was made during 1993 in realising the objective of financial stability. Growth in the monetary aggregates remained subdued during the greater part of 1993 and in December M3 was only 7,0 per cent higher than in December 1992 - well within the guideline growth range set at 6 - 9 per cent. However, the twelve-month rate of increase in M3 accelerated sharply to 12,3 per cent at the end of the first quarter of 1994, exceeding by a large margin the upper limit of the unchanged guideline range of 6 - 9 per cent for 1994. This development was also reflected in a more rapid expansion in total credit extension by monetary institutions in the first three months of 1994. Confirming the renewed vigour in domestic expenditure, the credit extended by monetary institutions to the non-bank private sector, in particular instalment sales credit and mortgage advances, rose sharply in the second half of 1993 and the first quarter of 1994. The twelve-month rate of increase in total credit extension accelerated from 9,6 per cent in

December 1993 to 19,2 per cent in March 1994, partly accounted for by reintermediation, but nonetheless signalling the strength of demand recovery (cf. par 2.5.4).

Conditions in the money market remained relatively tight during 1993, eased somewhat in the first two months of 1994, but became tight again in the subsequent three months. The tight money market conditions were mainly the result of the substantial decrease in the net foreign assets of the Reserve Bank. Reflecting the market conditions, the downward movement in money market rates, which had already started in 1990, lost momentum in the first two months of 1994 and rates hardened in the ensuing three months. On two occasions during 1993 the Reserve Bank lowered Bank rate by one percentage point to its current level of 12 per cent. Banks reduced their prime lending rates from 17,25 per cent in February 1992 to 15,25 per cent in November 1993.

Secondary capital market activity remained buoyant in 1993 and in the first five months of 1994. Net purchases by non-residents of shares and public stock in 1993 amounted to R4,3 billion, compared with net purchases of R0,3 billion in 1992 and net sales of R2,1 billion in 1991. The value of shares traded on the Johannesburg Stock Exchange increased from R8 billion in the first quarter of 1993 to R21 billion in the first quarter of 1994. The yield on long-term government stock came down from 15,0 per cent in April 1993 to 12,1 per cent in January 1994, but then rose to 13,0 per cent in May. This rise reflects political and economic uncertainties, a firming in long-term interest rates in many other countries, inflation expectations and the market's concerns about the government's longer term financing needs.

1.2 ECONOMIC OUTLOOK

1.2.1 The international context

The world economy performed below par for the fourth consecutive year in 1993 but there signs of a recovery in 1994 gaining momentum. Although expansion is currently underway in North America and recoveries are taking place in several other countries, economic activity and confidence are generally still weak in continental Europe and Japan. After having increased by about 1 per

cent in 1993, the overall output of goods and services in the economies of the Organisation for Economic Co-operation and Development (OECD) is expected to grow by 2.6 per cent in 1994, and by 2.9 per cent in 1995.

1.2.2 Domestic economic outlook

Commodity prices showed some signs of firming towards the end of 1993 and could be moderately higher in 1994 due to the expected increase in demand by industrial countries. Coupled with the higher dollar gold price, these circumstances could contribute to a strengthening of the country's export performance. Although the balance on the current account should reflect a surplus in 1994, it is expected to be smaller than in 1993.

The social and political stability which followed the elections, augur well for the continuation of the economic recovery in 1994. Increased fixed investment expenditure, an expected rise in inventories and a further recovery in real private consumption expenditure, together with a continuation of the good export performance, the normalisation of international trade and financial

relations, greater financial stability, improving business confidence and the present favourable agricultural conditions, should make a real economic growth rate of 2½ per cent within reach in 1994.

The market has shown signs of higher inflationary expectations because of the rand depreciation and some anticipation of a large budget deficit in fiscal 1994/95. However, continued wage restraint and responsible monetary and fiscal management should keep the average rate of inflation below 9 per cent in 1994.

The stabilised political situation and the improving economic environment are encouraging developments. They pave the way for tackling the challenges of employment creation and social development that face South Africa. An improvement in the long run growth performance of the economy needs to be achieved which requires continued responsible fiscal management and market-based productive investment. Careful prioritisation of government expenditure, a sound tax policy and a continued reduction in the budget deficit are also critical preconditions for enhanced social development and sustained economic growth.

Endnote:

1. *The GDP and other national accounts estimates refer here to the newly published revised series which includes estimates of the total informal sector contribution to the economy. The adjustment for the informal sector added about 5½ per cent to the previously published estimate of GDP for 1993.*

CHAPTER 2

FISCAL ISSUES

This chapter outlines Government's approach to development financing in macroeconomic context, noting initial steps taken towards a fiscally responsible reconstruction and development programme, orderly approaches to tax reform, restructured intergovernmental financial relations and public debt management.

2.1 MACROECONOMIC AND FISCAL CONTEXT

2.1.1 Fiscal policy and trends

The low real GDP growth rate of 0,9 per cent per annum recorded over the two full business cycles between 1982/83 and 1993/94¹, given population growth of 2,4 per cent per year, has resulted in a fall in real GDP per capita of 18,8 per cent from R8397 to R6821 in 1990 prices.

By contrast, expenditure by the general government² on goods and services has exceeded population growth, rising at a real 2,9 per cent per annum between 1982/83 and 1993/94.³ The growth trend in general government expenditure on goods and services has been reduced in recent years, however, and at central government level 1993/94 current expenditure on goods and services as a percentage of GDP was below the 1992/93 level. Improved fiscal discipline is also reflected in the close adherence of central government to its original budgeted expenditure estimates in 1993/94 (cf. chapter 3), despite no provision having been made on departmental votes for the effects of the April 1993 VAT increase from 10 per cent to 14 per cent.

Growth in expenditure on education, health services, social pensions and police has exceeded population growth in real terms since 1982/83, while per capita real expenditures on defence and economic services (particularly transport and communication) have fallen. Rising expenditures on social services are partly driven by demographic and social trends, and cannot easily be adjusted downwards when revenue performance weakens under recessionary conditions. Consolidated general government subsidies and trans

fers⁴ have increased in real terms by 3,4 per cent per annum over this period.⁵ Both on-budget social grants and social security fund transfers (mainly from the Unemployment Insurance Fund), which ameliorate somewhat the effects of the recession on low-income households, have increased strongly in real terms since 1982/83.

The widening budget deficits between 1982/83 and 1984/85 and again after 1989/90 were due in part to the severity of the two recessions of the last decade, and the fiscal stance appears to have been moderately counter-cyclical. However, the general government borrowing requirement has reached levels in recent years which cannot be sustained. While South Africa's total government debt (at 48,7 per cent of GDP or an estimated 52,5 per cent including debt of the former TBVC states and self-governing territories) at the end of March 1994 is not high by international standards, it has risen more rapidly than GDP over the past decade.

A sustained lower inflation rate and continued fiscal discipline should in due course lead to lower bond rates and ultimately a reduced interest burden in government expenditure. However, this positive effect of an adjustment to lower inflation expectations will be offset for several years by the resulting increased present value of accumulated debt and interest payment commitments. This sets stringent limits to fiscal policy for the foreseeable future and means that a significantly improved growth performance of the economy is a pre-condition for a sustainable growth in the supply of public goods and services.

2.1.2 Savings, taxation and economic growth

As indicated in chapter 1 above, gross domestic saving had declined by the first quarter of 1994 to about two-thirds of the savings to GDP ratio maintained in the 1980s. Net investment by the private sector fell to negative levels in recent years and net saving by the private sector has financed capital outflows and general government dissaving.

The trends are incompatible with accelerated investment either in social development or in industrial expansion, and an improved savings performance together with a reversal of capital flows are vital for stepped up development financing.

Restraint in general government consumption expenditure and a lower inflation rate are factors which favour improved savings levels. In both these respects, the trends since 1991 have been favourable and should underpin an increase in savings relative to GDP during 1994 and 1995, particularly if real GDP growth improves.

The discouraging effects of inflation and high rates of direct taxation on savings are cause for concern. Contractual savings flows of about 15 per cent of GDP, to insurance and retirement funds, are largely offset by credit extension by banks to households. The resulting low rate of personal saving is, however, in considerable degree the consequence of the length and severity of the recession. An improved growth performance and associated real income growth can be expected, as in past recovery phases, to lead to an improvement in the savings to GDP ratio. It is possible, however, that savings will be slow to recover in the present upswing due to the length of the preceding recession and pent-up demand for consumer durables. Policies which strengthen the underlying economic growth trend must accordingly enjoy priority during 1994 and 1995, including strict avoidance of measures which would tend to cut short the recovery.

Firmer growth prospects against the backdrop of a new political dispensation should in due course lead to a reversal of the capital outflows which have limited available investment funds over past years. This will in itself re-channel a substantial volume of domestic savings towards investment and growth in South Africa. The greater share of new investment and social development will need to be financed from an improved growth performance, however. Employment creation ahead of the increase in labour supply and steady progress in addressing basic needs, require a real growth trend of 4 per cent per annum or higher. At this rate of growth, roughly R4 billion would, by way of example, be added to taxation revenue and R3 billion to gross domestic saving annually.

2.2 FINANCING RECONSTRUCTION AND DEVELOPMENT

2.2.1 An emerging policy framework

Public policies, including fiscal issues, have attracted energetic research efforts and vigorous debate in recent times. This is an important aspect of democratisation, and has contributed already to the breadth and quality of information available to decision-makers in the public and private sectors. Although much remains to be done in translating research findings and policy proposals into programmes of action, a framework is emerging within which social and economic policies and spending priorities of the new government will be determined. As outlined in the President's opening address to the National Assembly on May 24th 1994, improved standards of living for all South Africans are to be sought through meeting basic needs, promoting human development and building a strong and growing economy. Further details of Government's policies and priorities will become available in due course in the form of a *White Paper* on reconstruction and development and in policy announcements of the responsible Ministers.

Policies and programme designs have to address the peculiar circumstances and challenges of South Africa in transition. In framing a fiscal strategy, however, the lessons and experiences of industrialisation and social progress in other countries and contexts provide touchstones against which options can be assessed and progress measured. It is apparent, for example, that sustained growth in successful industrialising economies has been founded in part on investments in education and social infrastructure. Such investments yield returns over long gestation periods, however, so that a difficult balance has to be struck in the short term between *social development* and *industrial expansion*. Macroeconomic management also needs to strike a responsible balance between expenditure growth and inflation control, taking account of balance of payments constraints, available savings, fiscal limitations and the productive capacities of key sectors of the economy.

Government has already taken several steps to ensure sound financial management while

addressing a challenging range of objectives of reconstruction and development. These include the following:

- early agreement on key principles of macro-economic management, including guidelines on reducing the budget deficit, government dissaving and inflation, in particular through restraint in general government consumption expenditure;
- further improved coordination between the Departments of Finance and State Expenditure, which now fall under a single Ministry;
- establishment of a Treasury Committee (comprising the two deputy Presidents, the Minister of Finance and the Minister without Portfolio), which will have broad responsibility for assisting Cabinet in setting budgetary priorities, evaluating expenditure requests and ensuring prudent fiscal management;
- development of a strategy for the transfer of functions and financial management powers to the new provincial governments in an orderly fashion (cf. par. 2.4 below); and
- design of an action plan to meet the objectives of a reconstruction and development programme without compromising fiscal discipline (further aspects of which are discussed below).

The Financial and Fiscal Commission (discussed in par. 2.4.2) will have a key advisory role to play in the considerable reorganisation of South Africa's intergovernmental finances which will proceed over the next few years. As an interim measure, both revenue collection and overall expenditure control have been consolidated under the Departments of Finance and State Expenditure. The Constitution provides, furthermore, for improved control of loan financing of capital expenditures by local authorities and provincial governments. Legislation defining and structuring the borrowing powers of provinces should be introduced later in this year's parliamentary session.

The consolidation of the budgets and rationalisation of the functions and personnel structures of central government, the provinces and the former TBVC states and self-governing territories, made

possible by the negotiated Constitution and April 1994 election, bring to a close a period during which fragmentation of budgetary information has highly complicated South African public finances and fiscal management. The harmonisation of the tax structures of the former TBVC states with those applying in South Africa is another important dimension of this process of restructuring.

Against this background of improved fiscal management, a deliberate programme of reconstruction and development, in which the 1994/95 budget is a first step, provides the new government with both a mechanism for targeting project spending at critical developmental needs and an opportunity to examine and adapt spending patterns in keeping with new policies and priorities. These, together with further structural changes in the public finances and budgetary accounts associated with devolution of functions to provinces, will be more fully reflected in the 1995/96 and subsequent Budgets.

2.2.2 The Reconstruction and Development Programme Fund

In his address to Parliament on May 24th 1994, the President announced the commitment of Government to a *Reconstruction and Development Programme (RDP)* with an initial allocation for this purpose of R2,5 billion, to be provided for in the 1994/95 budget. A Reconstruction and Development Programme Fund, to be established through enabling legislation, will be administered by the Department of Finance and will make provision for receipt of domestic and foreign grants, amounts appropriated by Parliament, possible proceeds from the sale of state assets for this purpose and interest earned. The Fund will not have borrowing powers. Allocations from the Fund will be made by the Minister without Portfolio and the Cabinet, with the assistance of the Central Economic Advisory Service.

The RDP Fund is envisaged as a special-purpose mechanism to assist in the rapid and effective mobilisation of resources for key initiatives, and as a bridge between existing commitments and new priorities of the state. The initial allocation of R2,5 billion has been accommodated within the overall budgetary constraints required for continued fiscal discipline. Stepped up allocations to an envisaged total amount of some R40 billion over five years will in future also be accommodated in this way, and RDP expenditures will be

programmed and phased to give maximum impetus to the re-direction of public resources to effective and efficient social and economic development initiatives. The primary source of finance for reconstruction and development is therefore the Budget itself and the RDP Fund is intended as a mechanism to leverage priority changes.

The Department of Finance will be accountable for the Fund, from which monies will flow to the accounts of responsible departments and institutions for approved projects. A Special Cabinet Committee will assume broad responsibility for the RDP, including appropriate links with the budget preparation process. Coordination of allocations will also require cooperation with donors, the private sector (including business and labour), government departments and institutions at all levels and development agencies. Allocations to relevant government institutions for 1994/95 will be voted in the Adjustments Budget and unexpended balances will be surrendered to the RDP Fund at the end of the financial year.

In the allocation of funds, special measures will be taken to ensure, *inter alia*, that:

- the objectives of reconstruction and development, including employment creation, are addressed;
- the recurrent expenditure implications of projects and programmes can be accommodated within the fiscal means of responsible authorities;
- existing institutional capacities to implement projects are used fully and efficiently;
- community involvement is assured in identification, prioritisation and implementation of projects;
- training needs are addressed effectively, including improvements in the efficiency of existing capacity and development of new training facilities;
- projects and programmes support and supplement development-related expenditures of departments financed through the normal budgetary process; and
- the macroeconomic policy objectives of the Government are served effectively.

The Minister responsible for the RDP will be supported by the Central Economic Advisory Service, who will assist in evaluating and co-ordinating programmes and projects and will assist in monitoring the progress of RDP-related expenditure and projects. Further aspects of a reconstruction and development programme consistent with the fiscal framework outlined above, including sectoral dimensions and institutional aspects, will be dealt with in the envisaged *White Paper*.

2.2.3 Broader financing options

The process of development and reconstruction, in its wider sense, will be served by continued sound financial management and through the normal budgetary procedures which provide, *inter alia*, for:

- rearrangement of priorities and redirection of funds between and within the various functional expenditure categories in the budget;
- efficiency gains through the rationalisation of services and the more effective utilisation of public resources; and
- the broadening of the tax base as a result of economic growth.

In addition, there are important roles for other development agencies and non-governmental organisations in giving effect to reconstruction and development objectives. It is envisaged that the impact of key RDP initiatives, for example in housing delivery, will be augmented by both household contributions and private sector finance, and suitable mechanisms to promote such leveraging are under scrutiny.

South Africa has a wide range of specialised development institutions, many of which are agencies funded (fully or in part) by government. These institutions have become increasingly important players in both social development and income-generating employment creation. The Industrial Development Corporation continues to play an important role in investment financing, and due to the substantial allocations committed to the Alusaf and Columbus projects, IDC total authorisations increased from an average of R1,5 billion in the previous four years to R8,4 billion in

the year ending 30 June 1993. Development corporations based in former TBVC states and self-governing territories have had to adapt to the considerable revisions in regional industrial development policy in recent years, and further adjustments to their functions and operations will be necessitated by new directions in regional development under provincial governance.

The Development Bank of Southern Africa currently commits more than R1 billion per annum to a range of projects predominantly in infrastructure and human resource development. The Small Business Development Corporation has approved loans to the value of R1,3 billion in the twelve years of its existence up to 1993. The Independent Development Trust has already committed (though not yet fully disbursed) the initial R2 billion grant it received in March 1990. Outside of the government sector, many institutions have built up considerable expertise in their respective fields and have facilitated broader participation in the allocation of development funds and the implementation of projects.

In addition, South Africa's democratisation has opened possibilities of international sources of finance not previously available (see par. 2.5.5 below). A return to international capital markets is envisaged and it is also possible that loan financing, *inter alia*, from the International Bank for Reconstruction and Development (the World Bank), will be available for specific components of a reconstruction and development programme.

International finance cannot be viewed as a source of *additional* finance to government, which would add further to an already accelerating debt burden. However, Government's foreign debt of R5,029 billion (as at 31 December 1993) is relatively low. Excluding the loan of R2,8 billion under the Contingency and Compensatory Financing Facility of the International Monetary Fund, which is an obligation related to reserves, the Government's debt is less than 5 per cent of South Africa's foreign debt, which provides some scope for a limited shift by government from domestic to foreign borrowing. Such a shift would be viewed as a contribution to alleviating possible pressure on interest rates in the domestic capital market in a context where investment and job creation are crucially needed.

2.3 SOME TAX ISSUES

2.3.1 Commission of Inquiry

Possible reforms of the South African tax system which might contribute to certain objectives of reconstruction and development have been proposed in recent times. In view of these questions, in addition to deficiencies identified through ongoing departmental investigations, South Africa's re-entry into the global economy and the need to place the tax system under scrutiny in the light of broader economic development needs, it has been decided to appoint a commission of enquiry into certain aspects of the tax structure of South Africa. The Commission will report by 30 November 1994 on specific matters which in its view should be addressed in the 1995/96 Budget.

The following aspects have been identified for specific attention:

- personal income tax with special reference to the gender issue, the tax base, tax thresholds, income brackets, tax rates, progressivity and fiscal drag;
- corporate income tax with special reference to the tax structure, tax incentives and effective tax rates in the various sectors;
- the impact of the tax system on the position of small and medium enterprises;
- value added tax with special reference to the advisability and effectiveness of zero-rating or exemption of certain foodstuffs and other goods and services, and multiple differential rates of VAT;
- excise duties, specific and *ad valorem*, with special reference to the tax base and tax rates, taking into account the distributional implications;
- tax exempt institutions or bodies, specifically charitable, religious and educational institutions;
- the impact of the tax system on savings and investment;

- the relevance of the tax system to foreign finance, investment and trade; and
- tax collection and related matters.

The Commission is mandated to investigate any further tax issue it deems necessary and will submit a final report at a date to be decided in consultation with the Minister of Finance. Its recommendations will need to bear in mind the protection of the State's current revenue and the overall requirements of macro-economic stability and reconstruction and development.

2.3.2 Other outstanding tax matters

2.3.2.1 Taxation of gains and losses arising from financial instruments

The general principles of South African tax legislation recognise the deduction of expenditure when incurred and the inclusion of income when received or accrued. However, the mismatching of the timing of income and expenditure is an aspect in taxation which has, not only in the RSA but worldwide, lent itself to tax planning and avoidance. An area of specific importance in this regard is the taxation of gains and losses (interest, discounts, premiums, etc.) on financial instruments. Uncertainty in this regard is increasingly becoming a problem as a result of the rapid changes in, and the increasing sophistication and complexity of financial transactions as new financial instruments are developed. A consultative document on this matter drawn up by a sub-committee of the Tax Advisory Committee will be issued later this year.

2.3.2.2 Unbundling and rationalisation transactions

In his Budget Speech last year, the Minister of Finance proposed the introduction of legislation to facilitate and support unbundling processes by removing certain tax obstacles. Legislation was introduced and has enabled various listed companies in a number of groups to unbundle their listed holdings.

Apart from unbundling processes, it is sometimes desirable for commercial reasons to rationalise and streamline the activities of companies within a group. Such actions can also, however, be hampered by taxes imposed on the rationalisation

process which therefore inhibit actions which would have enhanced economic growth.

Consideration is accordingly being given to the continuation (in a revised format, if warranted) of provisions for qualified fiscal relief to facilitate unbundling and also the reintroduction of measures to promote rationalisation. In the case of unbundling transactions, relief will be limited to the distribution of shares, listed or due to be listed, held by listed companies. Where rationalisation is contemplated, relief provisions will, however, be limited to cases where the holding company of a group of companies is a listed company.

2.4 INTERGOVERNMENTAL FINANCE

2.4.1 Fiscal management during the transition

The Constitution determines a framework for a new system of financial relations in South Africa which will both improve the transparency and accountability of intergovernmental finance and underpin more equitable arrangements for financing basic public services. The transition from former financing mechanisms to a new model will be a phased process, however, in which consolidation of the public finance accounts presented later in this Review for the first time is an important step. It is expected that full fiscal year budgets will come before the new provincial legislatures for the first time in 1995/96.

A process of rationalisation of the finances of provincial and national government is in progress which includes the following.

- Alongside stringent expenditure control measures announced by the Department of State Expenditure, including monthly cashflow restrictions, additional measures to control orders and stepped up inspections and control of movable assets, a systematic process of personnel and functional reorganisation has been initiated under the new Public Service Commission.
- Functional responsibilities, personnel and the associated financial responsibilities will be devolved to new provincial governments only once the necessary administrative and financial capacity has been put in place.

- Revenue collections by the former provinces, TBVC states and self-governing territories continue, and they remain responsible for expenditure control and financial administration (cf. chapter 5), under overall co-ordination by the Departments of Finance and State Expenditure.

Provinces will in due course receive the powers and functions assigned to them in the Constitution, together with responsibility for utilisation of their own potential revenue sources. However, the process involves procedures and requirements for overall fiscal control and responsible management at the provincial and local levels, including the promulgation of enabling legislation, and will take time to complete.

2.4.2 The Financial and Fiscal Commission

An important actor in the transition to, and in the eventual functioning of the new intergovernmental financial order, will be the Financial and Fiscal Commission. The Constitution prescribes that this should be an expert and impartial body, and details its several objects and functions. These include rendering advice and making recommendations to the legislative authorities on financial and fiscal requirements of the national, provincial and local governments. The Commission, which will meet for the first time within 30 days of its appointment, consists of a full-time chairperson and deputy chairperson and seven further members appointed by the President on the advice of the Cabinet, at least one of whom with expertise in local government finance, and another nine members designated by each of the Executive Councils of the provinces.

Of particular importance in the new fiscal order will be the specific revenue sharing arrangements, devolution of tax powers, and framework of norms and conditions for raising of loans by provinces for capital expenditure, to be approved by Parliament after taking into account recommendations by the Financial and Fiscal Commission. Until such time as these issues have been properly addressed and enabling legislation passed by the National Assembly, the transitional arrangements discussed above will be in force.

The objects and functions of the Financial and Fiscal Commission (set out in section 199(1) of the Constitution) are to advise the legislative authorities, on the basis of relevant financial and fiscal information, regarding:

- financial and fiscal policies;
- equitable financial and fiscal allocations to the national, provincial and local governments from revenue collected at national level;
- taxes, levies, imposts and surcharges that a provincial government intends to levy;
- the raising of loans by a provincial or local government and the financial norms applicable thereto;
- criteria for the allocation of financial and fiscal resources; and
- any other matter assigned to the Commission by the Constitution or any other law.

In fulfilling this brief, the Commission is bound to take as point of departure specific requirements and criteria prescribed in the Constitution (sections 155-157). These include consideration of the national interest and the needs and economic disparities within and between provinces, as well as the provision that has to be made for public debt servicing. There are likely to be, in addition to the provincial financing matters, aspects of local government finance and broader fiscal and financial policy on which national, provincial and local legislative authorities may wish to seek advice of the Financial and Fiscal Commission.

2.5 LOANS, FINANCING AND DEBT ISSUES

2.5.1 Public Debt

The Department of Finance limits Exchequer funding, as far as possible, to the monthly shortfall between revenue and expenditure. This approach avoids unnecessary interest costs on Exchequer balances as a result of advance financing.

By maintaining a continuous presence in the market, undertaking two-way transactions in government stock and participating actively in the options market, the Reserve Bank, as marketing agent, contributed to the further development of the market for government stock during the 1993/94 fiscal year. The turnover of the Bank increased by R86 billion to R358 billion, while the turnover of the top three RSA's (R153, R150 and R147) now represent nearly half of the turnover in the formal (JSE) market. As part of its strategy to become a wholesaler, the Reserve Bank also introduced fixed trading hours and minimum trading volumes and limited trading to specific market participants.

During the 1993/94 fiscal year the total debt of government, as published by the Reserve Bank, increased by R37,5 billion, which was an increase of 24,2%. The financing of the budget deficit resulted in an increase of R26,2 billion in public debt, including the discount on stock issues, which is the difference between the face value and market proceeds of stock issued (cf. chapter 3). In addition, the debt of government increased as a result of an issue of stock to state pension funds, a facility obtained from the IMF for balance of payments purposes, forward cover losses incurred by the Reserve Bank during the year, and an increase in the rand value of existing foreign debt due to currency depreciation.

Parliament approved legislation during the year authorising issue of government stock worth R7,3 billion to the government pension funds, further improving their funding base relative to actuarially determined liabilities.

In December 1993 Government obtained a Contingency and Compensatory Financing Facility amounting to R2,8 billion from the International Monetary Fund. The proceeds of the loan were not available for the financing of government expenditure, but government is obliged to pay interest on this facility.

Net forward cover losses of about R0,9 billion incurred by the Reserve Bank during the year are included in the abovementioned increase in debt of government. In terms of legislation passed by Parliament, stock to the amount of R7,5 billion was issued to the Reserve Bank in March 1994, offsetting accumulated losses on the Gold and Foreign Exchange Contingency Reserve Account.

The balance on the latter Account is regarded as part of government debt, which accordingly did not increase as a result of the stock issue.

The extraordinary stock issues to the state pension funds and the Reserve Bank are reflected in the general government accounts published by the Reserve Bank as current and capital transfers, respectively. However, they represent liabilities accumulated over a longer period and have been brought onto the state debt registers as part of ongoing improvements in the transparency of the public finances, and are not included in the current budget deficit and borrowing requirement presented in chapter 3 below.

In terms of the Constitution, certain short and long term debts of the former TBVC states and self-governing territories, amounting to about R15 billion, are vested in the National Government and will also be incorporated into the Public Debt Register during the 1994/95 fiscal year. This represents debt financed earlier in the financial markets and, where refinancing will be required, no net increase in financing of the public sector will result. An evaluation is in progress to determine which assets and liabilities of the former TBVC states and self-governing territories will be vested in the respective new provinces. Resolutions 39 and 40 of the Transitional Executive Council apply in the interim, in terms of which the Minister of Finance has been authorised to take over the debt of the former TBVC states and self-governing territories. The Minister of Finance is consequently authorised in terms of Section 16(1) of the Exchequer Act, 1975, to issue securities of the National Government in order to refinance the existing debt of the former TBVC states and self-governing territories on maturity of such debt.

2.5.2 Consolidation of the redemption structure of public debt

The present maturity structure of public debt indicates an accumulation of redemptions scheduled for certain years. In the 1996/97, 1997/98 and 2000/01 fiscal years for instance, scheduled redemptions are large, and could result in unbalanced demands on the market when refinancing maturing debt. The responsible authorities are exploring the feasibility of a consolidation and shifting of the redemption structure in order to

avoid imposing excessive pressure on the market in any single year.

2.5.3 Implementation of the Treasury Tax and Loan Accounts

A system of Tax and Loan Accounts was implemented on 1 February 1994, in terms of which tax and loan receipts are deposited in tax and loan accounts at the clearing banks. Deposits are held in the respective accounts until the money is required for the financing of public expenditure.

One of the advantages of this system is that the flow of funds between the private sector and the Reserve Bank, which at times in the past had considerable destabilising effects on the money market, has been smoothed out. As a consequence, the management of the money market by the Reserve Bank has been eased.

The system also contributes to better cash flow management within the government sector, whereby the net cost of financing is reduced. During the period February to April 1994, interest of R78 million was earned on these deposits.

2.5.4 Public debt and monetary implications

As noted in chapter 1, the introduction of tax and loan accounts discussed above had an easing effect on the money market during the first quarter of 1994. In addition, the issue of government stock to the Reserve Bank at the end of March 1994 in lieu of forward cover losses in a statistical sense boosted the banking sector's extension of credit to the government sector. This reflects the fact that the Reserve Bank's holding of government stock is recognised as part of total credit extended. The corresponding increase in money supply occurred prior to this stock issue, however, when forward cover losses were actually incurred. Furthermore, an increase in holdings by banks and shortening of outstanding maturity

of government stock, against which accommodation is provided at the discount window, facilitated the increase in credit extension to the non-bank private sector during the second half of 1993 and first quarter of 1994. These monetary implications of aspects of public debt management do not affect the Reserve Bank's longer term monetary control, however.

2.5.5 South Africa's approach to international capital markets

The process of democratisation which led to the universal lifting of sanctions has facilitated the normalisation of South Africa's relationship with the international financial community. Markets which were previously inaccessible are now opening to South African borrowers. To make the best possible use of this window of opportunity, it is important that South Africa's access to the broadest possible investor base be established.

For this purpose, a formal long term credit rating is to be sought. Debt ratings are measures of credit risk, conducted by independent, objective agencies who assess a borrower's willingness and ability to repay principal debt and interest. Most institutional investors require ratings as part of their investment criteria and most investors make their investment decisions largely on the basis of credit ratings. Ratings therefore broaden the investor base for an issuer's debt instruments, thereby maximizing investor demand and reducing the cost of financing.

It is envisaged that after completion of the rating process and at an opportune time, South Africa will return to the international markets with a liquid bond issue which will establish a benchmark for future issues. Such a move will, of course, be undertaken after careful consideration of, *inter alia*, market circumstances, domestic financing needs, cost and balance of payments and exchange rate considerations.

Endnotes:

1. GDP here refers to the new series adjusted for the total informal sector contribution to the economy (cf. chapter 1, endnote 1).

2. *Figures in this section refer to the Consolidated General Government, comprising the main budget of the central government, various extra-budgetary institutions, the former TBVC states and self-governing territories, the former provincial administrations and local authorities.*
3. *Deflated by the general government consumption expenditure deflator for 1982 and 1993 respectively.*
4. *Excluding the March 1994 extraordinary transfer to state pension funds (cf. par. 2.5.1).*
5. *Deflated by the average consumer price index for 1982/83 and 1993/94 respectively.*

CHAPTER 3

REVIEW OF THE 1993/94 BUDGET

Note: Expenditure, revenue and financing figures in this chapter relate to the State Revenue Account as defined up to the 1993/94 financial year.

3.1 EXPENDITURE: 1993/94

3.1.1 Revised estimate

The printed Estimate of Expenditure for 1993/94 (R.P.2 and 4) amounted to R113,044 billion. As in the previous year, certain expenditure items were not allocated to specific votes in the Main Appropriation at the time of the introduction of the Budget. These further expenditure proposals, included in the Adjustments Budget (which replaced the previous Additional Appropriation), amounted to R1,110 billion, bringing the total estimated expenditure announced by the Minister of Finance in his Budget Speech on 17 March 1993, to R114,154 billion.

The revised estimate of expenditure for the 1993/94 financial year, as set out in the Adjustments Budget tabled in Parliament by the Minister of State Expenditure in December 1993, amounted to R115,152 billion - 10,6 per cent more than *actual* expenditure in 1992/93 (table 3.1) and 0,9 per cent above the original estimate of R114,154 billion. In this estimate, provision was made for declared savings of R545 million in the Main Appropriation as well as an estimated unspent amount of R1,460 billion to be carried forward to the 1994/95 financial year.

Revised estimate for 1993/94 (at the time of the Adjustments Budget):

	Rm	Rm
Main Appropriation		113 043,8
Additional sums voted:		
Foreign Affairs:		
Foreign relations	137,3	
Development co-operation: TBVC	102,5	
Own Affairs administrations:		
House of Representatives	181,3	
House of Delegates	26,8	

Public Works	160,3	
Education and Training	193,1	
Local Government and National Housing	203,4	
Agriculture	581,9	
Police	292,4	
Transfer to Accounts for Provincial Administrations	936,5	
Assistance to governments of self-governing territories	502,4	
Home Affairs	197,9	
Improvement of conditions of service	139,6	
Manpower	240,7	
Various other services	<u>217,1</u>	
	4 113,2	
Less: Declared savings	545,4	
Funds carried forward to 1994/95	<u>1 459,8</u>	<u>2 108,0</u>
Total estimated expenditure		<u>115 151,8</u>

Actual audited figures for the 1993/94 financial year will only be available at a later stage. Departmental requisitions until 31 March 1994, together with late requisitions from and surrenders into the Exchequer (i.e. departmental requisitions and the surrender of unspent funds after financial year-end) do, however, give a good *indication* of spending for the financial year as a whole.

On 31 May 1994 the position was as follows:

	Rm
Total transfers from Exchequer to departments	114 823,9
Plus: Late requisitions by departments (1 April to 31 May 1994)*	<u>336,5</u>
Less: Surrender of unspent funds by departments (1 April to 31 May 1994)*	<u>480,9</u>
Total estimated expenditure	<u>114 679,5</u>

* *These amounts are subject to change during the next few months.*

The latest estimate of expenditure of R114,680 billion for the 1993/94 financial year is 10,1 per cent more than the actual amount spent in 1992/93 and 0,5 per cent more than the original estimate of R114,154 billion. This estimate also implies that unspent funds of R1,932 billion will be carried over to the 1994/95 financial year, compared to the initial estimate of R1,460 billion (table 3.1).

3.1.2 Expenditure from the State Revenue Account (see tables 3.1 and 3.3)

Due to unauthorised expenditures which are only authorised at a later date, there are differences between the total expenditure reflected in table 3.1 and that in table 3.3.

The total expenditure figures for 1992/93 in both tables 3.1 and 3.3 also differ from those in the Report of the Auditor General on the Appropriation Accounts in respect of General Affairs for 1992/93, due to the inclusion of an amount of R520 million, representing a transfer from Telkom via the budget to SAPOS to cover its operating deficit. Since the financing of SAPOS is now included in the Department of Transport's vote for 1993/94, the relevant amount has been added to the same vote in 1992/93 and thus to the total expenditure level for purposes of comparison.

3.1.3 Spending financed from the sale of assets and strategic oil reserves

At the time of the Budget in March 1993 it was envisaged that an amount of R685 million, comprising the unexpended balance, plus interest, of the funds acquired from the sale of strategic assets and oil supplies, would be spent in 1993/94. During the course of the year an additional amount of R724 million, also to be financed from the sale of strategic assets, was made available for labour intensive job creation projects and drought aid. The details are shown below.

The funds transferred from the National Supplies Procurement Fund (NSPF) and Central Energy Fund (CEF) to the State Revenue Account are regarded as extraordinary capital revenue, but are treated as revenue before borrowing in the calculation of the budget deficit (table 3.3).

	Budgeted	Revised estimate
	Rm	Rm
Capital expenditure, mainly on education (NSPF)	149,96	149,96
Capital spending on reduction of socio-economic backlogs and housing (CEF)	535,01	532,11*
Job creation and drought aid (NSPF and CEF)	_____	<u>724,00</u>
Total	<u>684,97</u>	<u>1 406,07</u>

* An amount of R2,9 million was not requested.

3.2 REVENUE: 1993/94

The provisional outcome of revenue for 1993/94 appears in tables 3.2.1 and 3.2.2. Table 3.2.1 shows revenue collections according to the existing institutional classification, i.e. on the basis of the collector (either Inland Revenue or Customs and Excise), while table 3.2.2 presents an internationally comparable classification of revenue according to the IMF's Manual on Government Finance Statistics (GFS).

Total ordinary revenue is defined as total tax and non-tax revenue (total current revenue) plus recovery of loans and advances and sales of capital equipment, state-owned land, buildings and structures. According to the GFS classification method the latter is regarded as capital revenue, while the recovery of loans and advances is counted as part of net lending¹.

3.2.1 Ordinary revenue (provisional figures)

The revenue collections shown in tables 3.2.1, 3.2.2 and 3.3 are provisional unaudited figures and do not include final adjustments and late receipts.

At this stage total ordinary revenue amounts to R87,810 billion. This represents an increase of 16 per cent on the 1992/93 collections. Ordinary revenue collections by Inland Revenue were R75,927 billion and those of Customs and Excise R11,883 billion.

3.2.2 Divergences from Estimates

The provisional outcome of ordinary revenue collections in 1993/94 points to a number of divergences from the original budgeted estimates. Most of these were noted in the March 1994 Fiscal Review:

- income tax on individuals: overestimated by 5,6 per cent (R2 billion);
- marketable securities tax: underestimated by 61,8 per cent (R102 million);
- transfer duties: underestimated by 8,6 per cent (R86 million);
- VAT (net collections): underestimated by 0,7 per cent (R160 million);
- excise duties: underestimated by 1,6 per cent (R78 million);
- fuel levy: overestimated by 1 per cent (R79 million);
- customs duties: underestimated by 8,7 per cent (R272 million);
- import surcharge: underestimated by 6,9 per cent (R112 million); and
- payments in terms of the Customs Union Agreement, which are direct liabilities against Customs and Excise: underestimated by 3,2 per cent (R181 million).

Details are given in tables 3.2.1 and 3.2.2. For purposes of reference, the revised estimates that appeared in the Fiscal Review of March 1994, are also given.

3.2.3 Some ratios: a comparison of the 1992/93 and 1993/94 financial years

Due to various tax increases and a modest economic recovery during 1993/94, total ordinary revenue as a percentage of GDP is estimated at 22,3 per cent, compared to 21,7 per cent in 1992/93. A revenue shortfall of about R9 billion was, however, recorded during 1992/93.

Chart 3.1 shows the contribution of the more important direct taxes as a percentage of GDP. Having risen sharply between 1988/89 and 1992/93, the contribution of personal income tax in 1993/94 is marginally lower at 8,6 per cent of GDP. This can be ascribed to lower inflation and a consequently smaller fiscal drag effect, as well as an apparent decrease in the number of taxpayers as a result of prevailing high unemployment. Due to lags in payments, the slow economic activity of the past few years, and the

reduction in the statutory rate, the contribution of non-mining corporate income tax as a percentage of GDP shows a further decline.

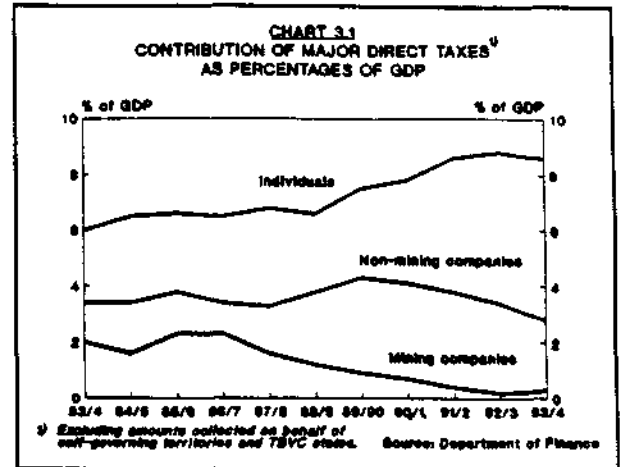
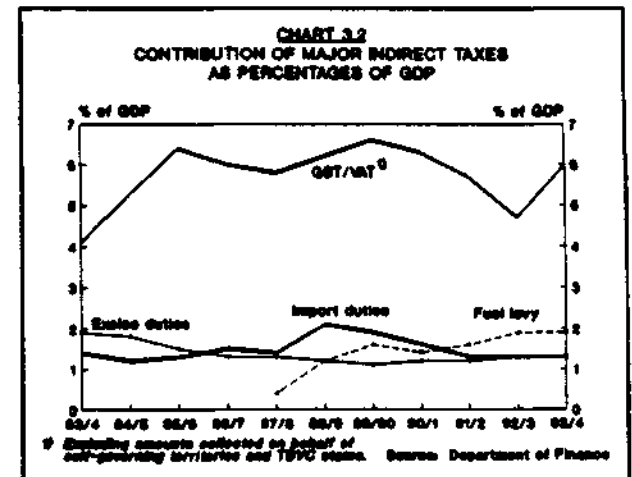


Chart 3.2 shows the contribution of the main indirect taxes as percentages of GDP. The contribution in 1993/94 of the most important indirect tax source - VAT at 14 per cent - was still lower, as a percentage of GDP, than the 1990/91 collection of GST at a rate of 13 per cent. The ratios of import and excise duties (before subtracting Customs Union payments) to GDP, have remained virtually unchanged since 1992/93.



A more comprehensive historical analysis of government revenue and some international comparisons were given in chapter 6 of the Fiscal Review of March 1994.

3.2.4 Total revenue

A total amount of R1,406 billion was transferred to the State Revenue Account from the NSPF

(R665 million) and CEF (R741,1 million) as noted in 3.1.2 above by the end of March 1994. These extraordinary capital receipts, together with the revised estimate of R87,810 billion for total ordinary revenue, bring the total estimated revenue accruing to the State Revenue Account for 1993/94 to R89,216 billion.

3.3 BUDGET DEFICIT AND FINANCING

The latest revised estimate of expenditure (R114,680 billion) and (provisional) total revenue (R89,216 billion) produce a *budget deficit* for 1993/94 of R25,464 billion. The budget deficit is equal to 6,5 per cent of the revised 1993/94 GDP figure.

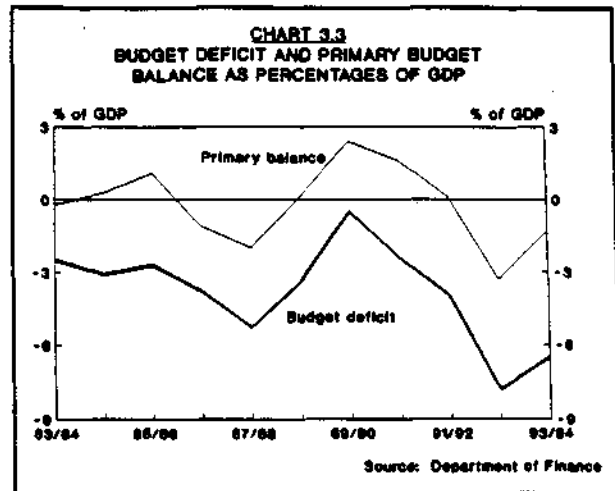
The difference between *current* expenditure and *current* revenue represents the current budget balance, which indicates saving or dissaving by government. Dissaving by central government in 1993/94 is estimated at about 4½ per cent of GDP compared to 6½ and 3 per cent in 1992/93 and 1991/92, respectively. This dissaving can to a considerable extent be ascribed to recessionary conditions.

As an indicator of the sustainability and expansionary effect of fiscal policy, the *primary balance*, or non-interest balance, is more useful than either the budget deficit or the current budget balance under conditions of persistent inflation². In 1993/94 the primary deficit (the difference between non-interest expenditure and current revenue) was 1½ per cent of GDP compared to a primary deficit of about 3½ per cent in 1992/93 and a slight primary surplus in 1991/92.

Chart 3.3 illustrates the budget deficit and the primary balance for central government over the past 10 years. Net financing obtained during the 1993/94 financial year is compared with previous years in table 3.3.

Although it was foreseen at the time of the Budget that the 1992/93 financial year would be ended with a nil balance, lower-than-estimated *actual* audited expenditure³ and higher-than-expected revenue collections resulted in a surplus after borrowing of R1,210 billion.

After taking into account redemptions of government stock and bonds of R6,673 billion, net domestic financing (excluding short-term



financing) amounts to R24,022 billion. During the course of the 1993/94 financial year a total premium of R171 million was earned as a result of an ongoing process of consolidation of government stock. Although this amount, by law, had to be paid into the State Revenue Account, it is regarded as financing for purposes of analysis and is added to the domestic financing figure of R24,022 billion. Total net domestic financing (excluding short-term financing) is therefore about R24,2 billion. In addition, there was a net decrease of R174,5 million in short-term financing (mainly Treasury Bills).

During 1993/94 there were also net redemptions of foreign loans of R140 million (negative net financing), bringing the total *net* financing obtained during the year (including the 1992/93 surplus) to about R25,1 billion.

Due to various technical factors at the 1993/94 financial year-end (i.e. 31 March 1994), the expected net financing requirement was not fully funded in the normal way. In terms of Section 9(12)(c) of the Exchequer Act (Act 66 of 1975) a temporary Paymaster-General loan was used as a *cash flow* measure to fund the Exchequer. Since the audited statements, on which table 3.3 is based, are compiled on the *accrual* principle, this temporary PMG-loan is not reflected. The expected balance on the State Revenue Account is therefore negative (-R605,1 million) and will accordingly increase the financing requirement in the 1994/95 financial year⁴.

Endnotes:

1. *The recovery of loans and advances is, however, added to total current revenue to be consistent with past practice and due to the lack of detailed information.*
2. *Public debt rises as a percentage of GDP only to the extent that net borrowing needs exceed accumulated debt multiplied by the nominal GDP growth rate. Inflation thus permits a higher deficit relative to GDP, and the primary balance is a rough indicator of the fiscal stance in so far as interest payments as a percentage of the public debt are approximately equal to the nominal growth rate. The relevant theory shows that a primary deficit is unsustainable unless the economy and government revenue in the long run grow more rapidly than the real interest rate.*
3. *The lower-than-estimated outcome for 1992/93 meant that unspent funds were carried forward to the 1993/94 financial year. These funds were voted in the Adjustments Budget in December 1993.*
4. *Since the actual expenditure and revenue figures for the 1993/94 financial year are not yet available, this negative balance of R605,1 million is also provisional and subject to change. This negative balance will, however, be reduced by the surrender of the surpluses on the Revenue Accounts of the former Own Administrations, since they ceased to exist on 1 April 1994.*

TABLE 3.1
EXPENDITURE (INCLUDING STATUTORY PAYMENTS) FROM THE STATE REVENUE ACCOUNT 1)

BUDGET VOTES	ACTUAL EXPENDITURE						1993/94		
	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	Printed Estimate 2)	March '94 Estimate 3)	June '94 Estimate 3)
State President	13,4	14,0	14,6	16,5	19,0	21,0	23,1	23,2	23,2
Parliament	48,1	52,3	58,8	67,8	82,1	91,1	113,8	115,0	115,0
Foreign Affairs:									
Development co-operation:									
TBVC-countries	1 896,2	2 311,9	2 719,6	3 340,5	4 445,8	5 258,9	6 202,8	6 305,3	6 305,3
Other	267,1	319,2	459,3	561,1	605,4	706,8	857,7	999,9	999,9
Water Affairs and Forestry	302,8	330,5	396,4	353,3	386,0	399,2	409,4	416,6	416,6
Administration: House of Assembly	5 631,1	5 642,3	6 560,4	8 253,6	9 310,8	12 613,6	8 764,2	8 764,2	8 764,2
Public Enterprises and Privatisation	-	-	86,6	3,9	4,2	6,8	8,2	8,2	8,2
Central Economic Advisory Service	1,3	1,5	1,7	0,7	3,6	3,5	5,0	5,3	5,3
Justice	256,6	304,8	379,9	526,1	626,7	747,5	965,5	965,5	965,5
State Expenditure	-	-	-	-	0,7	599,3	682,0	715,3	715,3
Administration: House of Representatives	2 081,2	2 440,0	2 819,3	3 471,5	4 305,0	5 269,7	5 241,9	5 423,2	5 423,2
Administration: House of Delegates	768,6	866,9	1 006,0	1 236,0	1 537,4	1 800,5	1 824,2	1 851,0	1 851,0
Correctional Services	542,1	634,8	756,0	1 113,2	1 337,8	1 585,9	1 744,5	1 763,9	1 763,9
Defence	6 955,9	8 688,2	9 938,9	10 164,9	9 507,9	9 827,7	9 335,3	9 353,9	9 353,9
Public Works	1 429,8	1 755,5	1 760,2	2 059,2	1 962,1	1 962,1	2 221,0	2 381,3	2 381,3
Education and Training	1 529,6	1 857,9	1 981,0	2 915,7	3 513,3	4 587,7	5 720,1	5 913,1	5 913,1
Local Government and National Housing	-	-	-	-	-	1 070,7	1 041,6	1 245,0	1 245,0
Mineral and Energy Affairs	827,5	751,1	811,6	1 065,9	913,0	670,5	707,6	710,7	710,7
Agriculture	642,3	337,1	312,5	302,7	270,9	700,7	1 319,0	1 900,9	1 900,9
National Health and Population Development	2 350,7	2 221,9	2 728,3	664,5	701,4	926,0	2 243,2	2 243,2	2 243,2
Police	1 658,7	2 118,1	2 551,8	3 889,8	4 944,4	5 759,4	6 451,5	6 743,9	6 743,9
Regional and Land Affairs:									
Transfers to Accounts for Provincial Services	5 866,5	6 898,7	7 955,8	9 074,4	10 751,9	12 678,1	13 438,0	14 374,5	14 374,5
Assistance to governments of self-governing territories	2 668,2	3 700,3	4 517,3	5 819,7	7 385,1	9 532,1	10 688,7	11 191,1	11 191,1
Other 7)	1 412,4	1 780,2	1 744,4	926,3	2 281,3	1 054,4	1 066,5	1 096,3	1 096,3
Home Affairs	129,3	127,4	177,6	197,7	228,3	243,8	278,3	476,2	476,2
Environment Affairs	152,4	140,2	186,9	186,5	175,9	193,1	221,1	249,6	249,6
Commission for Administration	230,7	273,9	284,9	384,7	185,9	48,9	56,4	56,6	56,6
Improvement of conditions of service 5)	-	-	-	-	-	0,4	1 470,5 8)	1 610,1 8)	1 610,1
Transport	854,5	1 418,4	1 513,7	1 566,1	1 547,6	3 189,1 8)	3 218,3	3 223,3	3 223,3
Constitutional Development Service	-	-	1,6	12,2	27,1	34,5	66,3	73,4	73,4
SA Communication Service	31,3	50,9	51,4	37,9	50,4	50,9	54,0	56,8	56,8
Manpower	195,8	207,8	212,4	320,5	293,4	284,9	370,9	611,6	611,6
National Education	138,8	125,5	148,2	212,8	304,4	309,8	431,2	431,2	431,2
Finance:									
Cost of servicing state debt 4)	6 344,3	8 051,8	10 311,9	11 579,5	13 886,3	17 049,7	20 884,9	20 884,9	20 884,9
Other	1 136,8	1 438,6	1 275,1	1 253,5	1 938,5	1 780,8	1 806,7	1 806,7	1 806,7
Trade and Industry	1 088,7	1 248,7	1 773,2	2 339,6	2 124,8	3 041,3	3 071,6	3 119,9	3 119,9
Central Statistical Service	13,4	15,7	25,7	31,9	78,4	31,6	39,3	40,1	40,1
Education Co-ordination Service	-	-	-	-	-	-	1,5	4,2	4,2
Audit	1,9	2,3	0,4	-	7,8	8,9	-	-	-
Less: Estimated carry-overs and declared savings	47 447,9	55 926,6	65 483,0	73 958,6	85 696,2	104 118,5	113 043,8	117 156,9	117 156,9
TOTAL EXPENDITURE 9)	47 447,9	55 926,6	65 483,0	73 958,6	85 696,2	104 118,5 8)	113 043,8	118 181,8	114 679,5

Source: Reports of the Auditor-General and Estimates of Expenditure.

- 1) Due to shifts of functions, reclassifications of expenditure and renaming of Budget Votes, the data are not strictly comparable from year to year.
 - 2) Second Print, that is after supplementary expenditure proposals, but excluding expenditure to be financed from sale of assets / strategic oil reserves, personnel retrenchment costs and general election outlays.
 - 3) Second Print plus Additional expenditure (including expenditure financed from sale of assets / strategic oil reserves, personnel retrenchment and general election outlays).
 - 4) Excluding the discount on the sale of Government stock.
 - 5) Expenditure related to the improvement of conditions of service is included in the respective Votes.
 - 6) Expenditure has not yet been divided among the different Votes.
 - 7) Including expenditure of the Department of Development Aid (excluding assistance to governments of the self-governing territories) up to 1991/92.
 - 8) Includes an amount of R520 million received from Telkom for repayment of a Paymaster-General advance to SAPOS to cover its operating deficit.
 - 9) Due to unauthorised expenditure which is only authorised at a later date, small differences may occur between the levels of total expenditure reflected and the expenditure figures in Table 3.3.
- * For the period 1987/88 to 1990/91, provincial surpluses, which in the past had been carried over as a balance to their following financial year, were treated as surrenders in the specific financial year. Since 1991/92, however, they have been treated as before 1987/88.

TABLE 3.2.1
STATE REVENUE ACCOUNT: TOTAL ORDINARY REVENUE
According to traditional classification

(R mill. :s)

Source of Revenue	ACTUAL COLLECTIONS									1993/94			
	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	Budget 1)	March '94 Estimate	Provisional Outcome	Deviation: Outcome vs Budget
Customs and Excise:													
Customs duty	1 337,7	1 176,0	1 367,7	1 768,9	2 466,0	2 193,8	2 502,3	2 736,1	2 961,1	3 132,0	3 380,0	3 403,7	271,7
Surcharge	-5,1	498,8	837,8	742,6	1 875,6	2 625,4	2 075,3	1 455,5	1 520,9	1 635,0	1 737,0	1 747,4	112,4
Excise duty	1 964,6	1 926,4	1 890,8	2 183,5	2 508,8	2 842,0	3 344,5	3 825,3	4 435,9	4 856,4	5 005,0	4 934,3	77,9
Fuel levy				640,0	2 457,6	3 909,0	3 930,2	5 194,4	6 776,6	7 633,0	7 600,0	7 553,9	-79,1
Ordinary levy						69,6	107,9	67,2	75,3	88,0	70,0	60,3	-27,7
Miscellaneous	2,8	13,7	21,7	11,6	17,2	14,5	9,7	60,3	83,4	83,0	20,0	39,9	-43,1
Subtotal: Customs and Excise	3 299,8	3 614,8	4 118,0	5 346,6	9 325,1	11 654,2	11 970,0	13 338,8	15 853,2	17 427,4	17 812,0	17 739,6	312,2
Less: Namibia: Central Revenue Fund	250,0	300,0	350,0	350,0	394,2	447,8	111,8						
Customs Union Agreement	1 162,6	1 219,5	1 248,2	1 582,6	1 961,2	2 402,5	3 287,0	4 499,7	5 108,9	5 675,0	5 615,0	5 856,0	181,0
Total: Customs and Excise	1 887,2	2 095,2	2 519,9	3 434,1	6 969,7	8 803,9	8 571,2	8 839,1	10 744,2	11 752,4	12 197,0	11 883,6	131,2
Inland Revenue:													
Income tax:													
Gold mines	1 598,9	2 453,4	2 523,5	2 074,6	1 694,7	1 016,1	644,4	523,7	421,5	500,0	777,0	622,5	122,5
Other mines	224,4	484,6	926,7	763,1	857,4	1 257,5	1 556,7	712,4	463,0	401,0	371,0	388,7	-12,3
Companies (other than mining) 2)	3 770,8	4 804,4	5 033,7	5 805,8	8 096,3	10 787,6	11 653,7	12 276,3	11 898,4	11 100,0	11 361,0	11 153,9	53,9
Individuals 2)	7 274,1	8 361,1	9 746,5	11 802,9	13 832,2	18 553,3	22 124,1	27 591,2	30 837,2	36 131,0	34 118,0	34 128,8	-2 002,2
Sales tax / Value Added Tax 2)	5 866,0	8 050,5	8 915,7	10 154,0	12 944,8	16 522,5	18 015,6	18 182,1	16 440,5	23 476,0	24 119,0	23 636,4	160,4
Gold mining leases	374,9	599,3	655,4	550,5	481,9	327,0	183,1	150,9	67,3	115,0	196,0	196,1	81,1
Non-resident shareholders' tax	246,0	346,9	404,5	409,6	390,3	424,3	416,1	334,8	273,3	275,0	350,0	365,4	90,4
Stamp duties and fees	240,5	268,7	317,6	433,6	462,2	678,0	649,9	698,5	745,8	815,0	825,0	838,0	23,0
Transfer duty	285,8	266,1	288,7	450,8	544,8	675,3	766,4	842,6	920,1	991,0	1 040,0	1 076,7	85,7
Interest and dividends	500,8	363,4	295,0	222,3	307,9	463,7	65,8	77,4	240,1	195,4	685,9	787,6	592,2
Other	1 156,7	1 226,4	1 496,5	1 583,4	1 489,2	1 597,2	2 157,4	1 922,4	2 635,8	2 458,6	2 681,1	2 732,4	273,8
Total: Inland Revenue	21 538,7	27 224,9	30 604,0	34 250,4	41 101,7	52 302,7	58 233,1	63 312,4	64 943,2	76 458,0	76 524,0	75 926,6	-531,4
Total ordinary revenue 3)	23 425,9	29 320,1	33 123,9	37 684,5	48 071,4	61 106,6	66 804,3	72 151,5	75 687,4	88 210,4	88 721,0	87 810,2	-400,2
Direct taxes	13 181,7	16 546,3	18 739,9	20 966,4	24 993,1	32 204,6	36 635,5	41 724,2	44 220,2	48 807,0	47 367,5	47 027,9	-1 779,1
Indirect taxes	8 461,5	11 100,2	12 405,7	14 872,4	21 208,3	27 047,5	28 348,2	28 950,0	29 486,1	37 687,4	38 961,7	38 268,9	581,5
Non-tax revenue and other income 4)	1 782,7	1 673,5	1 978,3	1 845,6	1 870,0	1 854,5	1 820,6	1 477,2	1 981,0	1 716,0	2 391,9	2 513,4	797,4

Source: Reports of the Auditor-General and Department of Finance.

- 1) Second Print, that is after tax proposals were taken into account.
- 2) Excluding amounts payable to TBVC states and self-governing territories.
- 3) Excluding standing allocations of revenue, loan levies, transfers from reserve accounts, proceeds of sale of assets / strategic oil reserves and other extraordinary revenue.
- 4) Other income includes recovery of loans and advances, sales of capital equipment, state-owned land, buildings and structures.

(R millions)

TABLE 3.2.2
STATE REVENUE ACCOUNT: TOTAL ORDINARY REVENUE
Classification according to the Manual on Government Finance Statistics

Source of Revenue	ACTUAL COLLECTIONS									1993/94			
	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	Budget 1)	March '94 Estimate	Provisional Outcome	Deviation: Outcome vs Budget
Taxes on income and profits	13 181,7	16 546,3	18 739,9	20 966,4	24 993,1	32 204,6	36 635,5	41 724,2	44 220,2	48 807,0	47 367,5	47 027,9	-1 779,1
Persons and individuals 2)	7 274,1	8 361,1	9 746,5	11 802,9	13 832,2	18 553,3	22 124,1	27 591,2	30 837,2	36 131,0	34 118,0	34 128,6	-2 002,2
Gold mining	1 598,9	2 453,4	2 523,5	2 074,6	1 694,7	1 016,1	644,4	523,7	421,5	500,0	777,0	622,5	122,5
Other mining	224,4	484,6	826,7	763,1	857,4	1 257,5	1 556,7	712,4	463,0	401,0	371,0	388,7	-12,3
Companies (other than mining) 2)	3 770,8	4 804,4	5 033,7	5 805,8	8 096,3	10 787,6	11 653,7	12 276,3	11 898,4	11 100,0	11 361,0	11 153,9	53,9
Other, non-allocable	313,4	442,7	509,5	520,1	512,5	590,1	656,7	620,5	600,1	675,0	740,5	733,9	58,9
Taxes on property	421,3	467,2	580,8	824,3	823,0	1 033,6	1 098,2	1 127,8	1 187,5	1 249,0	1 430,5	1 500,9	251,9
Marketable securities tax	30,6	58,6	141,0	225,5	138,5	278,1	243,3	199,8	164,5	165,0	255,0	267,0	102,0
Transfer duties	285,6	266,1	268,7	450,8	544,8	675,3	766,4	842,6	920,1	991,0	1 040,0	1 076,7	85,7
Other	105,1	142,5	151,1	148,1	139,7	80,2	88,5	85,5	102,9	93,0	135,5	157,3	64,3
Domestic taxes on goods and services	7 835,7	10 138,7	10 829,8	12 965,0	17 919,8	23 282,8	25 303,7	27 304,3	28 021,1	36 360,4	37 114,2	36 534,6	174,2
Value-added tax / sales tax 2)	5 866,0	8 050,5	8 915,7	10 154,0	12 944,8	16 522,5	18 015,6	18 182,1	16 440,5	23 476,0	24 119,0	23 636,4	160,4
Excise duties	1 964,6	1 926,4	1 890,8	2 183,5	2 508,8	2 842,0	3 344,5	3 825,3	4 435,9	4 856,4	5 005,0	4 934,3	77,9
Fuel levy	-	-	-	640,0	2 457,6	3 909,0	3 930,2	5 194,4	6 776,6	7 633,0	7 600,0	7 553,9	-79,1
Other	5,1	161,6	23,3	7,5	8,6	9,3	13,3	102,5	368,0	395,0	390,2	409,9	14,9
Taxes on international trade and transactions	1 378,6	1 745,0	2 275,6	2 542,1	4 358,8	4 903,2	4 895,3	4 319,1	4 640,7	4 938,0	5 207,0	5 251,4	313,4
Customs duties	1 337,7	1 176,0	1 367,7	1 768,9	2 466,0	2 193,6	2 502,3	2 736,1	2 961,1	3 132,0	3 360,0	3 403,7	271,7
Import surcharges	-5,1	498,6	837,8	742,6	1 875,6	2 625,4	2 075,3	1 455,5	1 520,9	1 635,0	1 737,0	1 747,4	112,4
Other	44,0	70,4	70,1	30,7	17,2	84,1	117,6	127,5	158,7	171,0	90,0	100,2	-70,8
Other taxes	240,5	268,8	317,6	433,6	462,2	678,0	649,9	698,5	745,8	815,0	825,0	838,0	23,0
Stamp duties	240,5	268,8	317,6	433,6	462,2	678,0	649,9	698,5	745,8	815,0	825,0	838,0	23,0
Less: Customs Union Agreement 3)	1 412,6	1 519,5	1 598,2	1 912,6	2 355,4	2 850,3	3 398,8	4 499,7	5 108,9	5 675,0	5 615,0	5 856,0	181,0
Total tax revenue (net)	21 643,1	27 646,5	31 145,6	35 838,8	46 201,4	59 252,1	64 983,7	70 674,2	73 708,4	86 494,4	86 329,2	85 296,8	-1 197,6
Non-tax revenue and other income 4)	1 782,7	1 673,5	1 978,3	1 845,6	1 870,0	1 854,5	1 820,6	1 477,2	1 981,0	1 716,0	2 391,9	2 513,4	797,4
Total ordinary revenue (net) 5)	23 425,8	29 320,1	33 123,9	37 684,5	48 071,4	61 106,6	66 804,3	72 151,5	75 689,4	88 210,4	88 721,0	87 810,2	-400,2
Direct taxes (net)	13 181,7	16 546,3	18 739,9	20 966,4	24 993,1	32 204,6	36 635,5	41 724,2	44 220,2	48 807,0	47 367,5	47 027,9	-1 779,1
Indirect taxes (net)	8 481,5	11 100,2	12 405,7	14 872,4	21 208,4	27 047,5	28 348,2	28 950,0	29 486,1	37 687,4	38 961,7	38 268,9	581,5
Non-tax revenue and other income 4)	1 782,7	1 673,5	1 978,3	1 845,6	1 870,0	1 854,5	1 820,6	1 477,2	1 981,0	1 716,0	2 391,9	2 513,4	797,4

Source: Reports of the Auditor-General and Department of Finance.

1) Second Print, that is after tax proposals were taken into account.

2) Excluding amounts payable to TBVC states and self-governing territories.

3) Including payments to the Central Revenue Fund of Namibia up to 1990/91.

4) Other income includes recovery of loans and advances (net lending), sales of capital equipment, state-owned land, buildings and structures (capital revenue).

5) Excluding standing allocations of revenue, loan levies, transfers from reserve accounts, proceeds of sale of assets / strategic oil reserves and other extraordinary revenue.

TABLE 3.3
STATE REVENUE ACCOUNT: BUDGET DEFICIT AND FINANCING

(R millions)

	ACTUAL FIGURES								1993/94		
	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	Printed Estimate 1)	March '94 Estimate	June '94 Estimate
Customs and Excise	2 095,2	2 519,9	3 434,1	6 969,7	8 803,9	8 571,2	8 839,1	10 744,2	11 752,4	12 197,0	11 883,6
Inland Revenue	27 224,9	30 604,0	34 250,4	41 101,7	52 302,7	58 233,1	63 312,4	64 943,2	76 458,0	76 524,0	75 926,6
Total ordinary revenue 2)	29 320,1	33 123,9	37 684,5	48 071,4	61 106,6	66 804,3	72 151,5	75 687,4	88 210,4	88 721,0	87 810,2
Plus: Transfer from Reserve Accounts 3)	183,2	433,6	351,9	-	-	-	-	-	-	-	-
Transfer from NSPF 4)	-	-	-	-	-	319,4	544,8	255,6	150,0	665,0	665,0
Transfer from Central Energy Fund	-	1 012,0	208,0	-	-	-	264,5	780,5	535,0	741,1	741,1
Proceeds from privatisation of State assets	-	-	-	600,0	2 989,2	-	-	107,7	-	-	-
Total revenue: State Revenue Account	29 503,3	34 569,5	38 244,4	48 671,4	64 095,8	67 123,7	72 960,7	76 831,2	88 895,4	90 127,1	89 216,3
Total expenditure: State Revenue Account 5)	32 908,1	40 247,6	47 449,8 6)	55 926,4 6)	65 459,3 6)	73 947,3 6)	85 860,9	104 233,4	114 153,7	115 151,8	114 679,5
Budget deficit	3 404,8	5 678,1	9 205,5	7 255,0	1 363,6	6 823,6	12 900,2	27 402,2	25 258,3	25 024,8	25 463,2
As percentage of GDP 7)	2,7%	3,8%	5,3%	3,4%	0,5%	2,4%	4,0%	7,8%	6,5%	6,4%	6,5%
Financing:											
Balance of previous financial year	112,3	0,0	450,7	574,1	935,9	0,0	1 071,2	1 011,4	0,7	1 209,8	1 209,8
Net financing:											
Short-term	-117,7	1 031,1	1 344,4	-2 297,3	3 315,6	2 278,0	-129,2	39,6	500,0	157,0	-174,5
Domestic	4 540,5	6 104,6	6 431,3 8)	11 380,3 8)	5 726,1 8)	8 498,6 8)	13 609,9 8)	28 038,5 8)	24 947,0 8)	24 038,1 8)	24 193,5 8)
Foreign	-219,7	-448,6	-442,1	-92,6	-174,3	-117,6	1 429,9	-342,4	-110,0	-134,1	-140,0
Loan levy	-479,0	-527,1	-1,4	-1,1	704,3	1,7	1,8	0,0	0,0	-0,0	-0,0
Total net financing	3 838,4	6 159,9	9 782,8	9 583,4	10 507,7	10 660,7	15 983,6	28 747,1	25 337,7	25 270,8	25 088,6
Balance	431,5	461,8	577,5	2 308,4	9 144,1	3 837,1	3 083,4	1 344,9	79,4	246,0	-374,6
Less: Transfers to Stabilisation Account	-	-	-	-	2 877,2	900,0	-	-	-	-	-
Transfers to other accounts 9)	431,5	31,1	3,4	1 372,5	6 267,0	1 865,9	2 072,0	135,1	78,0	245,0	230,6
Surplus at end of financial year	0,0	450,7	574,1	935,9	0,0	1 071,2	1 011,4	1 209,8	1,4	1,0	-605,1

Source: Reports of the Auditor-General and Department of Finance

- 1) Second Print, that is after Budget proposals.
- 2) Excluding standing allocations of revenue, loan levy, transfers from reserve accounts, proceeds from sales of assets / strategic reserves and other extra-ordinary revenue.
- 3) These transfers were made from the following accounts:
1983/84 and 1984/85: Stabilisation Account;
Deposit Account (R83,8 million); 1986/87 and 1987/88: IMF Deposit Account.
- 4) National Supplies Procurement Fund.

- 5) Discount on sale of new stock taken into account.
- 6) Provincial surpluses are treated as a surrender in the relevant financial year.
- 7) Revised GDP figures, i.e. including the estimated total informal sector.
- 8) Including the "Debt Standstill" funds converted into long-term floating rate stock. Discount on sale of new stock and premium on consolidation of government stock is taken into account.
- 9) Utilisation of balance as prescribed in the Finance Act of the subsequent financial year, guarantee liability: House of Assembly, as well as payments to IDA, IBRD, and IMF.

CHAPTER 4

ESTIMATE OF EXPENDITURE: 1994/95

4.1 PRINTED ESTIMATE OF EXPENDITURE: NATIONAL REVENUE ACCOUNT

accounted for in the expenditure level of R124,826 billion, were reduced by an amount of R2,5 billion.

4.1.1 General remarks

The basic format of the 1993/94 printed Estimate of Expenditure has been retained for 1994/95. The portfolios of Ministers of the Government of National Unity differ, however, from the budget votes as shown in the printed Estimate of Expenditure. Once new departments have been established, the printed Estimate of Expenditure will be adjusted accordingly.

It has not yet been possible to devolve functions to the new provincial governments in terms of the 1993 Constitution. The restructuring and rationalisation process of the public service is an extensive one which could require a lengthy period to implement fully. Progress with the transfer of functions, together with the allocations of funds to the new administrations, will be dealt with in the Adjustments Budget for 1994/95 and, where necessary, by proclamations.

Since the Budget was not tabled in its traditional month of March this year, the Department of State Expenditure produced a Working Document: *Estimate of Expenditure for 1994/95* and made it available to the spending entities at the end of March 1994. This step was taken in order to enhance control by the Treasury and the Office of the Auditor General over spending. An expenditure level of R124,8 billion - an increase of some 8 per cent on the *comparable* 1993/94 figure - was envisaged at the time based on prevailing critical macroeconomic variables.

In this expenditure level was an initial provision of R139 million for advances to be paid to the new provincial governments in terms of Section 240(4) of the 1993 Constitution. These advances will have to be voted in the Adjustments Budget (cf. par. 4.1.3).

To provide, in addition, for the initial cost related to the envisaged Reconstruction and Development Programme (RDP), expenditure guidelines of departments and regional administrations, as

TABLE 4.1

REDUCTIONS IN EXPENDITURE GUIDELINES TO PROVIDE FOR RECONSTRUCTION AND DEVELOPMENT PROGRAMME (RDP)

	Rm
President	0,7
Parliament	-
Foreign Affairs	43,8
Public Enterprises	0,5
Central Economic Advisory Service	0,3
Justice	46,4
Defence	650,0
State Expenditure	36,4
Correctional Services	-
Education	200,3
Commission for Administration	5,0
Improvement of Conditions of Services	-
Mineral and Energy Affairs	13,0
Agriculture	67,6
National Health	10,0
Police	200,0
Transport	38,7
Constitutional Development Services	6,4
SA Communication Services	5,4
Manpower	11,7
National Education	23,8
Education Co-ordination Services	-
Finance	37,2
Trade and Industry	45,1
Local Government	10,0
Environment Affairs	12,9
Water Affairs	17,4
Regional and Land Affairs	158,0
Home Affairs	11,0
Central Statistical Service	0,5
Public Works	21,2
Provincial Administrations:	
Cape	65,0
Natal	40,0
Orange Free State	30,0
Transvaal	85,0
Self-governing territories and TBVC states	<u>606,7</u>
TOTAL	<u>2 500,0</u>

After providing for these reductions (R139 million and R2,5 billion), the amount available to departments and regional governments was therefore R122,187 billion.

4.1.2 Structural adjustments

Certain structural changes in the printed Estimate of Expenditure were made to facilitate the phasing out of the former regional structures. With regard to the expenditure to be voted from the National Revenue Account for 1994/95, these structural changes are, when compared to expenditure voted from the previous State Revenue Account (cf. par. 5.1.1 and table 6.1), as follows:

- Income tax and value added tax payments of R1,655 billion and R1,122 billion, respectively, to the former TBVC states and self-governing territories, previously treated as direct liabilities against Inland Revenue's collections, are now shown as part of central government's revenue, and corresponding transfers are allocated to these regional authorities in the Estimate of Expenditure.
- Likewise, since revenue diversions to the former TBVC states in terms of the Customs Union Agreement, previously treated as direct liabilities against Customs & Excise collections, have been terminated, revenue to the amount of R2,538 billion is now shown as part of central government's revenue, and corresponding transfers are allocated to the former TBVC states in the Estimate of Expenditure.
- Allocations to the former TBVC states from the fuel levy and the ordinary levy of R343,9 million and R5,5 million, respectively, previously treated as Part II revenue (and therefore not affecting central government revenue collections at all), are now treated as Part I revenue (i.e. central government revenue), while the corresponding transfers are allocated to the former TBVC states in the Estimate of Expenditure.

- Up to and including 1993/94, and also during the planning stage of the 1994/95 Budget, the former TBVC states made use of loans in order to finance their budget deficits. This method of financing has also fallen away with the commencement of the 1993 Constitution. As a result, the un-financed budget deficits¹ of three of the former TBVC states - Bophuthatswana did not make use of overdraft facilities - for 1994/95 become the responsibility of the Government of National Unity and the expenditure level of the National Revenue Account has thus been increased by R2,136 billion. This structural adjustment results in the budget deficit on the National Revenue Account being increased by the same amount. Provision has already been made on the expenditure budgets of the former Transkei, Venda and Ciskei for servicing their loans and the total servicing cost of state debt, therefore, does not increase.

The amount allocable to departments and regional governments of R122,187 billion therefore is increased by these structural changes, totalling R7,801 billion, to R129,987 billion².

4.1.3 Cost of the transition process

In planning the Estimate of Expenditure for 1994/95, provision was made as far as possible for the foreseeable costs associated with the transition process. As this process developed, however, further costs were incurred. Details are set out in table 4.2.

It is proposed that an additional R2,456 billion be voted in respect of the transition costs, the financing of which is dealt with in par. 5.2.1.1. Included in these transition costs is a further amount of R97,2 million for provincial advances which will be voted in the Adjustments Budget, together with the R139 million already foreseen in the original expenditure level (cf. par. 4.1.1). The Department of State Expenditure will arrange bilateral meetings with the provincial governments to finalise these allocations. The printed Estimate of Expenditure for 1994/95 (R.P.2, First Print) thus amounts to R132,347 billion.

TABLE 4.2

TRANSITION COSTS: 1993/94 AND 1994/95

	1993/94	1994/95		Total
	Voted	Allo- cated	Addi- tional	
	Rm	Rm	Rm	Rm
Independent Elec- toral Commission	119,0	128,5	700,8	948,3
Independent Broad- casting Authority	-	-	24,0	24,0
Net cost of incor- porating Umkhonto we Sizwe and the defence forces of the former TBVC states	-	688,2	798,0	1486,2
Assembly points for Umkhonto we Sizwe members	-	-	223,1	223,1
Inauguration of the President	-	-	18,0	18,0
Provision of allow- ances for members of service depart- ments during election	-	-	526,0	526,0
National Peace Keeping Force	129,3	-	255,2	384,5
Transitional Executive Council	7,5	8,4	-	15,9
Peace Secretariat	20,0	34,1	-	54,1
National Peace Accord	10,0	20,0	-	30,0
Parliament	-	66,0	-	66,0
Advances to provin- cial governments	-	139,0	97,2	236,2
	285,8	1084,2	2642,3	4012,3
Less:				
Incidental savings	-	-	186,0	186,0
TOTAL	285,8	1084,2	2456,3	3826,3

4.1.4 Supplementary budget proposals

In his opening address to Parliament on 24 May 1994, the President announced that R2,5 billion will be made available through departmental savings during the 1994/95 financial year for the establishment of a Reconstruction and Development Programme. These funds will be voted on the Department of Finance's vote and will be channeled through the RDP Fund, to be established, to the various government agencies in respect of approved programmes or projects (cf. par. 2.2.2).

Section 198 of the 1993 Constitution provides for the establishment of a Financial and Fiscal Commission. An additional amount of R4,2 million has been set aside for this purpose.

These supplementary budget proposals of R2,504 billion will be taken up in the second print of the Estimate of Expenditure (R.P.2 and 4, Second Print).

4.1.5 Total estimated expenditure:
National Revenue Account

When the supplementary budget proposals of R2,504 billion and the advances to the new provinces of R236,2 million are added to the total of R132,347 billion, the total estimated expenditure from the National Revenue Account is R135,087 billion. This represents an increase of 10,2 per cent on the *comparable* figure for 1993/94 (table 4.3).

4.2 REMARKS ON CERTAIN
EXPENDITURE VOTES:
PRINTED ESTIMATE OF
EXPENDITURE

4.2.1 Education

An aggregate of R29,2 billion has been provided for education in 1994/95, including R4,0 billion on the education votes of the former TBVC states. This is an increase of some 11,5 per cent on the corresponding amount for 1993/94. Education continues to be a high priority of the Government, and the budgeted allocations include provision for continuing expansion of the college and school sector. Furthermore, the funding of universities and technikons is now on the same basis.

TABLE 4.3

TOTAL ESTIMATED EXPENDITURE: 1994/95

	Rm	Rm
Initial expenditure level		124 825,6
Less:		
Advances to new provinces provided for in this expenditure level	139,0	
Departmental savings for RDP	<u>2 500,0</u>	<u>2 639,0</u>
		122 186,6
Plus: Structural changes:		
Former revenue diversions	5 664,8	
Loan finance to former TVC states	<u>2 136,0</u>	7 800,8
Unforeseen costs in transitional process		<u>2 456,3</u>
		132 443,7
Less: Further advances to provinces to be voted in Adjustments Estimate		97,2
Printed Estimate of Expenditure, R.P.2 (White Book)		132 346,5
Plus: Supplementary budget proposals:		
RDP Fund	2 500,0	
Financial and Fiscal Commission	<u>4,2</u>	2 504,2
Printed Estimate of Expenditure, R.P.2 (Blue Book)		134 850,7
Plus: Provision for advances to provincial governments to be included in the Adjustments Estimate		<u>236,2</u>
Total estimated expenditure: National Revenue Account		<u>135 086,9</u>

4.2.2 Health

A total amount of about R14,0 billion, including provision on TBVC budgets, has been allocated to health services in the 1994/95 financial year, which is an increase of some 7 per cent on the corresponding 1993/94 allocation. Provision for

primary health care services in 1994/95 has increased substantially to some 25 per cent of the total health budget, and was accommodated by restricting growth in secondary and tertiary health care.

Progress has been made in implementing the primary health care approach in many regions of the country. The Department of National Health undertakes primary health care projects in conjunction with local communities, thereby contributing also to job creation, skills development and local capacity building.

4.2.3 Welfare

4.2.3.1 Social grants

An allocation was made in 1993/94 to eliminate racial disparities in amounts payable in respect of social pensions and other social grants with effect from 1 September 1993.

In the 1994/95 financial year an amount of R417,6 million will be made available for a *general* increase in respect of social grants and for accommodating persons on existing waiting lists. Further details will be made available by the Minister for Welfare and Population Development.

4.2.3.2 Increase in civil and military pensions

In order to compensate civil and military pensioners for the rising cost of living, the following has been decided:

In respect of civil pensions:

- (a) the pensions of all civil pensioners whose last working day was on or before 30 June 1993 (i.e. those who retired on or before 1 July 1993) will be increased by 5 per cent with effect from 1 April 1994;
- (b) the pensions of those who retired after 1 July 1993 but before 1 April 1994 will be increased with effect from 1 April 1994 by 0,56 per cent for each completed month since retirement;
- (c) those pensions which have increased since retirement by a percentage less than 70 per cent of the increase in the consumer price index over the same period, i.e. after taking

into account the increase mentioned in (a) above, will be further increased to that level:

In respect of military pensions:

- (d) pensions be raised with effect from 1 April 1994 by 5,6 percent, in keeping with average salary increases in the civil service.

4.2.3.3 Bill on Special Pensions

The Department of Finance is in the process of drafting a bill in terms of Section 189 of the 1993 Constitution, for the payment of special pensions to those persons who made sacrifices or who served the national interest in the establishment of a democratic constitutional dispensation.

4.2.4 Housing

An amount of R2,2 billion is provided in the 1994/95 financial year for housing and related infrastructure (excluding housing-related expenditures in the budgeted allocations to former TBVC authorities). This amount is an increase of 15,6 per cent above the voted amount for 1993/94.

Considerable progress has been made in the design of a government subsidy instrument for the promotion of low-income housing development, which will in due course replace various existing schemes. The envisaged subsidy package will inject substantial government spending into home building, and will at the same time enable a much larger proportion of households to invest in their own homes with the support of financial institutions. Further incentives to promote the sale of state-financed housing stock through a maximum cash discount of R7 500 have been announced and a framework for resolving outstanding hostel issues is under discussion. Also being investigated are a possible Mortgage Indemnity Insurance Scheme and a wholesale National Housing Bank. Urban development will depend on better co-ordinated local government, an end to payments boycotts, appropriate land use planning and accelerated provision of urban amenities and infrastructure.

The Department of National Housing has over the past 18 months engaged with the National Housing Forum, representative of a wide range of private sector and non-governmental stake-

holders, in developing an agreed and acceptable long term national housing policy and strategy, and a joint initiative to address the housing crisis in the short term is in progress. Of particular importance for the success of housing initiatives will be the extent to which the envisaged subsidy and other measures succeed in mobilising private savings for low-income housing. In view of the enormity of the housing backlogs to be addressed, both formal housing development and informal schemes will continue to be needed in the foreseeable future, and suitably flexible financing mechanisms are envisaged.

4.2.5 Job creation

An additional amount of R45 million will be voted for job creation in the 1994/95 financial year, which, together with the approximately R247 million which will be rolled over by the Department of Manpower from the 1993/94 financial year, will provide an amount of R292 million - excluding possible allocations from the RDP Fund - for job creation in the 1994/95 financial year. Some 450 projects have been approved by the National Economic Forum, representing expenditure of R222 million of this amount. The NEF has also finalised allocations from these funds of over R28 million to non-governmental organisations and development corporations for the Small Business Development Support Programme.

In addition:

- The Department of Manpower has expanded the scheme for the training of unemployed persons to include a new on-the-job training scheme, in an effort to promote permanent employment opportunities for trainees. An amount of R72,8 million has been allocated to this program for the 1994/95 financial year.
- In the 1994/95 financial year an amount of R80,4 million has been allocated to the Small Business Development Corporation (SBDC) and various other approved institutions for the development of small business.
- An amount of R601,4 million has been allocated to the Regional Industrial Development Programme for the 1994/95 financial year.

- An amount of R2,148 billion has been voted for the promotion of exports in the 1994/95 financial year.
- Following an investigation by the National Economic Forum, proposals regarding a National Public Works Programme, to reduce unemployment through the creation of productive jobs, are to be considered, to be funded from the RDP Fund.

4.2.6 Water Affairs

An amount of R468 million has been budgeted by the national Department of Water Affairs and Forestry for the 1994/95 year, which is an increase of 13,9 per cent on the 1993/94 amount. Surveys of water needs in rural communities are to be undertaken, in consultation with the provincial authorities, and mapping of ground water sources has been identified as a priority. Owing to the increasing demand for water in the PWV area, planning studies will be undertaken this year to determine possible projects to supplement existing supply sources. Community forestry projects have also been prioritised to meet, amongst other needs, the demand of rural communities for wood for energy and building purposes.

4.2.7 Protection services

Allocations to National Defence amount to R11,2 billion, including provision on TBVC votes of R550 million, which will be transferred to the National Defence Force vote in the Adjustments Budget. The Defence budget makes provision for the integration of military forces and the establishment of assembly points for this purpose.

Amounts of R129 million and R255 million have been allocated for the National Peace Keeping Force in the 1993/94 and 1994/95 financial years, respectively.

4.2.8 Remuneration of employees

An amount of R2,807 billion has been allocated for improvement of conditions of service for the 1994/95 financial year.

As personnel expenditure represents some 40 per cent of state expenditure, any attempt to control

government expenditure must also focus on restraint in the wage bill and consequently, in employment and remuneration.

It has, nevertheless, been possible to provide a limited amount of R2,281 billion for a *general* improvement of conditions of service, with effect from 1 April 1994. The average salary adjustment has been kept below the inflation rate. Provision is already made on departmental votes for remuneration associated with filling vacant posts, and certain increases in employment associated with initiatives aimed at a more representative civil service.

The remainder of the allocated R2,807 billion is to be utilised for once-off allowances to the various protection services for duties rendered under dangerous conditions during the election period.

4.3 EXPENDITURE FROM CONSOLIDATED REVENUE ACCOUNTS

4.3.1 Total estimated expenditure

According to the 1993 Constitution, all revenues of the national government will be paid into a National Revenue Fund, from which appropriations will be made by Parliament. Revenue to which the new provinces will be entitled in terms of Section 155(2)(a) and (b), comprising fixed percentages of income tax on individuals and value added or other sales tax, collected nationally, will be direct charges against the National Revenue Fund to be credited to the respective Provincial Revenue Funds. The Constitution provides, however, for the continuation of the existing Revenue Accounts of the former provinces, self-governing territories and the TBVC states until financial relations with the new provincial authorities have been established. Shifts of functional responsibilities and provincial financing arrangements will, for the foreseeable future, affect the comparability of annual expenditures from and revenues accruing to the National Revenue Fund and, in due course, the provincial Funds. For analytical purposes, however, a *consolidation* of future Revenue Funds of the new provinces and the national government will correspond with a consolidation of the existing National Revenue Account and the Revenue Accounts of the former provincial administrations, self-governing territories and TBVC states. This consolidation of the expen-

diture and revenue of the national government and the former regional authorities is summarised below.

Total expenditure by the aforementioned former regional authorities is financed from opening balances, own revenue sources as well as transfers from the National Revenue Account. Total expenditure of the *Consolidated Revenue Accounts* therefore comprises the sum of expenditure from the relevant Revenue Accounts *excluding* transfers made from the National Revenue Account to these Revenue Accounts (cf. annexure D).

Total expenditure of the Consolidated Revenue Accounts for the 1994/95 financial year is estimated at R143,680 billion - 9,2 per cent higher than the *comparable* figure for 1993/94 (cf. annexure D).

Tables 4.4 and 4.5 summarise recent trends in the consolidated expenditures of central government, provincial administrations, self-governing territories and the TBVC states, corresponding to the Consolidated Revenue Accounts as described above. Similar consolidated tables were published in the 1993 *Budget Review* and the March 1994 *Fiscal Review*.³

An *economic* classification is presented of revised estimates⁴ for 1992/93 and 1993/94, and budgeted 1994/95 expenditures. A *functional* classification of the budgeted 1994/95 outlays and estimated expenditure for the previous four years is also presented. The budgeted figures for 1994/95 are not strictly comparable with the estimates for previous years, as the amount of R2,5 billion earmarked for a Reconstruction and Development Programme and certain amounts advanced to the new provincial governments cannot yet be classified. "Total expenditure" in 1994/95 below refers to total *classified* expenditure, unless otherwise indicated.

4.3.2 Economic classification of expenditure

Table 4.4 shows an *economic* classification of expenditure in 1992/93, 1993/94 and 1994/95.

Current expenditure outlays on goods and services increase slightly as a share of total expenditure in each of these years, to reach 52,3

per cent in 1994/95. This appears to be attributable to the increase in remuneration of employees, while spending on other goods and services is projected to decline between 1993/94 and 1994/95. The marked increase in remuneration of employees in 1994/95 reflects, *inter alia*, the following: departmental provision for the filling of vacant posts and personnel costs associated with initiatives aimed at a more representative civil service; allowances to members of service departments during the election period; the salaries of forces now incorporated into the South African National Defence Force; and the carry-through effects of upward adjustments in employment and total remuneration in the TBVC and self-governing states during the course of 1993/94 (cf. table 4.4.1).

TABLE 4.4.1

REMUNERATION OF EMPLOYEES: 1993/94 to 1994/95

	1993/94 Rm	1994/95 Rm	% change
Former:			
General and Own Affairs	27 640,0	30 899,6	11,8%
Provincial Administrations	7 034,0	8 024,1	14,1%
Self-governing territories	6 708,5	8 075,4	20,4%
TBVC states	<u>6 351,0</u>	<u>7 764,4</u>	<u>22,3%</u>
Total (cf. table 4.4)	<u>47 733,5</u>	<u>54 763,6</u>	<u>14,7%</u>

Current transfers (including transfers to other general government institutions and funds) declined from 27,7 per cent of total expenditure in 1992/93 to 24,1 per cent in 1993/94 and a budgeted 23,1 per cent in 1994/95. This decline can mainly be attributed to the termination of drought relief payments (reflected in subsidies to private businesses) and reduced transfers to other extra-budgetary accounts and funds. Transfers in 1993/94 and 1994/95 include provision for the Independent Electoral Commission. Current transfers to households (pensions and other social grants) are budgeted to increase to 9,5 per cent of total expenditure in 1994/95.

Non-interest current expenditure, i.e. consumption expenditure and current transfers, is estimated to grow by 6½ per cent.

Expenditure on the acquisition of capital assets, including land and buildings, is budgeted to be 4,8 per cent of total expenditure in 1994/95, i.e. prior to possible RDP-related capital spending.

Interest on government debt (including interest on debt of former TBVC states) will amount to 17,2 per cent of total spending in 1994/95 (including unallocated amounts), or 5,6 per cent of GDP.

4.3.3 Functional classification of expenditure

Table 4.5 shows several shifts in the *functional* composition of expenditure between 1990/91 and 1994/95. The share of social services increased markedly, while general government services and, particularly, protection services and economic services declined in relation to total expenditure.

Defence expenditure has fallen considerably as a share of total expenditure and GDP up to 1993/94, but rises somewhat in 1994/95 due partly to transitional costs.

Expenditure on social services increased at an average annual growth rate of 19,1 per cent between 1990/91 and 1993/94, to 14,3 per cent

of GDP. Increased social security and welfare spending has largely been due to the steady elimination of racial disparities in social grants. A strong upward trend in education spending to 22 per cent of government expenditure in 1994/95, reflects the progress achieved towards universal enrolment in primary schooling, rapid expansion of secondary schooling and steady improvements in the average qualification of teachers. Both pre-tertiary and tertiary education are allocated slightly increased shares of total expenditure in 1994/95.

RDP allocations in 1994/95 and future years may be expected to affect the relative shares of social service sectors.

Total expenditure on economic services rose strongly between 1991/92 and 1992/93, largely accounted for by drought-related outlays on agriculture. A substantial increase in spending on water schemes is reflected in the 1993/94 figures. Reduced agricultural spending and a decline in expenditure on export promotion, following the termination of redemptions of promissory notes under the previous incentive scheme, contribute to a substantial decline in budgeted expenditure on economic services between 1993/94 and 1994/95.

Endnotes:

1. *After concessionary, non-concessionary and own capital funding is taken into account.*
2. *Due to rounding, the figures do not add up.*
3. *In previous Budgets the corresponding figures embraced the following:*
 - *the State Revenue Account;*
 - *the Revenue Accounts of the House of Assembly, the House of Representatives and the House of Delegates;*
 - *the Revenue Accounts of the four provincial administrations;*
 - *the total expenditure of the TBVC states and self-governing territories (i.e. transfers from the State Revenue Account to these authorities, as well as expenditure from their own financing sources); and*
 - *only transfers from the State Revenue Account to off-budget accounts and funds of the central and provincial authorities, universities and technikons (including the four universities in the TBVC states) and local authorities.*
4. *Main Budget plus Additional/Adjustments Budget.*

**TABLE 4.4
ECONOMIC CLASSIFICATION OF EXPENDITURE FROM THE CONSOLIDATED REVENUE ACCOUNTS**

	1992/93 Revised estimate	% of total expenditure	1993/94 Revised estimate	% of total expenditure	% change on 1992/93	1994/95 Budgeted	% of total expenditure	% change on 1993/94
	R'000		R'000			R'000		
A. CURRENT EXPENDITURE:								
1. GOODS AND SERVICES:								
Remuneration of employees	(1) 42 416 559	35,9%	47 733 494	36,3%	12,5%	54 763 553	39,1%	14,7%
Cost of raising loans	500	0,0%	878	0,0%		260	0,0%	
Other	17 672 518	15,0%	19 751 110	15,0%	11,8%	18 504 009 *	13,2%	-6,3%
Subtotal: Goods and services	60 089 577	50,9%	67 485 482	51,4%	12,3%	73 267 822	52,3%	8,6%
2. INTEREST	17 529 796	14,8%	22 150 431	16,9%	26,4%	24 572 951	17,5%	10,9%
3. CURRENT TRANSFERS TO:								
Businesses (subsidies):								
Non-financial public enterprises	2 253 845	1,9%	2 782 075	2,1%		2 882 032	2,1%	
Public financial institutions	256 375	0,2%	262 676	0,2%		96 233	0,1%	
Extra-budgetary accounts and funds	65 531	0,1%	69 405	0,1%		39 306	0,0%	
Private	8 253 116	7,0%	5 505 435	4,2%		4 109 277	2,9%	
Households	(2) 10 677 134	9,0%	11 359 766	8,6%		13 331 081	9,5%	
Foreign countries	169 787	0,1%	146 511	0,1%		111 844	0,1%	
International credit institutions	16 746	0,0%	191 918	0,1%		29 189	0,0%	
Subtotal: Current transfers	21 692 534	18,4%	20 317 786	15,5%	-6,3%	20 598 962	14,7%	1,4%
4. CURRENT TRANSFERS TO OTHER GENERAL GOVERNMENT INSTITUTIONS AND FUNDS:	(3)							
Extra-budgetary accounts and funds:								
Social security funds	55 313	0,0%	53 421	0,0%		23 113	0,0%	
Universities and Technicons	2 616 937	2,2%	3 117 704	2,4%		3 386 150	2,4%	
Other	5 992 529	5,1%	5 401 734	4,1%		5 555 730	4,0%	
Local authorities	2 348 987	2,0%	2 626 049	2,0%		2 579 534 *	1,8%	
Unallocable	247	0,0%	107 867	0,1%		186 791	0,1%	
Subtotal: Current transfers to other general government institutions and funds	11 014 013	9,3%	11 306 775	8,6%	2,7%	11 731 318	8,4%	3,8%
TOTAL: CURRENT EXPENDITURE	110 325 920	93,4%	121 260 474	92,3%	9,9%	130 171 053	92,9%	7,3%

ECONOMIC CLASSIFICATION OF EXPENDITURE FROM THE CONSOLIDATED REVENUE ACCOUNTS

	1992/93 Revised estimate	% of total expenditure	1993/94 Revised estimate	% of total expenditure	% change on 1992/93	1994/95 Budgeted	% of total expenditure	% change on 1993/94
	R'000		R'000			R'000		
B. CAPITAL EXPENDITURE:								
1. ACQUISITION OF FIXED CAPITAL ASSETS, STOCK, LAND AND OTHER INTANGIBLE ASSETS	5 155 166	4,4%	6 843 058	5,2%	32,7%	6 686 605 *	4,8%	-2,3%
2. CAPITAL TRANSFERS TO:								
Businesses:								
Non-financial public enterprises	186 789	0,2%	193 486	0,1%		219 897	0,2%	
Public financial institutions	60 455	0,1%	58 698	0,0%				
Extra-budgetary accounts and funds	16 928	0,0%	16 885	0,0%		63 977	0,0%	
Private	32 440	0,0%	21 428	0,0%		41 147	0,0%	
Households	56 234	0,0%	149 084	0,1%		170 143	0,1%	
International credit institutions	(4) 1	0,0%	400 000	0,3%		10 846	0,0%	
Subtotal: Capital transfers	352 847	0,3%	839 581	0,6%	137,9%	506 010	0,4%	-39,7%
3. PURCHASES OF SHARES IN AND LOANS TO:								
Businesses:								
Non-financial public enterprises	268 831	0,2%	258 939	0,2%		116 075	0,1%	
Public financial institutions	2 831	0,0%	10 734	0,0%		211 936	0,2%	
Extra-budgetary accounts and funds			1	0,0%				
Private	621	0,0%	480	0,0%		496	0,0%	
Households	61 233	0,1%	54 788	0,0%		98 812	0,1%	
International credit institutions	1	0,0%	7 600	0,0%		8 614	0,0%	
Subtotal: Purchases of shares in and loans to	333 517	0,3%	332 542	0,3%	-0,3%	435 933	0,3%	31,1%
4. CAPITAL TRANSFERS AND LOANS TO OTHER GENERAL GOVERNMENT INSTITUTIONS & FUNDS								
Extra-budgetary accounts and -funds:								
Universities en Technikon	96 023	0,1%	129 972	0,1%		126 199	0,1%	
Other	1 705 106	1,4%	1 852 893	1,4%		1 969 343	1,4%	
Local authorities	128 299	0,1%	151 881	0,1%		205 624	0,1%	
Subtotal: Capital transfers and loans to other general government institutions and funds	1 929 428	1,6%	2 134 746	1,6%	10,6%	2 301 166	1,6%	7,8%
TOTAL: CAPITAL EXPENDITURE	7 770 958	6,6%	10 149 927	7,7%	30,6%	9 929 714	7,1%	-2,2%

ECONOMIC CLASSIFICATION OF EXPENDITURE FROM THE CONSOLIDATED REVENUE ACCOUNTS

	1992/93 Revised estimate	% of total expenditure	1993/94 Revised estimate	% of total expenditure	% change on 1992/93	1994/95 Budgeted	% of total expenditure	% change on 1993/94
	R'000		R'000			R'000		
TOTAL ESTIMATED EXPENDITURE	118 096 878	100,0%	131 410 401	100,0%	11,3%	140 100 767	100,0%	6,6%
RECONCILIATION WITH 1994/95 BUDGETED FIGURES (par. 4.3.1 en bylae D):								
Items that cannot be classified at this stage:								
Expenditure from Reconstruction and Development Fund						2 500 000		
Advances to new provincial governments						236 163		
Adjustment to show expenditure of non-financial public enterprises on a gross basis (5)						345 238		
						143 182 168		

This table was compiled by the Central Statistical Service. Figures for 1992/93 and 1993/94 are in respect of the Main Budget plus Additional/Adjustment Budget. For this reason, the totals will differ from those in annexure D, which are updated.

- * Some of the figures that are most likely to be adjusted upwards with the allocation of money from the RDP Fund.
- (1) The 1994/95 figure for remuneration of employees includes, inter alia:
 - allowances for members of service departments during the election;
 - salaries of forces now incorporated in the South African National Defence Force; and
 - departmental provision for the filling of vacant posts and personnel costs associated with initiatives aimed at a more representative civil service.
- (2) Mainly social pensions.
- (3) Expenditures under this item have not been consolidated (i.e. only transfers from these entities are shown).
- (4) Payment of R410 million to Development Bank of Southern Africa.
- (5) This adjustment is to balance with the expenditure figures for the National Revenue Fund (par. 4.3.1 and annexure D). The difference between expenditure and revenue of non-financial public enterprises are shown as subsidies (i.e. current transfers). However, in the calculations of the expenditures for the Consolidated Revenue Accounts (par. 4.3.1 and annexure D) the total expenditure of these entities are included (with their own revenue collections in the Estimates of Revenue) to correspond with the Printed Estimates.

TABLE 4.5
FUNCTIONAL CLASSIFICATION OF EXPENDITURE FROM THE CONSOLIDATED REVENUE ACCOUNTS

	R million	1990/91 % of total	% of GDP	R million	1991/92 % of total	% of GDP	R million	1992/93 % of total	% of GDP	R million	1993/94 % of total	% of GDP	R million	1994/95 % of total	% of GDP	Average growth rate: 1990/91 to 1994/95
1. GENERAL GOVERNMENT SERVICES AND UNALLOCABLE EXPENDITURE:	6 925	8,4%	2,4%	8 625	8,9%	2,7%	9 052	7,7%	2,6%	9 804	7,5%	2,5%	10 672	7,6%	2,4%	11,4%
Foreign affairs	677	0,8%	0,2%	907	0,9%	0,3%	1 283	1,1%	0,4%	1 255	1,0%	0,3%	1 142	0,8%	0,3%	14,0%
General research	389	0,5%	0,1%	346	0,4%	0,1%	409	0,3%	0,1%	482	0,4%	0,1%	475	0,3%	0,1%	5,1%
Other (1)	5 860	7,1%	2,1%	7 372	7,6%	2,3%	7 359	6,2%	2,1%	8 067	6,1%	2,0%	9 056	6,5%	2,0%	11,5%
2. PROTECTION SERVICES:	18 084	21,8%	6,4%	19 229	19,9%	6,0%	21 165	17,9%	6,1%	23 076	17,6%	5,8%	25 385	18,1%	5,7%	8,8%
Defence	11 330	13,7%	4,0%	10 488	10,8%	3,3%	10 803	9,1%	3,1%	10 683	8,1%	2,7%	12 124	8,7%	2,7%	1,7%
Police	4 632	5,6%	1,6%	6 222	6,4%	1,9%	7 357	6,2%	2,1%	8 853	6,7%	2,2%	9 430	6,7%	2,1%	19,4%
Prisons	1 382	1,7%	0,5%	1 699	1,8%	0,5%	1 801	1,5%	0,5%	2 091	1,6%	0,5%	2 396	1,7%	0,5%	14,7%
Law courts	740	0,9%	0,3%	820	0,8%	0,3%	1 205	1,0%	0,3%	1 449	1,1%	0,4%	1 435	1,0%	0,3%	18,0%
3. SOCIAL SERVICES:	34 280	41,3%	12,1%	41 841	43,2%	13,1%	51 759	43,8%	14,8%	57 983	44,1%	14,7%	63 094	45,0%	14,3%	16,5%
Education:	17 358	20,9%	6,1%	19 929	20,6%	6,2%	24 393	20,7%	7,0%	27 761	21,1%	7,0%	30 850	22,0%	7,0%	15,5%
Pre-primary, primary & secondary	14 863	17,9%	5,2%	17 093	17,7%	5,3%	21 018	17,8%	6,0%	23 794	18,1%	6,0%	26 520	18,9%	6,0%	15,6%
Tertiary	2 495	3,0%	0,9%	2 836	2,9%	0,9%	3 375	2,9%	1,0%	3 967	3,0%	1,0%	4 330	3,1%	1,0%	14,8%
Health	8 390	10,1%	3,0%	10 630	11,0%	3,3%	12 709	10,8%	3,6%	13 969	10,6%	3,5%	14 299	10,2%	3,2%	14,3%
Social security and welfare	5 759	6,9%	2,0%	7 431	7,7%	2,3%	10 031	8,5%	2,9%	10 794	8,2%	2,7%	13 015	9,3%	2,9%	22,6%
Housing and related services	1 235	1,5%	0,4%	1 555	1,6%	0,5%	1 258	1,1%	0,4%	1 571	1,2%	0,4%	1 797	1,3%	0,4%	9,8%
Recreation and culture	379	0,5%	0,1%	386	0,4%	0,1%	526	0,4%	0,2%	606	0,5%	0,2%	639	0,5%	0,1%	14,0%
Other (2)	1 158	1,4%	0,4%	1 910	2,0%	0,6%	2 843	2,4%	0,8%	3 283	2,5%	0,8%	2 493	1,8%	0,6%	21,1%
4. ECONOMIC SERVICES:	11 290	13,8%	4,0%	12 530	12,9%	3,9%	18 419	15,6%	5,3%	18 259	13,9%	4,6%	18 367	11,7%	3,7%	9,7%
Water schemes and related services	680	0,8%	0,2%	900	0,9%	0,3%	852	0,7%	0,2%	1 321	1,0%	0,3%	936	0,7%	0,2%	8,3%
Fuel and energy	204	0,2%	0,1%	216	0,2%	0,1%	300	0,3%	0,1%	313	0,2%	0,1%	432	0,3%	0,1%	20,6%
Agriculture, forestry and fishing:	1 947	2,3%	0,7%	2 392	2,5%	0,7%	6 059	5,1%	1,7%	3 719	2,8%	0,9%	3 322	2,4%	0,8%	14,3%
Agricultural subsidies	160	0,2%	0,1%													
Other	1 787	2,2%	0,6%	2 392	2,5%	0,7%	6 059	5,1%	1,7%	3 719	2,8%	0,9%	3 322	2,4%	0,8%	16,8%
Mining	401	0,5%	0,1%	192	0,2%	0,1%	195	0,2%	0,1%	197	0,1%	0,0%	214	0,2%	0,0%	-14,5%
Manufacturing	857	1,0%	0,3%	877	0,9%	0,3%	739	0,6%	0,2%	810	0,6%	0,2%	744	0,5%	0,2%	-3,5%
Regional development	944	1,1%	0,3%	968	1,0%	0,3%	937	0,8%	0,3%	856	0,7%	0,2%	711	0,5%	0,2%	-6,8%
Transport and communication	4 033	4,9%	1,4%	4 402	4,5%	1,4%	5 628	4,8%	1,6%	6 601	5,0%	1,7%	6 526	4,7%	1,5%	12,8%
Other economic services:	2 223	2,7%	0,8%	2 585	2,7%	0,8%	3 708	3,1%	1,1%	4 442	3,4%	1,1%	3 482	2,5%	0,8%	11,9%
Export trade promotion	931	1,1%	0,3%	1 623	1,7%	0,5%	2 684	2,3%	0,8%	2 528	1,9%	0,6%	2 179	1,6%	0,5%	23,7%
Development Bank of Southern Africa	300	0,4%	0,1%				9	0,0%	0,0%							
Other (3)	992	1,2%	0,3%	962	1,0%	0,3%	1 015	0,9%	0,3%	1 915	1,5%	0,5%	1 304	0,9%	0,3%	7,1%
5. INTEREST	12 264	14,8%	4,3%	14 460	14,9%	4,5%	17 530	14,8%	5,0%	22 150	16,9%	5,8%	24 573	17,5%	5,8%	19,0%
6. GOVERNMENT ENTERPRISES	90	0,1%	0,0%	118	0,1%	0,0%	172	0,1%	0,0%	139	0,1%	0,0%	9	0,0%	0,0%	-44,0%
TOTAL ESTIMATED EXPENDITURE	82 933	100,0%	29,2%	96 803	100,0%	30,2%	118 097	100,0%	33,8%	131 410	100,0%	33,3%	140 101	100,0%	31,7%	14,0%
Plus: Expenditure not yet classified and adjustment (4)													3 081			
Total consolidated expenditure (per. 4.3.1 and annexure D)													143 182		32,4%	14,6%

Note: Figures for 1990/91 to 1993/94 are in respect of the Main Budget plus Additional/Adjustment Budget. Estimated savings and carry over of unspent funds are not provided for, since detail are not available.

(1) Mainly general administration, cost of raising loans and unallocable capital expenditure.

(2) Sewerage, sanitation, community development and other community services.

(3) Including tourism, labour and multi-purpose projects.

(4) Expenditure that cannot be classified at this stage, are those envisaged from the RDP Fund (R2,5 billion) and the provincial advances (R236,2 million). The adjustment is described in footnote (5), table 4.4.

* Figure that are most likely to be affected by the functional allocation of money from the RDP Fund.

CHAPTER 5

ESTIMATE OF REVENUE: 1994/95

5.1 PRINTED ESTIMATE OF REVENUE: NATIONAL REVENUE ACCOUNT

5.1.1 General remarks

In previous Budgets of the central government, revenue estimates were in respect of those revenue sources that accrued to the State Revenue Account (cf. chapter 4). The incorporation of the TBVC states and self-governing territories, as well as the transition to new provincial governments, require certain adjustments to the presentation of revenue figures in the Estimate of Revenue (R.P.3) for 1994/95. In the Estimate of Revenue to be received in the newly created *National Revenue Account* (which replaces the State Revenue Account):

- income tax and VAT payments to the former TBVC states and self-governing territories are now reflected as part of central government's revenue;
- likewise, since revenue diversions to the former TBVC states in terms of the Customs Union Agreement have been terminated, such revenue is now shown as part of central government's revenue; and
- allocations from the fuel levy and the ordinary levy to the former TBVC states are now treated as Part I revenue.

These changes will increase central government revenue (i.e. revenue that accrues to the National Revenue Account) and the corresponding transfers will be voted in the Estimate of Expenditure (cf. chapter 4). *For these reasons the revenue figures that are discussed in this chapter (and the expenditure figures in chapter 4) are not directly comparable to those in chapter 3, which are presented on the basis of the old constitutional dispensation and refer to the former State Revenue Account.*

Although the four former provincial administrations, self-governing territories and TBVC states were replaced by new provincial governments in terms of the 1993 Constitution, the Revenue Accounts of the former regions are to be kept open as a transitional measure. Own revenue

collections, transfers from the National Revenue Account to the former regions and capital funding¹, are paid into these Revenue Accounts to finance their expenditures (cf. chapter 4), together with opening balances.

**TABLE 5.1
COMPARISON BETWEEN 1993/94 AND
1994/95* REVENUE**

	1993/94 Outcome	1994/95 Budget: (First Print*)	% growth
	Rbn	Rbn	
<u>NATIONAL REVENUE ACCOUNT:</u>			
Taxes on income & profits	48,511	54,553	12,5
Taxes on property	1,501	1,660	10,6
Domestic taxes on goods & services	38,042	42,113	10,7
Taxes on interna- tional trade	5,256	5,991	14,0
Other taxes	<u>0,838</u>	<u>0,926</u>	<u>10,5</u>
Subtotal	94,148	105,243	11,8
Less:			
Customs Union Agreement (BLNS)	<u>3,089</u>	<u>3,250</u>	<u>5,2</u>
Total tax revenue.....(1)	91,059	101,993	12,0
Non-tax revenue.....(2)	<u>2,507</u>	<u>2,113</u>	<u>-15,7</u>
Total current revenue	93,566	104,106	11,3
Other income	<u>0,190</u>	<u>0,186</u>	<u>-2,1</u>
Total ordinary revenue.....(3)	93,756	104,292	11,2
Sales of stocks	<u>1,406</u>	<u>-</u>	<u>-</u>
Total revenue: National Revenue Account.....(4)	<u>95,162</u>	<u>104,292</u>	<u>9,6</u>

* *Projected at existing tax rates and brackets.*

A summary of revenue estimates for 1994/95 for the National Revenue Account appears in table 5.1, with greater detail in annexure C. For purposes of comparison revenue collections prior to the 1994/95 financial year are also shown on the new basis. Table 1 (annexure C) shows revenue collections according to the traditional classification method (per collector), while table 2 of the same annexure, shows a classification by revenue type according to the IMF's Manual on Government Finance Statistics (GFS). The discussion of the 1994/95 projections for the National Revenue Account is based on the latter.

5.1.2 Ordinary revenue: National Revenue Account (line (3) in table 5.1)

Overall economic conditions for 1994/95 are projected to be more favourable than in the past few years, with inflation likely to be lower. The increase in government revenue is, however, expected to be smaller than in the past, as a result of the lower inflationary environment.

On the basis of the existing tax rates and brackets, the 1994/95 Estimate of Revenue (R.P.3, First Print) allows for an increase of 11,2 per cent on the *comparable* 1993/94 ordinary revenue collections (i.e. tax and non-tax revenue plus other income²) to R104,292 billion (annexure C, tables 1 and 2). This represents 23,6 per cent of the revised GDP (inclusive of the estimated *total* informal sector) - more or less the same as the *comparable* figure in 1993/94.

According to the classification per collector (annexure C, table 1), Inland Revenue's ordinary revenue collections are projected to increase by 12,3 per cent to R88,469 billion³. This includes the increase in personal income tax as a result of fiscal drag, a factor which also declined because of lower inflation levels. Customs and Excise collections are expected to be R15,823 billion, which is 5,6 per cent higher than the *comparable* 1993/94 figure. This low rate of increase is largely because the First Print of Revenue Estimates does not allow for increases in *specific* excise duties.

The following two sections deal with tax and non-tax revenue, respectively, in table 5.1.

5.1.3 Total tax revenue: National Revenue Account (line (1) in table 5.1)

It is estimated that total tax revenue (net of payments to Botswana, Lesotho, Namibia and Swaziland in terms of the Customs Union Agreement) will increase by 12 per cent to R101,993 billion.

5.1.3.1 Taxes on income and profits

After taking into account an estimated *average* increase of about 9 per cent in salaries and wages and a prospective small improvement in employment for the economy as a whole, as well as refunds of Standard Income Tax on Employees (SITE)⁴, personal income tax collections are expected to be R40,7 billion, or 14,3 per cent higher than in 1993/94.

Income tax from gold and diamond mining companies is expected to be more or less the same as in 1993/94 after allowing for a late payment by gold mining companies in respect of the 1993/94 financial year and allowing for the fact that no third provisional payment by diamond companies was received in 1993/94.

Due to an expected improvement in the international commodity market, as well as better control over production costs of mines, it is projected that income tax from other mines will yield R500 million in 1994/95.

Although improved economic conditions are foreseen, lags in the method of corporate income tax payments as well as tax revenue foregone as a result of Section 37E tax allowances, will result in an increased income tax from non-mining companies by only 5 per cent to R10,780 billion. It is further estimated that revenue from the Secondary Tax on Companies (STC) will yield R930 million in 1994/95.

5.1.3.2 Taxes on property

At national level this category of taxes comprises, *inter alia*, transfer duties, estate duties and marketable securities tax.

The envisaged improvement in economic conditions during 1994/95 is expected to filter through to the real estate and financial markets. Due to improvements in these sectors of the economy, it is projected that total taxes on property will increase by some 10½ per cent to R1,660 billion.

5.1.3.3 Domestic taxes on goods and services

In total, collections from domestic taxes on goods and services are expected to grow by 10,7 per cent to R42,113 billion in 1994/95.

- Collections from VAT, the most important tax on goods and services, are projected to increase by 15,3 per cent to R28,6 billion. This growth exaggerates the increase which the VAT rate of 14 per cent will provide for a full financial year, the reason being that in April and part of May 1993, VAT collections were still at a rate of 10 per cent. Had the higher rate been in force for the full 1993/94 financial year, collections would have increased by about 9 per cent.
- Since most excise duties are levied at *specific* (rather than *ad valorem*) rates it is expected that total revenue from excise duties will only increase by just over 2 per cent. The high projected increase in excise duties on chemical products is due to an increase in the duty during January 1994.
- Revenue collected from the fuel levy, which is also a *specific* duty, is expected to increase to R8,045 billion due to the envisaged growth in fuel consumption. This figure also includes allocations from the fuel levy to the former TBVC states, previously treated as Part II revenue and thus not reflected in central government's revenue collections.

5.1.3.4 Taxes on international trade

It is projected that the value of imported goods subject to customs duties will increase on average by some 14 per cent. Based on this projection, it is estimated that collections from customs duties will be R3,885 billion in 1994/95. However, due to the envisaged economic upswing, a slightly higher-than-average increase is

foreseen in the imports of capital and intermediate goods, as well as luxury goods. As a result, it is estimated that collections from the import surcharge will increase to R2 billion - some 14,5 per cent higher than in 1993/94.

5.1.4 Total non-tax and other revenue: National Revenue Account (line (2) in table 5.1)

It is estimated that total non-tax revenue collections will be R2,113 billion in 1994/95 - some 16 per cent less than in the previous financial year. This can mainly be ascribed to a decline in entrepreneurial and property income due to lower Reserve Bank profits (following the introduction of the Government's Tax and Loan Accounts with clearing banks - cf. par. 2.5.3 and table 2, annexure C). Lower collections resulting from the phasing out of mining leases and less interest earned on Exchequer deposits at clearing banks, also contribute to this decline. Revenue from administrative fees and charges as well as non-industrial and incidental sales, is expected to be about the same as last year. Revenue collected by the former Own Affairs Administrations is included in "other non-tax revenue".

Recoveries of loans and advances and sales of fixed capital assets, which are not regarded as current revenue according to the GFS classification method, are projected to yield R186 million.

5.1.5 Premium on consolidation of government stock

Apart from ordinary revenue collections of R104,292 billion provided for in the Printed Estimate of Revenue (R.P.3), it is also estimated that a premium of R200 million will be earned during 1994/95 in a continuous process of consolidation of government stock. Although this is, by law, paid into the National Revenue Account via Inland Revenue, and thus also is included in the Printed Estimate, it is regarded as *financing (and not revenue) for purposes of analysis*. This is consistent with the way in which discount on the sale of government stock is treated.

5.2 TOTAL CONSOLIDATED REVENUE

Apart from the projected total revenue collections of R104,292 billion (line (4) in table 5.1) to be

received in the National Revenue Account, own revenue collections of the former self-governing territories, TBVC states and Provincial Administrations are estimated at R7,172 billion (cf. annexure D). This brings the total consolidated revenue for 1994/95 to R111,484 billion - an increase of 9,5 per cent on the *comparable* figure for 1993/94.

5.3 TAX PROPOSALS

5.3.1 Taxes on income and profits

5.3.1.1 Transition levy

To cover transition costs (cf. par. 4.1.3), a temporary levy of 5 per cent of taxable income, exceeding certain levels, is proposed. To promote transparency, the transition levy will be shown separately on the final tax assessment form. This will be levied as follows:

Transition levy on persons other than companies

The levy will be imposed for this category of taxpayers taking into account whether the taxpayer is classified as a married woman or not.

In the case of individuals other than married women, the levy will be imposed at a rate of 3,33 per cent of taxable income exceeding R50 000. With regard to married women, the levy will be imposed at the same rate, but on taxable income exceeding R175 000. The levy will apply to 1995 taxable income determined in respect of years of assessment ending on 28 February 1995 or 30 June 1995 (as the case may be).

Revised PAYE tables will be issued to ensure that the levy is collected over the remaining period of the tax year from those taxpayers who are in receipt of remuneration only. In the case of taxpayers liable for provisional tax, the levy must be taken into consideration when making provisional tax payments. The relevant tables will be suitably adjusted to achieve this end.

Steps will be taken to ensure that the 1,67 per cent based on the taxable income of the 1996 year of assessment will be collected, as far as possible, before 31 August 1995.

Taxpayers of the former TBVC states will also be liable for the levy on the equivalent of "taxable

income" as defined in the legislation applicable to such states. Where the state in question does not have a separately rate of tax for married women, the levy will be imposed on the same basis as for persons other than married women, excluding companies.

It is estimated that the levy on persons other than companies will yield R1,460 billion for the 1994/95 financial year and some R800 million in the 1995/96 financial year.

Transition levy (both on mining and non-mining companies)

In respect of companies the levy will be imposed on taxable income, before the off-setting of any assessed loss brought forward from previous years under the provisions of section 20 of the Income Tax Act, at the rate of 5% of the amount by which the taxable income so determined exceeds R50 000. It will apply to taxable income as determined above in respect of years of assessment ending during the 12 month period up to 31 March 1995. Companies of the former TBVC states will also be liable for the levy on the equivalent of "taxable income", before the deduction of assessed losses incurred during prior years, as defined in the legislation applicable to these states. Companies who had been granted tax-free status in terms of laws of the former Ciskei, will also be subject to the levy.

The levy must be taken into consideration in the calculation of each provisional tax payment.

It is estimated that the levy on companies will yield R1,116 billion for the 1994/95 financial year. Of this amount non-mining companies will contribute R1,050 billion.

5.3.1.2 Tax on companies other than gold mining companies

In the 1993 Budget Speech a dual tax system on companies was introduced. In order further to encourage investment and to effect greater similarity between the South African and international corporate tax rates, it is proposed that:

- the company tax rate be reduced to 35 per cent for years of assessment ending on or after 1 April 1994; and

- the rate of Secondary Tax on Companies (STC) be increased to 25 per cent in respect of dividends declared on or after 22 June 1994.

The reduction in the corporate tax rate will result in an estimated total revenue loss to the Exchequer of R1,115 billion for 1994/95, while the increase in the STC rate will yield an estimated additional R510 million.

5.3.1.3 Tax rate on gold mining companies

At this stage, all gold mining companies have opted not to be assessed according to the dual tax rate system.

As a result of the reduction in the rate of tax for companies, it is proposed that a corresponding adjustment be made to the relevant tax formula applicable to gold mines.

The new formula, being $y = 43 - [215 + x]$, (y = tax rate; x = profit ratio) will apply to gold mining companies with a year of assessment ending on or after 1 April 1994. The new formula will, however, only apply to a company not exempt from STC.

Withdrawal of income tax exemption in respect of the General Export Incentive Scheme (GEIS)

Notice is given of the intention to withdraw, with effect from 1 March 1995, the exemption from normal tax provided for in section 10(1)(zA) of the Income Tax Act in respect of assistance granted in terms of GEIS. Amounts accruing to a taxpayer on or after that date will therefore not qualify for the above-mentioned exemption.

The exemption will still apply to certain other schemes provided for in this section. The provisions will, however, be amended to put it beyond any doubt that the remaining provisions of the section will only apply to schemes which are approved by the relevant Ministers.

This step will not yield any revenue to the Exchequer for the 1994/95 financial year.

5.3.1.4 Harmonisation of Taxes

Section 229 of the 1993 Constitution provides that all laws which were in force immediately prior to the commencement of the Constitution, remain in force in the area to which they formerly applied, subject to any repeal or amendment thereof by a competent authority. This means that the tax laws which were in force in the former Republics of Transkei, Bophuthatswana, Venda and Ciskei will, for the time being, continue to apply in each of those areas.

The harmonisation of the tax systems of South Africa and the former TBVC states will be investigated by the Commissioner for Inland Revenue. The Commissioner will, no doubt, take due cognisance of the circumstances of the different interested parties in this important and sensitive issue and recommend on harmonisation, with due regard for the tempo at which changes to the present systems can be affected.

As an interim measure, however, it is proposed that any taxpayer, other than a natural person, who:

- commences for the first time the carrying on of any trade on or after 22 June 1994 in any former TBVC state; or
- previously carried on a trade in any such former state and which recommences the carrying on of any trade in any such former state on or after 22 June 1994,

will be subject to the provisions of the South African Income Tax Act, 1962 (Act No. 58 of 1962), as amended.

5.3.2 Domestic taxes on goods and services

5.3.2.1 Excise duties

The excise duty on most excisable products is levied in the form of a specific duty, i.e. based on the quantity or volume consumed. It has become an established practise, both locally and internationally, to adjust excise duties on an annual basis to ensure that the yield keeps pace with the general level of price increases.

After consultations with the affected industries the proposed increases are set out in table 5.2. The increases are roughly in line with the rate of inflation but, where rates had been significantly

out of line with similar products, the increases attempt to eliminate at least part of the discrepancy.

TABLE 5.2

PRODUCT	INCREASE IN EXCISE DUTY	ESTIMATED ADDITIONAL REVENUE: 1994/95 R million	APPROXIMATE % CHANGE IN DUTY	ESTIMATED % INCREASE IN RETAIL PRICES
Beer (excluding sorghum beer)	6 cents per litre (about 2 cents per 340 ml can)	96,0	9%	2%
Spirits (e.g. whisky, brandy and gin)	164 cents per litre absolute alcohol (about 53 cents per 750 ml bottle)	34,5	10%	2½%
Cigarettes Cigarette tobacco	7,11 cents per 10 8,88 cents per 50 grams	180,0	25% 25%	4½%
Pipe tobacco and cigars	65 cents per kilogram	3,0	26%	Various
Cold drinks and mineral waters	1,24 cents per litre	13,0	10%	½%
Unfortified wine	6 cents per litre (about 5 cents per 750 ml bottle)	12,5	26%	½%
Fortified wine	6,17 cents per litre (about 5 cents per 750 ml bottle)	1,0	10%	½%
Sparkling wine	7,77 cents per litre (about 5 cents per 750 ml bottle)	1,0	10%	½%
Other fermented drinks (e.g. cider)	6 cents per litre (about 2 cents per 340 ml can)	2,0	22%	2%
Sorghum beer Sorghum powder	1 cent per litre 5 cents per kilogram	7,0	33%	1%

The increase in the excise duty on tobacco products is a special case. Arguments from the health community indicated a preference for an increase in the excise duty to fifty per cent of the retail price which is the order of impost in many other countries. After consultations with all interested groups and taking into account industry-specific limitations and market conditions, Government has opted for a phased approach, which is reflected in the announced increase. Future budgets will have to deal with the remainder of this issue.

The announced excise increases should yield some R525 million in a full year and some R350 million for the remainder of this financial year. These adjustments take effect immediately.

5.3.3 Taxes on international trade

5.3.3.1 Surcharge on imports

The surcharge on imports was introduced in 1988 primarily in an effort to stem imports and protect the balance of payments. In spite of continued local and international insistence that the surcharge be abolished, the authorities have rather opted for a gradual phasing out thereof taking into account the balance of payments and revenue implications of such a move.

With the potential benefits flowing from the full normalisation of South Africa's international relations and in an attempt to end the continued misallocation of resources as a result of the surcharge, the process of phasing out the surcharge should be speeded up. This will have an appreciable cost saving effect for firms utilizing imported inputs. The surcharge on capital and

intermediate goods, i.e. all goods carrying a 5 per cent surcharge, is hereby abolished with effect from 23 June 1994. The cost to the fiscus for a full year is some R1,2 billion and for the remainder of this financial year some R800 million.

The removal of the remaining surcharge on the so-called luxury and white goods will not be considered now as it may be more appropriate to deal with this in the light of recommendations made by the Tax Commission.

5.4 ADJUSTED REVENUE TOTAL: NATIONAL REVENUE ACCOUNT

Given the total estimated revenue projected at existing tax rates and brackets (R104,292 billion) and the net result of the tax proposals in paragraph 5.2 of R1,521 billion, total estimated revenue to be received in the National Revenue Account comes to R105,813 billion. This is 11,2 per cent higher than the provisional 1993/94 figure (cf. annexure C and D).

In order to determine the overall financial position of the national and provincial governments, revenue collected in the National Revenue Account and the Revenue Accounts of the former four provinces, self-governing territories and TBVC states must be consolidated⁶. This implies that own revenue collections of these former regional authorities must be added to the revenue collected in the National Revenue Account (i.e. at national level).

After the tax proposals are taken into account, total consolidated revenue is expected to be R112,985 billion (cf. annexure D).

Endnotes:

1. *Comprises concessionary, non-concessionary and own capital funding obtained by the former self-governing territories and TBVC states.*
2. *Other income includes recoveries of loans and advances, as well as sales of capital equipment, state-owned land, buildings and structures. According to the GFS-classification method they do not form part of revenue, but to be consistent with past practice they are included in ordinary revenue. Total current revenue represents tax plus non-tax revenue (i.e. excluding "other income").*
3. *If extraordinary capital revenue receipts are included, it is projected that Inland Revenue's total collections will increase by 10,4 per cent on the comparable 1993/94 figure to R88,669 billion.*

4. *An allowance for refunds in respect of proven excessive SITE deductions from remuneration of employees.*
5. *Until financial relations with the new provincial structures have been established, the consolidation is, for purposes of analysis, between the National Revenue Account and the Revenue Accounts of the four former provinces, self-governing territories and TBVC states.*

CHAPTER 6

FINANCING OF THE BUDGET: 1994/95

6.1 BUDGET DEFICIT

Details of expenditure and revenue collected in respect of the National Revenue Account and the financing thereof, are given in table 6.1, against an historical background, with a summary in annexure E. In table 6.1 is shown, systematically, how the new National Revenue Account estimates are constructed from the former State Revenue Account figures.

The total estimate of expenditure from the National Revenue Account, after supplementary proposals and advances to the new provinces have been taken into account, amounts to R135,087 billion. This represents an increase of 10,2 per cent on the *comparable* figure for 1993/94 (cf. chapter 4). If the net result of the tax proposals in chapter 5 of R1,521 billion is added to the printed Estimate of Revenue of R104,292 billion, total estimated revenue for 1994/95 amounts to R105,813 billion. This is some 11 per cent higher than in 1993/94, or about 13 per cent if the extraordinary capital revenue is not taken into account.

The estimated revenue and expenditure levels produce a budget deficit of R29,274 billion on the National Revenue Account. This represents 6,6 per cent¹ of the estimated GDP compared to the latest comparable estimate of 6,9 per cent for 1993/94.

The net borrowing requirement for 1994/95, after taking into account the negative 1993/94 closing balance on the former State Revenue Account of R605,1 million (cf. chapter 3), as well as the closing balances on the former Revenue Accounts of Own Affairs Administrations to the amount of R224,4 million, is R29,654 billion.

6.2 LOAN REDEMPTIONS

On 5 May 1989 the Minister of Finance announced that a compulsory loan levy on companies would be payable on 31 July 1989. Notices have

already been forwarded to approximately 6 800 registered loan levy holders with a view to arranging the repayment of capital to the amount of R710 million. It is expected of registered loan levy holders to return their original loan levy certificates with their repayment instructions to the Department of Finance by 1 July 1994. The repayment will be dealt with in the same way as any loan redemption, and will constitute an addition to the gross borrowing requirement and be financed as part of the total amount of expired loans to be refinanced.

During 1994/95 total loan redemptions will be R6,894 billion, consisting of:

	Rbn
Domestic loans	6,035
Foreign loans	0,149
Loan levy on companies	<u>0,710</u>
	<u>6,894</u>

6.3 FINANCING

In order to cover the *gross* borrowing requirement of R36,548 billion (i.e. the net financing requirement of R29,654 billion plus the loan redemptions of R6,894 billion) and other payments², total gross financing in the 1994/95 financial year will be R36,813 billion. The detailed envisaged financing is:

	Rbn
Short-term loans	0,500
Domestic loans	34,513
Foreign loans	<u>1,800</u>
	<u>36,813</u>

Government stock to the amount of R8,227 billion (inclusive of roll-overs) has already been issued up to 17 June 1994.

Endnotes:

1. *This ratio is equivalent to 6,4 per cent if the full collection of the transition levy, i.e. the 1995/96 portion, is included.*

2. *Contributions of currency subscriptions to the International Development Association and the International Bank for Reconstruction and Development, as well as valuation adjustment payments to the International Monetary Fund and realised guarantee liabilities.*

TABLE 6.1
COMPARATIVE SUMMARY OF NATIONAL REVENUE ACCOUNT 1)

(R millions)

	ACTUAL FIGURES 2)					Provisional outcome	Budgeted 3)
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
REVENUE:							
Total ordinary revenue: State Revenue Account 4)	48 071,4	61 106,6	66 804,3	72 151,5	75 687,4	87 810,2	100 148,2
Inland Revenue	41 101,7	52 302,7	58 233,1	63 312,4	64 943,2	75 926,6	87 663,0
Customs and Excise	6 969,7	8 803,9	8 571,2	8 839,1	10 744,2	11 883,6	12 485,2
<i>Plus:</i>							
Items now included in National Revenue Account	2 123,0	2 659,0	3 027,5	3 683,6	4 875,6	5 946,3	5 664,8
Own revenue of former Own Affairs Administrations	195,4	314,4	340,6	318,8	392,8	183,9	0,0
Income tax and Sales tax/VAT diversions to former self-governing territories	588,3	688,0	913,1	1 093,3	1 352,2	1 525,7	1 702,3
VAT diversions to TBVC states	0,0	0,0	0,0	303,2	695,1	1 130,7	1 074,7
Customs Union Agreement payments to former TBVC states	1 241,4	1 484,4	1 597,9	1 739,5	2 124,8	2 766,6	2 536,4
Allocations from fuel levy to former TBVC states	98,0	171,7	173,6	226,9	306,5	334,2	343,9
Allocations from ordinary levy to former TBVC states	0,0	0,5	2,3	2,0	4,1	5,0	5,5
Total ordinary revenue: National Revenue Account 8)	50 194,5	63 765,6	69 831,8	75 835,1	80 563,0	93 756,5	105 813,0
<i>Plus:</i>							
Extra-ordinary capital revenue: State Revenue Account	600,0	2 989,2	319,4	809,2	1 143,8	1 406,1	0,0
Transfer from NSPF	-	-	319,4	544,8	255,6	665,0	-
Transfer from Central Energy Fund	-	-	-	264,5	780,5	741,1	-
Proceeds from privatisation	600,0	2 989,2	-	-	107,7	-	-
Total revenue: National Revenue Account	50 794,5	66 754,7	70 151,2	76 644,3	81 706,8	95 162,5	105 813,0

(R ions)

	ACTUAL FIGURES 2)					Provisional outcome	Budgeted 3)
	1988/89	1989/90	1990/91	1991/92	1992/93		
EXPENDITURE:							
Total expenditure: State Revenue Account 9)	56 227,5	65 726,1	74 190,3	85 860,9	104 233,4	114 679,5	124 545,6
<i>Plus:</i>							
Items now included in National Revenue Account							
Revenue diversions to former self-governing territories and TBVC states 10)	1 927,6	2 344,6	2 686,9	3 364,8	4 482,8	5 762,3	5 664,8
Overdraft facilities: TBVC states (net) 11)	160,0	209,0	462,0	1 369,0	1 840,0	2 117,0	2 136,0
Supplementary expenditure proposals 12)							2 740,4
Total expenditure: National Revenue Account 13)	58 315,2	68 279,7	77 339,2	90 584,7	110 556,2	122 558,8	135 086,8
Budget deficit: National Revenue Account 14)	7 520,7	1 524,9	7 188,1	13 950,4	28 849,4	27 396,2	29 273,8
Budget deficit as a % of GDP (National Revenue Account)	3,6%	0,6%	2,5%	4,3%	8,3%	6,9%	6,6%
Budget deficit as a % of GDP (State Revenue Account) 15)	3,6%	0,7%	2,5%	4,0%	7,8%	6,5%	6,1%
<i>Less:</i>							
Opening balance on State Revenue Account	574,1	935,9	0,0	1 071,2	1 011,4	1 209,8	-380,8
Net borrowing requirement: National Revenue Account	6 946,6	589,0	7 188,1	12 879,2	27 838,0	26 186,5	29 654,6
NET FINANCING:							
Overdraft facilities: TBVC states (net) 16)	160,0	209,0	462,0	1 369,0	1 840,0	2 117,0	-
Short-term loans	-2 297,3	3 315,8	2 278,0	-129,2	39,6	-174,5	500,0
Domestic long-term loans 17)	11 380,3	5 726,1	8 498,6	13 609,9	28 038,5	24 193,5	28 477,9
Foreign loans	-92,6	-174,3	-117,6	1 429,9	-342,4	-140,0	1 651,4
Loan levy	-1,1	704,3	1,7	1,8	0,0	-0,0	-709,6

(R millions)

	ACTUAL FIGURES 2)					Provisional outcome	Budgeted 3)
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Total net financing: National Revenue Account	9 149,3	9 780,8	11 122,7	16 281,4	29 575,7	25 995,9	29 919,6
Balance: National Revenue Account	2 202,7	9 191,8	3 934,7	3 402,2	1 737,7	-190,6	265,0
Less:							
Payments from balances on National Revenue Account	1 372,5	9 144,1	2 765,9	2 072,0	135,1	230,6	265,0
Guarantee liabilities (sec. 10(1)(d) of Act 66 of 1975), Currency subscriptions to International Development Association and International Bank for Reconstruction and Development and IMF valuation adjustment (sec. 58 of Act 11 of 1977)	52,5	51,3	65,9	72,0	135,1	230,6	265,0
Transfer to other accounts 18)	1 320,0	9 092,9	2 700,0	2 000,0	-	-	-
	830,2	47,7	1 168,7	1 330,2	1 602,6	-421,2	0,0
Plus:							
Own revenue of former Own Affairs Administrations 19)	-195,4	-314,4	-340,6	-318,8	-392,8	-183,9	-
Closing balances: Provincial Administrations 20)	301,1	266,7	243,1	-	-	-	-
Closing balance: Former State Revenue Account (cf. table 3.3, chapter 3)	935,9	0,0	1 071,2	1 011,4	1 209,8	-605,1	-
Plus:							
Adjustment for closing balances on Revenue Accounts of Own Affairs Administrations 21)	496,2	355,3	510,9	703,2	790,4	224,4	-
Closing balance: National Revenue Account	1 432,1	355,3	1 582,1	1 714,6	2 000,2	-380,8	0,0

Sources: Reports of the Auditor-General, Printed Estimates of Expenditure, the Unit for Information Analysis of Financial and Economic Services (Development Bank of Southern Africa) and the Department of Finance.

Explanatory notes on next page ...

- 1) In terms of the 1993 Constitution, the National Revenue Account replaced the former State Revenue Account.
- 2) Figures in respect of the former self-governing territories and TBVC states are provisional and subject to change.
- 3) After budget proposals are taken into account.
- 4) Ordinary revenue collections, as was presented in Budgets prior to 1994/95, that accrued to the State Revenue Account.
- 5) In Budgets prior to 1994/95 these revenue diversions were treated as direct liabilities against Inland Revenue's revenue collections.
- 6) In Budgets prior to 1994/95 these revenue diversions were treated as direct liabilities against Customs & Excise's revenue collections.
- 7) In Budgets prior to 1994/95 these revenue diversions were treated as Part II revenue, thus not affecting revenue collections in the State Revenue Account at all.
- 8) Total ordinary revenue collected at national level.
- 9) Total expenditure figures, as was presented in Budgets prior to 1994/95, from the State Revenue Account. Figures up to 1990/91 do not include surrendered provincial surpluses, as is the case in tables 3.1 and 3.3.
- 10) See footnotes 4, 5 and 6. From 1994/95 these amounts are voted on the expenditure budget defrayed from the National Revenue Account.
- 11) For 1994/95 these amounts are voted on the expenditure budget of the National Revenue Account. For the years prior to 1994/95, it is added for purposes of comparison.
- 12) Comprise RDP Fund (R2,5 billion), Financial and Fiscal Commission (R4,2 million) and provincial advances (R236,2 million).
- 13) Total unconsolidated expenditure at national government level, i.e. including transfers to other levels of government.
- 14) Difference between revenue collected in and expenditure from the National Revenue Account.
- 15) Difference between revenue collected in and expenditure from the former State Revenue Account, expressed in relation to the GDP.
- 16) These surpluses will not correspond with those in chapter 3, table 3.3. The differences are that Own revenue of the former Own Administrations have been taken into account, as well as provincial surpluses up to 1990/91, when it had to be surrendered to the State Revenue Account. The adjustments are made to be consistent with the present practice - see also footnote 21.
- 16) Guaranteed overdraft facilities at commercial banks. In 1994/95 TVC deficits will be financed by long-term loans obtained at national government level. The amounts are net of redemptions.
- 17) Discount on sales on government stocks are taken into account. Figures also include premiums that were earned on a continuing process of consolidation of government stock. The 1994/95 figure includes an amount of R2,136 billion in respect of TVC deficits.
- 18) These transfers were made from the "surplus after borrowing" on the former State Revenue Account - see table 3.3 for details.
- 19) These amounts have already been included on the revenue side for purposes of comparability. However, they did not form part of the State Revenue Account.
- 20) See note 9. This adjustment is done to balance with the figures in table 3.3, where surrendered provincial surpluses were taken into account for the period up to 1990/91.
- 21) Since the former Own Affairs Administrations ceased to exist on 1 April 1994, their closing balances will be surrendered to the National Revenue Account. The figures prior to 1994/95 were adjusted accordingly for purposes of comparison.

ESTIMATE OF EXPENDITURE: SUMMARY AND DEPARTMENTAL VOTES

A summary of each vote as shown in the printed Estimate of Expenditure to be defrayed from the National Revenue Account for 1994/95, tabled by the Minister of Finance, appears below. The basic format of the 1993/94 printed Estimate of Expenditure has been retained for 1994/95. The portfolios of the Ministers of the Government of National Unity differ, however, from the budget votes as shown below. Once new departments have been established, the printed Estimate of Expenditure will be adjusted accordingly.

The following changes have been effected. New votes have been added for the Education and Culture Departments of the former Own Affairs Administrations (votes 32 to 34), for the phasing out of the Own Affairs Administrations (vote 35), and for the two Deputy Executive Presidents (votes 36 and 37). The former Administration: House of Assembly; Administration: House of Representatives and Administration: House of Delegates votes have accordingly fallen away.

The amounts appearing in the summary pages are a comparison between 1993/94 (second and final print, R.P. 2 and 4) and 1994/95 (*first* print, R.P. 2). The 1993/94 data do not include expenditures voted in the Adjustments Budget. Chapter 3 contains a summary of the additional amounts made available in the 1993/94 financial year. Similarly, the 1994/95 Estimate (*first* print) does not include the supplementary budget proposals as contained in chapter 4.

Concise summaries have also been included of the Estimates of the former Provincial Administrations, self-governing territories and TBVC states.

All enquiries concerning the printed Estimate of Expenditure should be directed to the Department of State Expenditure.

Summary

Samevatting

Vote—Begrotingspos		1994/95							1993/94	Increase Toename	Decrease Afname
		Current Lopend	Capital Kapitaal	Transfers Oordragte		To be voted Bewilg te word	Statutory amounts Statutêre bedrae	Total estimated expenditure Totale begaamde uitgawe			
No.	Title—Titel			R'000	R'000				R'000	R'000	R'000
	Part I—Deel I										
1	President—President	14 988	347			15 335	266	15 601	23 149		7 548
2	Parliament—Parlement	51 717	7 195	1 590		60 502	127 209	187 711	113 772	73 939	
3	Foreign Affairs—Buitelandse Sake	862 246	56 106	12 669 960	2	13 588 314	2 700	13 591 014	7 059 915	6 531 099	
4	Public Enterprises and Privatization— Openbare Ondernemings en Privatisering	7 961				7 961		7 961	8 170		209
5	Central Economic Advisory Service— Sentrale Ekonomiese Adviesdiens	5 416				5 416		5 416	4 972	444	
6	Justice—Justisie	871 628	7 710	66 325	2 080	947 743	60 249	1 007 992	968 569	39 423	
7	Defence—Weermag	7 321 730		3 287 785		10 609 515		10 609 515	9 337 825	1 271 690	
8	State Expenditure—Staatsbesteding	114 970	709	434 869	53 300	603 848		603 848	685 779		81 931
9	Correctional Services—Korrekiewe Dienste	1 890 861	58 634	897	527	1 950 919		1 950 919	1 744 477	206 442	
10	Education and Training—Onderwys en Opleiding	5 119 942	563 052	560 894	63 254	6 307 142		6 307 142	5 722 580	584 562	
11	Commission for Administration— Kommissie vir Administrasie	67 523	1 419	19 108	108	88 158		88 158	56 644	31 514	
12	Improvement of conditions of service— Verbetering van diensvoorwaardes	2 153 378		653 225		2 806 603		2 806 603	1 470 494	1 336 109	
13	Mineral and Energy Affairs—Mneraal en Energiesake	77 748	2 296	456 586	187 075	723 705		723 705	708 690	15 015	
14	Agriculture—Landbou	611 622	51 497	582 788	60 780	1 306 687		1 306 687	1 336 225		29 538
15	National Health and Population Development—Nasionale Gesondheid en Bevolkingsontwikkeling	780 842	7 937	856 432	16 659	1 661 870		1 661 870	2 254 503		592 633
16	Police—Polisie	6 781 118	421 948	557		7 203 623		7 203 623	6 451 526	752 097	
17	Transport—Vervoer	148 951	24 202	2 439 034	594 649	3 206 836		3 206 836	3 216 482		9 646
18	Constitutional Development Service— Staatkundige Ontwikkelingsdiens	41 678	20	172 261		213 959		213 959	66 399	147 560	

continued

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Vote—Begrotingspos		1994/95							1993/94	Increase Toename	Decrease Afname
		Current Lopend	Capital Kapitaal	Transfers Oordragte		To be voted Bewilling te word	Statutory amounts Statutêre bedrae	Total estimated expenditure Totale beraamde uitgawe			
No.	Title—Titel			R'000	R'000				R'000	R'000	R'000
19	SA Communication Service— SA Kommunikasiediens	51 225	597		134	51 956		51 956	54 256		2 300
20	Manpower—Mannekrag	208 918	9 884	168 916	1 962	389 680		389 680	372 433	17 247	
21	National Education—Nasionale Opvoeding	66 806	2 122	296 763	25 531	391 222		391 222	432 843		41 621
22	Education Co-ordination Service— Onderwyskoördineringsdiens	4 802	106		50	4 958		4 958	1 530	3 428	
23	Finance—Finansies	1 182 141	18 452	286 825	8 001	1 495 419	23 365 805	24 861 224	22 688 803	2 172 421	
24	Trade and Industry—Handel en Nywerheid	189 261	4 887	2 454 830	25 970	2 674 948		2 674 948	3 078 958		404 010
25	Local Government and National Housing —Plaaslike Regering en Nasionale Behuising	38 096	440	933 829	1 409 585	2 381 950		2 381 950	2 128 273	253 677	
26	Environment Affairs—Omgewingsake	130 525	12 408	55 719	14 433	213 085		213 085	221 544		8 459
27	Water Affairs and Forestry—Waterwese en Bosbou	213 586	202 141	1 768	49 974	467 469		467 469	410 398	57 071	
28	Regional and Land Affairs—Streek en Grondsake	192 400	78 354	29 356 132	3 462 831	33 089 717		33 089 717	28 202 560	4 887 157	
29	Home Affairs—Binnelandse Sake	281 354	4 957	910 361	7 717	1 204 389		1 204 389	281 360	923 029	
30	Central Statistical Service—Sentrale Statistiekdiens	58 817	1 807			60 624		60 624	39 339	21 285	
31	Public Works—Openbare Werke	1 805 071	478 330	8 721	213	2 292 335		2 292 335	2 214 823	77 512	
32	Education and Culture (Ex-Administration: House of Assembly)—Onderwys en Kultuur (Ex-Administrasie: Volksraad)	4 760 673	66 846	2 689 563	178 550	7 695 632		7 695 632	7 436 495	259 137	
33	Education and Culture (Ex-Administration: House of Representatives)—Onder- wys en Kultuur (Ex-Administrasie: Raad van Verteenwoordigers)	3 232 255	112 300	180 842	35 668	3 561 065		3 561 065	3 229 296	331 769	

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No.	Vote – Begrotingspos Title – Titel	1994/95						Total estimated expenditure Totale beraamde uitgawe	1993/94	Increase toename	Decrease afname
		Current Lopend	Capital Kapitaal	Transfers Oordragte Oordragte		To be voted Bewillig te word	Statutory amounts Statutêre bedrae				
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
34	Education and Culture (Ex Administration: House of Delegates) – Onderwys en Kultuur (Ex Administrasie: Raad van Algevaardigdes)	1 152 833	140 633	182 998	11 820	1 488 284	1 488 284	1 363 463	124 821		
35	Phasing out of Own Affairs Administrations – Uittasering van Eie Sake Administrasies	866				866	866	4 629		3 763	
36	Executive Deputy President from the Largest Majority Party – Uitvoerende Adjunkpresident van die Grootste Meerderheidsparty	9 780	220			10 000	10 000		10 000		
37	Executive Deputy President from the Largest Minority Party – Uitvoerende Adjunkpresident van die Grootste Minderheidsparty	6 861	1 635			8 496	8 496		8 496		
	Subtotal – Subtotaal	40 510 589	2 339 191	59 729 578	6 210 873	108 790 231	23 556 229	132 346 460	113 391 174	20 136 944	1 181 658
	Less: Own and surplus revenue (Own Affairs Administrations) – Minus Eie en surplusinkomste (Eie Sake Administrasies)							347 410	347 410		
	Total Part I – Totaal Deel I	40 510 589	2 339 191	59 729 578	6 210 873	108 790 231	23 556 229	132 346 460	113 043 764	20 484 354	1 181 658

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Vote—Begrotingspos		1994/95							1993/94	Increase Toename	Decrease Afname
		Current Lopend	Capital Kapitaal	Transfers Oordragte		To be voted Bewilg te word	Statutory amounts Statutêre bedrae	Total estimated expenditure Totale beraamde uitgawe			
No.	Title—Titel	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Part II—Deel II (Standing appropriations from National Revenue Account— Staanse toewysings uit Nasionale Inkomsterkening) Allocations from fuel levy to— Toewysings uit brandstofheffing aan Namibia in terms of sec. 52 (b) of Act 91 of 1964— <i>Namibië</i> ingevoelge art. 52 (b) van Wet 91 van 1964..... Former TBVC Countries in terms of sec. 14 (1) (b) of Act 69 of 1988— <i>Voormalige TBVC lande</i> ingevoelge art. 14 (1) (b) van Wet 69 van 1988..... Regional Services Councils and Joint Services Boards in terms of sec. 47 (b) of Act 91 of 1964— <i>Streekdiensterade en Gesamentlike</i> <i>diensterade ingevoelge Art. 47 (b) van</i> <i>Wet 91 van 1964</i>								14 000		14 000
									280 000		280 000
2	Allocations from ordinary levy in terms of sec. 48 (4A) (d) of Act 91 of 1964— <i>Toewysings uit gewone</i> <i>heffing ingevoelge art. 48 (4A) (d) van</i> <i>Wet 91 van 1964</i> BLNS and former TBVC Countries— <i>BLNS en voormalige TBVC lande</i>						127 000	127 000	105 000	22 000	
							2 000	2 000	5 000		3 000
	Total Part II— <i>Totaal Deel II</i>						129 000	129 000	404 000	22 000	297 000
	Grand Total— <i>Groottotaal</i>	40 510 589	2 339 191	59 729 578	6 210 873	108 790 231	23 685 229	132 475 460	113 447 764	20 506 354	1 478 658

Net increase, Part I—*Netto toename, Deel I*..... R19 302 696 000Net decrease, Part II—*Netto afname, Deel II*..... R 275 000 000Total increase—*Totale toename*..... R19 027 696 000

Vote 1
Begrotingspos 1

President
President

R15 335 000

1-1

AIM: To enable the President to fulfil his constitutional and other functions

DOEL: Om die President in staat te stel om sy grondwetlike en ander funksies te vervul

Accounting officer: Director General Office of the President

Rekenpligtige beampte: Direkteur generaal, Kantoor van die President

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	10 853	9 120	328	956					11 181	10 076	1 Administrasie
2 Activities of President's Council		10 727								10 727	2 Werksaamhede van die Presidentsraad
3 Auxiliary and associated services	4 135	2 089	19	3					4 154	2 092	3 Ondersteunende en verwante dienste
AMOUNT TO BE VOTED	14 988	21 936	347	959					15 335	22 895	BEDRAG WAT BEWILLIG MOET WORD
Amount forming a direct charge on the National Revenue Fund in terms of sec. 79 of the RSA Constitution Act, 1993 (Act 200 of 1993)											Bedrag wat ingevolge art. 79 van die Grondwet van die RSA, 1993 (Wet 200 van 1993), regstreeks ten laste van die Nasionale Inkomstelonds kom
Salary of President	266	254							266 ^a	254	Salaris van President
Total estimated expenditure	15 254	22 190	347	959					15 601	23 149	Totale beraamde uitgawe
Increase											Toename
Decrease	6 936		612						7 548		Afname

^a Includes R63 000 domestic allowance

^a Sluit R63 000 huishoudelike toelae in

Vote 2
Begrotingspos 2

Parliament
Parlement

R60 502 000

2-1

AIM: To enable Parliament to fulfil its constitutional function

DOEL: Om die Parlement in staat te stel om sy konstitusionele funksie te vervul

Accounting officer: Secretary to Parliament a

Rekenpligtige beampte: Sekretaris van die Parlement a

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration of Parliament	39 692	28 010	7 195	540					46 887	28 550	1 Administrasie van die Parlement
2 Miscellaneous services	12 025	5 820			1 590	957			13 615	6 777	2 Diverse dienste
AMOUNT TO BE VOTED	51 717	33 830	7 195	540	1 590	957			60 502	35 327	BEDRAG WAT BEWILLIG MOET WORD
Amount forming a direct charge on the National Revenue Fund in terms of the Payment of Members of Parliament Act, 1974 (Act 40 of 1974)											Bedrag wat ingevolge die Wet op die Betaling van Parlementslede, 1974 (Wet 40 van 1974), regstreeks ten laste van die Nasionale Inkomste-fonds kom
Salaries, allowances and other benefit: of office of office bearers and other members of Parliament	127 209	60 553		17 892					127 209	78 445	Salarisse, toelae en ander ampsvoordele van ampsdraers en ander lede van die Parlement
Total estimated expenditure	178 926	94 383	7 195	18 432	1 590	957			187 711	113 772	Totale beraamde uitgawe
Increase	84 543				633				73 939		Toename
Decrease			11 237								Afname

a Appointed in terms of sec. 31(2) of the Powers and Privileges of Parliament Act, 1963 (Act 91 of 1963).

a Aangestel ingevolge art. 31(2) van die Wet op die Bevoegdhede en Voorregte van die Parlement, 1963 (Wet 91 van 1963)

Vote 3
Begrotingspos 3

Foreign Affairs
Buitelandse Sake

R13 588 314 000

3-1

AIM: To promote and maintain the RSA's external relations and foster a positive attitude towards the country

Accounting officer: Director General, Foreign Affairs

DOEL: Om die RSA se buitelandse betrekkinge te bevorder, te handhaaf en gesindhede jeens die RSA positief te beïnvloed

Rekenpogtige beampte: Direkteur-generaal: Buitelandse Sake

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	72 638	63 335	4 446	9 199			1	68	77 085	72 602	1 Administrasie
2 Foreign relations	789 608	704 765	51 660	50 967	31 537	24 024			872 805	779 756	2 Buitelandse betrekkinge
Foreign affairs function	862 246	768 100	56 106	60 166	31 537	24 024	1	68	949 890	852 358	Buitelandse sake funksie
3 Development co-operation: Former TBVC Countries					12 638 423	6 128 017	1	79 540	12 638 424	6 207 557	3 Ontwikkelingsamewerking: Voormalige TBVC-lande
AMOUNT TO BE VOTED	862 246	768 100	56 106	60 166	12 669 960	6 152 041	2	79 608	13 588 314	7 059 915	BEDRAG WAT BEWILLIG MOET WORD
Amounts forming a direct charge on the National Revenue Fund											Bedrae wat regstreeks ten laste van die Nasionale Inkomstefonds kom
Salaries and allowances of judges seconded to governments of other countries (Act 88 of 1989)					2 700				2 700		Salarisse en toelae van regters aan regerings van ander lande gesekondeer (Wet 88 van 1989)
Total estimated expenditure	862 246	768 100	56 106	60 166	12 672 660	6 152 041	2	79 608	13 591 014	7 059 915	Totale beraamde uitgawe
Increase	94 146				6 520 619				6 531 099		Toename
Decrease			4 060				79 606				Afname

Vote 4
Begrotingspos 4

Public Enterprises and Privatization
Openbare Ondernemings en Privatisering

R7 961 000

4-1

AIM: To render an expert supporting function to the state regarding commercialization/ privatization in the public sector

DOEL: Om 'n deskundige ondersteuningsdiens aan die staat m.b.t. kommersialisering/ privatisering in die openbare sektor te lewer

Accounting officer: Head: Office for Public Enterprises and Privatization

Rekenpligtige beampste: Hoof: Kantoor vir Openbare Ondernemings en Privatisering

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	Hoofindelings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	7 960	8 149		20					7 960	8 169	1 Administrasie
2 Privatization of public enterprises	1	1							1	1	2 Privatisering van openbare ondernemings
AMOUNT TO BE VOTED	7 961	8 150		20					7 961	8 170	BEDRAG WAT BEWILLIG MOET WORD
Increase											Toename
Decrease	189		20						209		Afname

AIM: To render economic policy advice for the advancement of long term economic growth potential

DOEL: Om ekonomiese beleidsadvies te verskaf ter bevordering van langtermyn ekonomiese groeipotensiaal

Accounting officer: Chief: Economic Advisory Service

Rekenpligtige beampte: Hoof: Sentrale Ekonomiese Adviesdiens

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions											Hoofindelings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	1 878	1 960							1 878	1 960	1 Administrasie
2 Economic advice	3 538	3 012							3 538	3 012	2 Ekonomiese advies
AMOUNT TO BE VOTED	5 416	4 972							5 416	4 972	BEDRAG WAT BEWILLIG MOET WORD
Increase	444								444		Toename
Decrease											Afname

Presentation according to standard items			Aanbieding volgens standaarditems	
Items	1994/95	1993/94	Items	
	R'000	R'000		
A Personnel expenditure	4 064	3 628	A Personeeluitgawes	
B Administrative expenditure	489	337	B Administratiewe uitgawes	
C Stores and livestock	175	165	C Voorrade en lewende hawe	
D Equipment	115	85	D Toerusting	
E Land and buildings			E Grond en geboue	
F Professional and special services	517	712	F Professionele en spesiale dienste	
G Transfer payments			G Oordragbefalings	
H Miscellaneous expenditure	56	45	H Diverse uitgawes	
Amount to be voted	5 416	4 972	Bedrag wat bewillig moet word	

Role 6
Begrotingspos 6

Justice
Justisie

R947 743 000

6-1

AIM: To promote order within the community by maintaining an efficient system of judicial administration

DOEL: Om orde binne die gemeenskap te bevorder deur 'n doeltreffende stelsel van regspleging te handhaaf

Accounting officer: Director General, Justice

Rekenpligtige beampte: Direkteur generaal: Justisie

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	Hoofindelings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	94 295	153 901		3 968					94 295	157 869	1 Administrasie
2 Administration of justice	639 373	592 503		8 030					639 373	600 533	2 Regspleging
3 Administration of law	110 330	76 882	2 300	992					112 630	77 874	3 Regsbedeling
4 Ombudsman	1 071	890	10	8					1 081	898	4 Ombudsman
5 Legal Aid Board					66 325	62 357			66 325	62 357	5 Regshulpraad
6 Security Forces Board of Inquiry	11 219								11 219		6 Veiligheidsmagte-ondersoekraad
7 Auxiliary and associated services	15 340	11 014	5 400	3 635			2 080	1 360	22 820	16 009	7 Ondersteunende en verwante dienste
AMOUNT TO BE VOTED	871 628	835 190	7 710	16 633	66 325	62 357	2 080	1 360	947 743	915 540	BEDRAG WAT BEWILIG MOET WORD
Amount forming a direct charge on the National Revenue Fund in terms of Act 88 of 1989 Judges' salaries and allowances	60 249	53 029							60 249	53 029	Bedrag wat ingevolge Wet 88 van 1989 regstreeks ten laste van die Nasionale Inkomstefonds kom Salarisse en toelae van regters
Total estimated expenditure	931 877	888 219	7 710	16 633	66 325	62 357	2 080	1 360	1 007 992	968 569	Totale beraamde uitgawe
Increase	43 658				3 968		720		39 423		Toename
Decrease			8 923								Afname

Vote 7
Begrotingspos 7

Defence
Weermag

R10 609 515 000

7-1

AIM: To discourage or combat any hostile militant action, whatever its nature, against the RSA

DOEL: Om enige militante optrede van watter aard ook al teen die RSA te ontmoedig of te bekamp

Accounting officer: Chief of the SA Defence Force

Rekenpligtige beampte: Hoof van die SA Weermag

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Command and control	369 939	293 522							369 939	293 522	1 Bevel en beheer
2 Landward defence	3 687 339	2 428 374							3 687 339	2 428 374	2 Landwaartse verdediging
3 Air defence	1 633 239	1 437 452							1 633 239	1 437 452	3 Lugwaartse verdediging
4 Maritime defence	649 012	600 660			40				649 052	600 660	4 Maritieme verdediging
5 Medical support	856 950	505 977							856 950	505 977	5 Mediese steun
6 General support	125 251	126 434			194 324	205 078			319 575	331 512	6 Algemene steun
7 Special Defence Account					3 093 421	3 740 328			3 093 421	3 740 328	7 Spesiale Verdedigingsrekening
AMOUNT TO BE VOTED	7 321 730	5 392 419			3 287 785	3 945 406			10 609 515	9 337 825	BEDRAG WAT BEWILLIG MOET WORD
Increase	1 929 311								1 271 690		Toename
Decrease					657 621						Afname

Vote 8
Begrotingspos 8

State Expenditure
Staatsbesteding

R603 848 000

8-1

AIM: To plan and control state expenditure as well as render computer services
Accounting officer: Deputy Director General: Planning and Intergovernmental affairs

DOEL: Om staatsbesteding te beplan en te beheer asook rekenaardienste te lewer
Rekenpligtige beampte: Adjunk-direkteur generaal: Beplanning en Interwerheidsaangeleenthede

Presentation according to programmes Main divisions	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme Hoofindelings
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	16 256	9 152	248						16 504	9 152	1 Administrasie
2 Planning and intergovernmental affairs	55 092	39 636	53						55 145	39 636	2 Beplanning en interwerheidsaangeleenthede
3 Expenditure control	22 638	20 526	38						22 676	20 526	3 Bestedingsbeheer
4 Computer services	2 040		330		2 664	3 460	32 921	110 700	37 955	114 160	4 Rekenaardienste
5 Associated services	18 944	10 814	40	38	432 205	447 305	20 379	44 148	471 568	502 305	5 Verwante dienste
AMOUNT TO BE VOTED	114 970	80 128	709	38	434 869	450 765	53 300	154 848	603 848	685 779	BEDRAG WAT BEWILLIG MOET WORD
Increase	34 842		671								Toename
Decrease					15 896		101 548		81 931		Afname

AIM: To provide education to those population groups in the RSA whose education is the responsibility of this Department, aid former self-governing territories in the execution of the education function and render assistance to former independent states in accordance with agreements concluded

DOEL: Om aan daardie bevolkingsgroepe in die RSA, wie se onderwys die verantwoordelikheid van hierdie Departement is, onderwys te verskaf, voormalige selfregerende gebiede behulpsaam te wees met die uitvoering van die onderwysfunksie en bystand te verleen aan voormalige onafhanklike state ingevolge ooreenkomste aangegaan

Accounting officer: Director General: Education and Training

Rekenpligtige beampte: Direkteur-generaal: Onderwys en Opleiding

Presentation according to programmes	Current Loperd		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Loperd		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	83 557	93 925	12 796						96 353	93 925	1 Administrasie
2 Pre-tertiary education	4 533 593	4 129 608	486 340	476 733	136 183	67 404	25 000	25 000	5 181 116	4 698 745	2 Preterisiere onderwys
3 Out-of-school and vocational education	133 834	133 067	15 600	12 700	46	40			149 480	145 807	3 Buiteskoolse en beroepsonderwys
4 Education of handicapped children	101 709	86 060	2 900	3 506	14 180	10 467	16 225	24 905	135 014	124 938	4 Onderwys van gestremde kinders
5 Tertiary education	147 862	147 068	27 000	39 000	409 398	347 195	14 869	10 994	599 129	544 257	5 Tersiere onderwys
6 Development of education	19 827	25 421	13 000		1 000	1 100			33 827	26 521	6 Onderwysontwikkeling
7 Auxiliary and associated services	99 560	83 483	5 416	1 206	87	87	7 160	3 611	112 223	88 387	7 Ondersteunende en verwante dienste
AMOUNT TO BE VOTED	5 119 942	4 698 632	563 052	533 145	560 894	426 293	63 254	64 510	6 307 142	5 722 580	BEDRAG WAT BEWILLIG MOET WORD
Increase	421 310		29 907		134 601				584 562		Toename
Decrease							1 256				Afname

Notes: Educational services in former self-governing territories provided on Regional and Land Affairs Vote.

Opmerkings: Voorsiening vir onderwysdienste in voormalige selfregerende gebiede op Begrotingspos Streek- en Grondsake.

Technical and project assistance to former independent states provided on Foreign Affairs Vote

Voorsiening vir tegniese en projekhelp aan voormalige onafhanklike state op Begrotingspos Buitelandse Sake.

AIM: To promote efficient administration with particular reference to staff matters and the organization and functioning of the system of government

DOEL: Om doeltreffende staatsadministrasie te bevorder met betrekking, in die besonder, tot personeelaangeleenthede en die organisering en funksionering van die owerheidsbestel

Accounting officer: Director-General: Commission for Administration

Rekenpligtige beampste: Direkteur-generaal: Kommissie vir Administrasie

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	Hoofindelings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	19 296	13 131	1 129	981					20 425	14 112	1 Administrasie
2 Functional assistance to the Commission for Administration	48 075	38 786	289	341					48 364	39 127	2 Funksionele bystand aan die Kommissie vir Administrasie
3 Auxiliary and associated services	152	641	1	1	19 108	2 512	108	251	19 369	3 405	3 Ondersteunende en verwante dienste
AMOUNT TO BE VOTED	67 523	52 558	1 419	1 323	19 108	2 512	108	251	88 158	56 644	BEDRAG WAT BEWILLIG MOET WORD
Increase	14 965		96		16 596				31 514		Toename
Decrease							143				Afname

Presentation according to standard items			Aanbieding volgens standaarditems		
Items	1994/95	1993/94	Items	1994/95	1993/94
	R'000	R'000		R'000	R'000
A Personnel expenditure	53 785	40 863	A Personeeluitgawes		
B Administrative expenditure	6 185	4 120	B Administratiewe uitgawes		
C Stores and livestock	1 274	982	C Voorrade en lewende hawe		
D Equipment	1 419	1 323	D Toerusting		
E Land and buildings			E Grond en geboue		
F Professional and special services	5 642	5 946	F Professionele en spesiale dienste		
G Transfer payments	19 216	2 763	G Oordragbetalings		
H Miscellaneous expenditure	717	647	H Diverse uitgawes		
Amount to be voted	88 158	56 644	Bedrag wat bewillig moet word		

Vote 12
Begrotingspos 12

Improvement of conditions of service
Verbetering van diensvoorwaardes

R2 806 603 000

12-1

AIM: To make provision for expenditure resulting from improved conditions of service of officers and employees of the Public Service and other persons whose service dispensations are co-ordinated by the Commission for Administration and whose remuneration is paid or subsidized fully or partly by the State or who are attached to institutions which are financed fully or partly from the National Revenue Fund

Accounting officer: Director-General: Commission for Administration

PROGRAMME DESCRIPTION:

transfer, on requisition, of money from this Vote to an accounting officer of another vote for financing authorized improvement of conditions of service of officers and employees of the Public Service and other persons whose service dispensations are co-ordinated by the Commission for Administration and whose remuneration is paid fully or partly from the National Revenue Fund on bases to which the Commission has assented

transfer, on requisition, of money from this Vote to an accounting officer of another vote for the augmentation of a provision for a subsidy, grant or any other form of financial assistance i.r.o. improved conditions of service to state-aided institutions for personnel whose service dispensations are co-ordinated by the Commission for Administration on bases to which the Commission has assented

transfer, on requisition of money from this Vote to an accounting officer of another vote i.r.o. increased employers contributions to the Civil Pensions Stabilization Account which may result from improved conditions of service of personnel whose service dispensations are co-ordinated by the Commission for Administration and whose remuneration is paid from the National Revenue Fund on bases to which the Commission has assented

transfer, on requisition, of money from this Vote to the Accounts for Provincial Services of the Cape, Natal, Orange Free State and Transvaal

DOEL: Om voorsiening te maak vir uitgawes voortspruitend uit die verbetering van diensvoorwaardes van beamptes en werknemers van die Staatsdiens en ander persone wie se diensbedelings deur die Kommissie vir Administrasie gekoördineer word en wie se besoldiging ten volle of gedeeltelik deur die Staat betaal of gesubsidieer word of wat verbonde is aan instellings wat geheel of gedeeltelik uit die Nasionale Inkomstefonds gefinansier word

Rekenpligtige beampte: Direkteur-generaal: Kommissie vir Administrasie

PROGRAMBESKRYWING:

oordrag, op aanvraag, van geld uit hierdie Begrotingspos aan 'n rekenpligtige beampte van 'n ander begrotingspos ter finansiering van goedgekeurde verbeterde diensvoorwaardes van beamptes en werknemers van die Staatsdiens en ander persone wie se diensbedelings deur die Kommissie vir Administrasie gekoördineer word en wie se besoldiging ten volle of gedeeltelik uit die Nasionale Inkomstefonds betaal word op grondslae waartoe die Kommissie ingestem het

oordrag, op aanvraag, van geld uit hierdie Begrotingspos aan 'n rekenpligtige beampte van 'n ander begrotingspos ter aanvulling van 'n voorsiening vir 'n subsidie, hulptoekenning of 'n ander vorm van finansiële bystand t.o.v. verbeterde diensvoorwaardes aan staatsondersteunde instellings vir personeel wie se diensbedelings deur die Kommissie vir Administrasie gekoördineer word op grondslae waartoe die Kommissie ingestem het

oordrag, op aanvraag, van geld uit hierdie Begrotingspos aan 'n rekenpligtige beampte van 'n ander begrotingspos t.o.v. verhoogde werkgewersbydraes tot pensioen- en voorsorgfondse en bydraes tot die Stabilisasie rekening vir Siviele Pensioene wat mag voortspruit uit verbeterde diensvoorwaardes van personeel wie se diensbedelings deur die Kommissie vir Administrasie gekoördineer word en wie se besoldiging uit die Nasionale Inkomstefonds betaal word op grondslae waartoe die Kommissie ingestem het

oordrag, op aanvraag, van geld uit hierdie Begrotingspos aan die Rekenings vir Provinsiale Dienste van die Kaap, Natal, Oranje-Vrystaat en Transvaal

Vote 13
Begrotingspos 13

Mineral and Energy Affairs
Mineraal- en Energiesake

R723 705 000

13-1

AIM: To formulate and implement an overall mineral and energy policy in order to ensure the optimum utilization of mineral and energy resources

DOEL: Om 'n oorhoofse mineraal- en energiebeleid te formuleer en te implementeer ten einde die optimale benutting van mineraal en energiebronne te verseker

Accounting officer: Director General: Mineral and Energy Affairs

Rekenpligtige beampste: Direkteur generaal: Mineraal- en Energiesake

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	Hoofindelings
1 Administration	30 371	29 046	1 790	513					32 161	29 559	1 Administrasie
2 Control of prospecting and mining	25 266	22 331	308	305					25 574	22 636	2 Prospekter- en ontginningsbeheer
3 Mineral economic studies	4 077	3 793	72	646					4 149	4 439	3 Mineralekonomiese studies
4 Geological surveys		35 367		3 185		8				38 560	4 Geologiese opnames
5 Energy management	17 909	30 457		300					17 909	30 757	5 Energiebestuur
6 Associated services	125	106	126	210	456 586	566 141	187 075	16 282	643 912	582 739	6 Verwante dienste
AMOUNT TO BE VOTED	77 748	121 100	2 296	5 159	456 586	566 149	187 075	16 282	723 705	708 690	BEDRAG WAT BEWILLIG MOET WORD
Increase							170 793		15 015		Toename
Decrease	43 352		2 863		109 563						Afname

Vote 14
Begrotingspos 14

Agriculture
Landbou

R1 306 687 000

14-1

AIM: To promote sustainable agricultural production and marketing to the best advantage of the national economy

DOEL: Om volhoubare landbouproduksie en bemarking tot die beste voordeel van die nasionale ekonomie te bevorder

Accounting officer: Director-General: Agriculture

Rekenpligtige beampte: Direkteur-generaal: Landbou

Presentation according to programmes Main divisions	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme Hoofindelings
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	60 790	49 513	1 014	724		139			61 804	50 376	1 Administrasie
2 Entrepreneurial development	203 856	155 596	6 083	8 263					209 939	163 859	2 Ondernemersontwikkeling
3 Resource conservation and environmental management	97 405	85 925	14 729	13 389	18 168	17 444			130 302	116 758	3 Hulpbronbewaring en omgewingsbestuur
4 Animal production	102 374	85 242	1 078	1 083	160	160			103 612	86 485	4 Dierreproduksie
5 Crop production	25 570	22 834	1 268	1 244					26 838	24 078	5 Gewasproduksie
6 Agro-economic services	18 176	12 920	190	160					18 366	13 080	6 Agro-ekonomiese dienste
7 Water provisioning services	7 837	15 470	20 792	21 742			27 771	18 757	56 400	55 969	7 Watervoorsieningsdienste
8 Agricultural financing	29 945	20 471	908	770	348 538	511 616	1 200	600	380 591	533 457	8 Landboufinansiering
9 Auxiliary and associated services	67 907	63 609	5 435	10 177	215 922	215 410	31 809	5 878	321 073	295 074	9 Ondersteunende en verwante dienste
	613 860	511 580	51 497	57 552	582 788	744 769	60 780	25 235	1 308 925	1 339 136	
Less: Internal charges	2 238	2 911							2 238	2 911	Minus: Interne heffings
AMOUNT TO BE VOTED	611 622	508 669	51 497	57 552	582 788	744 769	60 780	25 235	1 306 687	1 336 225	BEDRAG WAT BEWILIG MOET WORD
increase	102 953						35 545				Toename
Decrease			6 055		161 981				29 538		Afname

Vote 15
Begrotingspos 15

National Health and Population Development
Nasionale Gesondheid en Bevolkingsontwikkeling

R1 661 870 000 15-1

AIM: To promote, improve and maintain the health of the citizens of the RSA, whose care has by legislation or custom, been assigned to the Department and to promote social welfare and security

DOEL: Om die gesondheid van die inwoners van die RSA, wie se versorging ingevolge wetgewing of deur gebruik aan die Departement opgedra is, te bevorder, verbeter of handhaal en maatskaplike welsyn en sekerheid te bevorder

Accounting officer: Director-General: National Health and Population Development

Rekenpligtige beampte: Direkteur-generaal: Nasionale Gesondheid en Bevolkingsontwikkeling

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	70 690	83 245	613	650	-	-	-	-	71 303	83 895	1 Administrasie
2 Primary health care	308 413	313 933			315 460	286 665	12 955	15 000	636 828	615 598	2 Primêre gesondheidsorg
3 Health care	166 874	157 782	975	3	6 211	5 611			174 060	163 396	3 Gesondheidsorg
4 Health protection against environmental aspects	78 459	76 445	1 123	400	29 623	28 100	3	50	109 208	104 995	4 Gesondheidsbeskerming teen omgewingsfaktore
5 Population development	26 727	23 392							26 727	23 392	5 Bevolkingsontwikkeling
6 Medical services		167 707				470 376		1 573		639 656	6 Mediese dienste
7 Social welfare	12 585	12 288	218		31 244	15 760			44 047	28 048	7 Maatskaplike welsyn
8 Auxiliary and associated services	124 079	101 502	5 008	6 020	473 894	490 816	3 701	4 170	606 682	602 508	8 Ondersteunende en verwante dienste
Less: Internal charges	787 827 6 985	936 294 6 985	7 937	7 073	856 432	1 297 328	16 659	20 793	1 668 855 6 985	2 261 488 6 985	Minus: Interne heffings
AMOUNT TO BE VOTED	780 842	929 309	7 937	7 073	856 432	1 297 328	16 659	20 793	1 661 870	2 254 503	BEDRAG WAT BEWILLIG MOET WORD
Increase			864								Toename
Decrease	148 467				440 896		4 134		592 633		Afname

Vote 17
Begrotingspos 17

Transport
Vervoer

R3 206 836 000

17-1

AIM: To promote efficient transport systems on national level as well as compensating the SA Post Office Ltd for operating losses

DOEL: Om doeltreffende vervoerstelsels op nasionale vlak te bevorder asook die SA Poskantoor Bpk vir bedryfsverliese te vergoed

Accounting officer: Director-General: Transport

Rekenpligtige beampte: Direkteur generaal: Vervoer

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	25 982	22 206	462	652					26 444	22 858	1 Administrasie
2 Civil aviation authority	23 780	117 306	578	25 815	70 801	1	1	1	95 160	143 123	2 Burgerlugvaartowerheid
3 Shipping	43 823	41 406	147	253					43 970	41 659	3 Skeepvaart
4 Roads	122	122					518 138	516 921	518 260	517 043	4 Paasie
5 Urban transport	8 681	8 032	51	18	2 020 239	1 866 090	75 909	50 002	2 104 880	1 924 142	5 Stedelike vervoer
6 Road traffic	26 196	20 847	22 588	25 638		709			49 493	46 485	6 Padverkeer
7 Auxiliary and associated services	20 367	19 440	376	551	347 285	500 180	601	1 001	368 629	521 172	7 Ondersteunende en verwante dienste
AMOUNT TO BE VOTED	148 951	229 359	24 202	52 927	2 439 034	2 366 271	594 649	567 925	3 206 836	3 216 482	BEDRAG WAT BEWILLIG MOET WORD
Increase					72 763		26 724				Toename
Decrease	80 408		28 725						9 646		Afname

Vote 19
Begrotingspos 19

SA Communication Service
SA Kommunikasiediens

R51 956 000

19--1

AIM: To promote effective communication between the government and the population of the RSA

DOEL: Om doeltreffende kommunikasie tussen die regering en die bevolking van die RSA te bevorder

Accounting officer: Head: SA Communication Service

Rekenpligtige beampte: Hoof: SA Kommunikasiediens

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	Hoofindelings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	11 986	14 288	321	150			134	100	12 441	14 538	1 Administrasie
2 Internal liaison services	17 528	17 363							17 528	17 363	2 Binnelandse skakeldienste
3 Media liaison	3 039	2 374							3 039	2 374	3 Mediaskakel
4 Media production	13 333	14 572	276						13 609	14 572	4 Mediaproduksie
5 Communication planning and co-ordination	5 339	5 409							5 339	5 409	5 Kommunikasieplanning en koördinerig
AMOUNT TO BE VOTED	51 225	54 006	597	150			134	100	51 956	54 256	BEDRAG WAT BEWILLIG MOET WORD
Increase			447				34				Toename
Decrease	2 781								2 300		Afname

AIM: To impartially order and promote the rights and interests of all individuals and groups in the labour field to their best advantage within the framework of government policy

DOEL: Om op onpartydige wyse, binne die raamwerk van owerheidsbeleid, die regte en belange van alle individue en groepe op die arbeidsterrein ten beste te bevorder en orden

Accounting officer: Director-General: Manpower

Rekenpligtige beampte: Direkteur-generaal: Mannekrag

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	55 438	49 912	3 956	3 739					59 394	53 651	1 Administrasie
2 Labour relations	59 157	41 497	1 640	285					60 797	41 782	2 Arbeidsverhoudinge
3 Occupational health and safety of persons	18 394	16 810	682	355					19 076	17 165	3 Beroepsgesondheid en veiligheid van persone
4 Training	29 754	38 422	1 984	2 011	79 232	83 914			110 970	124 347	4 Opleiding
5 Social insurance	8 489	7 997			7 000	7 000			15 489	14 997	5 Bestaansversekering
6 Career counselling and placement	28 696	27 014	817	727	2 256	2 674			31 769	30 415	6 Loopbaanvoorrigting en indiensplasing
7 Auxiliary and associated services	8 990	11 999	805	825	80 428	74 852	1 962	2 400	92 185	90 076	7 Ondersteunende en verwante dienste
AMOUNT TO BE VOTED	208 918	193 651	9 884	7 942	168 916	168 440	1 962	2 400	389 680	372 433	BEDRAG WAT BEWILLIG MOET WORD
Increase	15 267		1 942		476				17 247		Toename
Decrease							438				Afname

Vote 21
Begrotingspos 21

National Education
Nasionale Opvoeding

R391 222 000

21-1

AIM: To manage matters pertaining to education policy, sport and physical recreation, science planning and culture and to render state archives and heraldic services and state language services at national level

DOEL: Om aangeleenthede rakende opvoedingsbeleid, sport en fisieke ontspanning, wetenskap-beoefening en kultuur te behartig en om 'n staatsargief- en heraldieklens en staatstaakdiens op nasionale vlak te lewer

Accounting officer: Director-General: National Education

Rekenpligtige beampte: Direkteur-generaal: Nasionale Opvoeding

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	Hoofindelings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	12 578	10 756	732	694			225	225	13 535	11 675	1 Administrasie
2 National education policy	12 581	9 075	190	170					12 771	9 245	2 Nasionale opvoedingsbeleid
3 Educational improvements					7 370	15 370		85 000	7 370	100 370	3 Opvoedkundige verbeterings
4 Sport and recreation advancement	7 189	5 964	139	90	17 095	22 788	12 917	255	37 340	29 097	4 Sport- en ontspanningsbevordering
5 Culture	4 783	4 703	57	57	46 041	43 888	1 208	1 032	52 089	49 680	5 Kultuur
6 State archives and heraldic services	10 789	10 154	56	56					16 845	10 210	6 Staatsargief- en heraldieklens
7 State language services	12 886	2 451	714	35					13 600	2 486	7 Staatstaakdiens
8 Science, information and terminology	6 000	4 304	234	66	226 257	215 710	11 181		243 672	220 080	8 Wetenskap, inligting en terminologie
AMOUNT TO BE VOTED	66 806	47 407	2 122	1 168	296 763	297 756	25 531	86 512	391 222	432 843	BEDRAG WAT BEWILLIG MOET WORD
Increase	19 399		954								Toename
Decrease					993		60 981		41 621		Afname

Vote 22
Begrotingspos 22

Education Co-ordination Service
Onderwyskoördineringsdiens

R4 958 000

22-1

AIM: To provide an education co-ordination service
Accounting officer: Head: Education Co-ordination Service

DOEL: Om 'n onderwyskoördineringsdiens te lewer
Rekenpligtige beampste: Hoof: Onderwyskoördineringsdiens

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions											Houtindelings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	4 514	1 482	31	40					4 545	1 522	1 Administrasie
2 Auxiliary and associated services	288	5	75	2			50	1	413	8	2 Ondersteunende en verwante dienste
AMOUNT TO BE VOTED	4 802	1 487	106	42			50	1	4 958	1 530	BEDRAG WAT BEWILLIG MOET WORD
Increase	3 315		64				49		3 428		Toename
Decrease											Afname

Presentation according to standard items			Aanbieding volgens standaarditems		
Items	1994/95	1993/94	Items	1994/95	1993/94
	R'000	R'000		R'000	R'000
A Personnel expenditure	3 274	1 183	A Personeeluitgawes		
B Administrative expenditure	554	180	B Administratiewe uitgawes		
C Stores and livestock	85	11	C Voorrade en lewende hawe		
D Equipment	125	51	D Toerusting		
E Land and buildings	250	1	E Grond en geboue		
F Professional and special services	579	101	F Professionele en spesiale dienste		
G Transfer payments	50	1	G Oordragbetalings		
H Miscellaneous expenditure	41	2	H Diverse uitgawes		
Amount to be voted	4 958	1 530	Bedrag wat bewillig moet word		

Departmental and miscellaneous receipts: R1 000.

Departementele en diverse ontvangste: R1 000.

Vote 23
Begrotingspos 23

Finance
Finansies

R1 495 419 000

23-1

AIM: To render policy advice on state finances as well as the overall utilization of government funds, fund the Exchequer, make funds available to public authorities and institutions and administer certain pension funds

DOEL: Om beleidsadvies oor staatsfinansies en die oorhoofse aanwending van owerheidsfondse te lewer, die Skatkis te befonds, fondse aan openbare owerhede en instellings beskikbaar te stel en sekere pensioenfondse te administreer

Accounting officer: Director-General: Finance

Rekenpligte beampste: Direkteur-generaal: Finansies

Presentation according to programmes Main divisions	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme Hoofindelings
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	26 633	30 830	235	159					26 868	30 989	1 Administrasie
2 Financial and economic measures	16 573	15 525	54	137		5 000			16 627	20 662	2 Finansiële en ekonomiese maatreëls
3 Exchequer financing	620 342	567 708	12 287	9 955					632 629	577 663	3 Skalkisfinansiering
4 Fiscal transfers					192 377	192 227	8 001	404 000	200 378	596 227	4 Fiskale oordragte
5 Civil pensions and contributions to funds	495 084	453 600	861	1 148	864	807			496 809	455 555	5 Siviele pensioene en bydraes tot fondse
6 Military pensions and other benefits	10 500	6 851	30		93 582	87 449			104 112	94 300	6 Militêre pensioene en ander voordele
7 Associated services	13 009	11 148	4 985	16 562	2	2			17 996	27 712	7 Verwante dienste
AMOUNT TO BE VOTED	1 182 141	1 085 662	18 452	27 961	286 825	285 485	8 001	404 000	1 495 419	1 803 108	BEDRAG WAT BEWILLIG MOET WORD
Amounts forming a direct charge on the National Revenue Fund											Bedrae wat regstreeks ten laste van die Nasionale Inkomste-fonds kom
Commitments i.r.o. State Debt (sec. 20 of Act 66 of 1975)											Verpligtings t.o.v. Staatskuld (art. 20 van Wet 66 van 1975)
Interest	23 278 860	20 743 348							23 278 860	20 743 348	Rente
Management	57 181	111 916							57 181	111 916	Bestuur
Cost of raising loans	3 994 946	2 545 845							3 994 946	2 545 845	Koste van aangaan van lenings
	27 330 987	23 401 109							27 330 987	23 401 109	
Commitments i.r.o. loans by community councils (sec. 30A of Act 66 of 1975)											Verpligtings t.o.v. lenings deur gemeenskapsrade (art. 30A van Wet 66 van 1975)
Interest	10 778	15 730							10 778	15 730	Rente
Management	341	308							341	308	Bestuur
Redemption	17 592	12 713							17 592	12 713	Aflossing
	28 711	28 751							28 711	28 751	
	27 359 698	23 429 860							27 359 698	23 429 860	

Vote 24
Begrotingspos 24

Trade and Industry
Handel en Nywerheid

R2 674 948 000

24-1

AIM: To promote the development and maintenance of an economically viable industrial structure, create conditions which are favourable and conducive to the sound development of internal and foreign trade and to protect consumer interests in the RSA

DOEL: Om die ontwikkeling en instandhouding van 'n ekonomies lewensvatbare nywerheidsstruktuur te bevorder, toestande te skep wat gunstig en bevorderlik vir gesonde ontwikkeling van die binnelandse en buitelandse handel is en verbruikersbelange in die RSA te beskerm

Accounting officer: Director-General: Trade and Industry

Rekenpligtige beampte: Direkteur-generaal: Handel en Nywerheid

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	18 662	16 644	68	68					18 730	16 712	1 Administrasie
2 Industrial development	24 106	21 186	73	96	246 943	257 632	25 969	30 485	297 091	309 399	2 Nywerheidsontwikkeling
3 Internal trade and consumer affairs	21 465	18 073	95	237	5 696	5 721			27 256	24 031	3 Binnelandse handel en verbruikersake
4 Foreign trade relations and export promotion	113 251	88 357	1 941	608	2 042 620	2 389 654			2 157 812	2 478 619	4 Buitelandse handelsbetrekkings en uitvoerbevoording
5 Promotion of tourism	2 647	1 959	10	10	79 037	115 130			81 694	117 100	5 Bevordering van toerisme
6 Associated services	9 130	5 079	2 700	3 384	80 534	124 633	1	1	92 365	133 097	6 Verwante dienste
AMOUNT TO BE VOTED	189 261	151 298	4 887	4 403	2 454 830	2 892 770	25 970	30 487	2 674 948	3 078 958	BEDRAG WAT BEWILIG MOET WORD
Increase	37 963		484								Toename
Decrease					437 940		4 517		404 010		Afname

Vote 25
Begrotingspos 25

Local Government and National Housing
Plaaslike Regering en Nasionale Behuising

R2 381 950 000

25-1

AIM: To determine, promote, co-ordinate and monitor policy i.r.o. local government and national housing

DOEL: Om beleid rakende plaaslike regering en nasionale behuising, te bepaal, bevorder, koördineer en monitor

Accounting officer: Director-General: Local Government and National Housing

Rekenpligtige beampte: Direkteur-generaal: Plaaslike Regering en Nasionale Behuising

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	Hoofindelings
1 Administration	19 196	14 400	422	343					19 616	14 743	1 Administrasie
2 Local government	6 478	9 835			709 909	785 733		1	716 387	795 569	2 Plaaslike regering
3 Housing and urbanization	10 752	9 347	11	75					10 763	9 422	3 Behuising en verstedeliking
4 Housing aid	220	320			213 355	259 196	1 409 584	1 042 545	1 623 159	1 302 061	4 Behuisingshulp
5 Auxiliary and associated services	1 450	1 478	7		10 565	5 000	1	1	12 023	6 478	5 Ondersteunende en verwante dienste
AMOUNT TO BE VOTED	38 096	35 380	440	418	933 829	1 049 929	1 409 585	1 042 546	2 381 950	2 128 273	BEDRAG WAT BEWILLIG MOET WORD
Increase	2 716		22				367 039		253 677		Toename
Decrease					116 100						Afname

Vote 26
Begrotingspos 26

Environment Affairs
Omgewingsake

R213 085 000

26-1

AIM: To ensure effective protection and sustainable utilization of the environment for the benefit of everyone in South Africa

DOEL: Om effektiewe beskerming en volhoubare benutting van die omgewing tot voordeel van almal in Suid-Afrika te verseker

Accounting officer: Director-General: Environment Affairs

Rekenpligtige beampte: Direkteur-generaal: Omgewingsake

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	Hoofindelings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	18 757	15 132	414	350					19 171	15 482	1 Administrasie
2 Environmental management	19 683	19 821	194	150	55 719	56 473	14 408	8 525	90 084	84 969	2 Omgewingsbestuur
3 Marine development	29 653	30 515	2 694	1 751					32 347	32 266	3 Mariene ontwikkeling
4 Weather bureau services	38 173	38 151	4 948	6 560					43 121	44 711	4 Weerbuurdienste
5 Auxiliary and associated services	29 810	34 956	4 158	15 955			25	60	33 993	50 971	5 Ondersteunende en verwante dienste
	136 076	138 575	12 408	24 766	55 719	56 473	14 433	8 585	218 636	228 399	
Less: Internal charges	5 551	6 855							5 551	6 855	Minus: Interne heffings
AMOUNT TO BE VOTED	130 525	131 720	12 408	24 766	55 719	56 473	14 433	8 585	213 085	221 544	BEDRAG WAT BEWILLIG MOET WORD
Increase							5 848				Toename
Decrease	1 195		12 358		754				8 459		Afname

AIM: To ensure the availability and supply of water on a national level and promote development of forestry

DOEL: Om die beskikbaarheid en voorsiening van water op nasionale vlak te verseker en ontwikkeling van bosbou te bevorder

Accounting officer: Director-General: Water Affairs and Forestry

Rekenpligtige beampte: Direkteur-generaal: Waterwese en Bosbou

Presentation according to programmes Main divisions	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme Hoofindelings
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	50 353	41 251	2 855	2 425	910	800	2 253	3 800	56 371	48 276	1 Administrasie
2 Water resource assessments	45 676	35 379							45 676	35 379	2 Waterbronevaluering
3 Water resource planning	27 043	38 723	33 215	6 968					60 258	45 691	3 Waterbronbeplanning
4 Water resource development	5 332	20 134	149 700	123 282	2	1	1	1	155 035	143 418	4 Waterbronontwikkeling
5 International projects							10 845	3 000	10 845	3 000	5 Internasionale projekte
6 Water resource utilization	57 543	48 756	16 371	11 673	1	1	36 875	40 580	110 790	101 010	6 Waterbronebenutting
7 Forestry	27 639	32 469			855	1 155			28 494	33 624	7 Bosbou
AMOUNT TO BE VOTED	213 586	216 712	202 141	144 348	1 768	1 957	49 974	47 381	467 469	410 398	BEDRAG WAT BEWILLIG MOET WORD
Increase			57 793				2 593		57 071		Toename
Decrease	3 126				189						Afname

Presentation according to standard items		Aanbieding volgens standaarditems	
Items	1994/95	1993/94	Items
	R'000	R'000	
A Personnel expenditure	174 913	161 955	A Personeeluitgawes
B Administrative expenditure	34 314	32 034	B Administratiewe uitgawes
C Stores and livestock	34 552	52 182	C Voorrade en lewende hawe
D Equipment	42 544	26 331	D Toerusting
E Land and buildings	3 255	7 980	E Grond en geboue
F Professional and special services	123 859	78 438	F Professionele en spesiale dienste
G Transfer payments	51 742	49 338	G Oordragbetalings
H Miscellaneous expenditure	2 290	2 140	H Diverse uitgawes
Amount to be voted	467 469	410 398	Bedrag wat bewillig moet word

Vote 30
Begrotingspos 30

Central Statistical Service
Sentrale Statistiekdiens

R60 624 000

30-1

AIM: To collect, process and make statistics available in terms of Act 66 of 1976

DOEL: Om statistieke ingevolge Wet 66 van 1976 te versamel, verwerk en beskikbaar te stel

Accounting officer: Head: Central Statistical Service

Rekenpligtige beempte: Hoof: Sentrale Statistiekdiens

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions											Hoofindelings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	20 211	15 797	1 015	927					21 226	16 724	1 Administrasie
2 Statistical service	38 467	22 484	792						39 259	22 484	2 Statistiekdiens
3 Auxiliary and associated services	139	131							139	131	3 Ondersteunende en verwante dienste
AMOUNT TO BE VOTED	58 817	38 412	1 807	927					60 624	39 339	BEDRAG WAT BEWILLIG MOET WORD
Increase	20 405		880						21 285		Toename
Decrease											Afname

Presentation according to standard items	Aanbieding volgens standaarditems		
Items	1994/95	1993/94	Items
	R'000	R'000	
A Personnel expenditure	43 327	27 268	A Personeeluitgawes
B Administrative expenditure	7 274	5 128	B Administratiewe uitgawes
C Stores and livestock	1 670	1 482	C Voorrade en lewende hawe
D Equipment	1 917	1 539	D Toerusting
E Land and buildings	1 400		E Grond en geboue
F Professional and special services	4 142	3 581	F Professionele en spesiale dienste
G Transfer payments			G Oordragbetalings
H Miscellaneous expenditure	894	341	H Diverse uitgawes
Amount to be voted	60 624	39 339	Bedrag wat bewillig moet word

Departmental and miscellaneous receipts: R35 000.

Departementele en diverse ontvangste: R35 000.

Vote 31
Begrotingspos 31

Public Works
Openbare Werke

R2 292 335 000

31-1

AIM: To provide for the accommodation, housing, land and structural needs of government departments and declared institutions in accordance with prescribed standards and directives and render associated and supporting services

DOEL: Om in die akkommodasie, behuising, grond en ander struktuurbehoefes van staatsdepartemente en verklaarde inrigtings ooreenkomstig voorgeskrywe standarde en voorskrifte te voorsien en verwante en ondersteunende dienste te lewer

Accounting officer: Director General: Public Works

Rekenpfligige beampste: Direkteur generaal: Openbare Werke

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	Hoofindelings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	53 832	50 738	774	1 947					54 606	52 685	1 Administrasie
2 Acquisition of land and control of state land	14 840	10 330	551	4 842					15 391	15 172	2 Grondverkryging en staatsgrond-beheer
3 Provision of buildings, structures and equipment	1 388 467	1 231 696	470 532	575 167					1 858 999	1 806 863	3 Voorsiening van geboue, strukture en toerusting
4 Miscellaneous services	347 932	324 646	6 473	6 666	8 721	8 611	213	180	363 339	340 103	4 Diverse dienste
AMOUNT TO BE VOTED	1 805 071	1 617 410	478 330	588 622	8 721	8 611	213	180	2 292 335	2 214 823	BEDRAG WAT BEWILLIG MOET WORD
Increase	187 661				110		33		77 512		Toename
Decrease			110 292								Afname

AIM: To provide education and promote culture

DOEL: Om onderwys te verskaf en kultuur te bevorder

Accounting officer: Superintendent-General: Administration: Education and Culture

Rekenpligtige beampte: Superintendent-generaal: Onderwys en Kultuur

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	93 153	86 521	54 698	94 004			3 369	3 311	151 220	183 836	1 Administrasie
2 Ordinary school education and teacher training	4 172 097	3 980 213	3 682	4 788	279 824	331 447	74 957	78 967	4 530 560	4 395 415	2 Gewoonskoolonderwys en onderwysersopleiding
3 University and technician education	2 760	2 646			2 330 933	2 189 476	88 724	84 848	2 422 417	2 276 970	3 Universitêre en tegniese opleiding
4 Post-school education	180 020	171 138			19 748	26 060	8 500	6 000	208 260	203 198	4 Naskoolse onderwys
5 Education of handicapped children	202 100	182 108	410	340	38 001	46 768	3 000	3 000	243 511	232 216	5 Onderwys van gestremde kinders
6 Children in need of care	50 398	51 436	1 875	982	446	476			52 719	52 894	6 Sorgbeheewende kinders
7 Cultural affairs and recreation	14 124	13 295	553	440	20 596	19 274			35 273	33 009	7 Kultuursake en ontspanning
8 Auxiliary and associated services	46 021	49 204	5 628	9 738	15	15			51 664	58 957	8 Ondersteunende en verwante dienste
AMOUNT TO BE VOTED	4 760 673	4 536 561	66 846	110 292	2 689 563	2 613 516	178 550	176 126	7 695 632	7 436 495	BEDRAG WAT BEWILLIG MOET WORD
Increase	224 112				76 047		2 424		259 137		Toename
Decrease			43 446								Afname

Vote 33
Begrotingspos 33

Education and Culture (Ex-House of Representatives)
Onderwys en Kultuur (Ex-Raad van Verteenwoordigers)

33-1
R3 561 065 000

AIM: To provide professional planning services, regulate specialized education and extra-curricular services, apply professional control, undertake educational administrative services, provide education on a decentralized basis and promote culture

DOEL: Om vakkundige beplanningsdienste te lewer, gespesialiseerde onderwys en buite-kurrikulêre dienste te reguleer, vakkundige beheer toe te pas, onderwysadministratiewe dienste te behartig, onderwys op 'n gedentraliseerde grondslag te verskaf en kultuur te bevorder

Accounting officer: Chief Executive Director: Education and Culture

Rekenpligtige beampte: Hoof Uitvoerende Direkteur: Onderwys en Kultuur

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions											
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	133 153	118 976	5 227	7 611					130 380	126 587	1 Administrasie
2 Education	3 096 622	2 799 452	107 059	90 811	35 869	27 777	12 466	11 354	3 252 016	2 929 394	2 Onderwys
3 Tertiary education					141 458	141 099	23 202	26 699	164 660	167 798	3 Tersiere onderwys
4 Culture	2 480	2 433	14	14	3 515	3 070			6 009	5 517	4 Kultuur
AMOUNT TO BE VOTED	3 232 255	2 920 861	112 300	98 436	180 842	171 946	35 668	38 053	3 561 065	3 229 296	BEDRAG WAT BEWILLIG MOET WORD
Increase	311 394		13 864		8 896				331 769		Toename
Decrease							2 385				Afname

AIM: To conduct the phasing-out of own affairs administrations

DOEL: Om die uitfasering van eie sake administrasies te behartig

Accounting Officer: Director-General: Administration: House of Representatives

Rekenpligtige beampste: Direkteur-generaal: Administrasie: Raad van Verteenwoordigers

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
1 Administration	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	1 Administrasie
AMOUNT TO BE VOTED	866	4 629							866	4 629	BEDRAG WAT BEWILLIG MOET WORD
Increase											Toename
Decrease	3 763								3 763		Afname

Presentation according to standard items			Aanbieding volgens standaarditems	
Items	1994/95	1993/94	Items	
	R'000	R'000		
A Personnel expenditure	462	2 646	A Personeeluitgawes	
B Administrative expenditure	384	1 839	B Administratiewe uitgawes	
C Stores and livestock		71	C Voorrade en lewende hawe	
D Equipment		25	D Toerusting	
E Land and buildings			E Grond en geboue	
F Professional and special services		32	F Professionele en spesiale dienste	
G Transfer payments			G Oordragbetalings	
H Miscellaneous expenditure		16	H Diverse uitgawes	
Amount to be voted	866	4 629	Bedrag wat bewillig moet word	

AJM: To enable the Executive Deputy President of the Largest Majority Party to fulfil his constitutional and other functions

Accounting officer: Head: Office of the Executive Deputy President

DOEL: Om die Uitvoerende Adjunkpresident van die Grootste Meerderheidsparty in staat te stel om sy grondwetlike en ander funksies te vervul

Rekenpligtige beampte: Hoof: Kantoor van die Uitvoerende Adjunkpresident

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	Hoofindelings
1 Administration	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	1 Administrasie
2 Auxiliary and associated services	6 563		140						6 703		
AMOUNT TO BE VOTED	3 217		80						3 297		BEDRAG WAT BEWILLIG MOET WORD
	9 780		220						10 000		Toename
Increase	9 780		220						10 000		Afname
Decrease											

Presentation according to standard items			Aanbieding volgens standaarditems	
Items	1994/95	1993/94	Items	
	R'000	R'000		
A Personnel expenditure	7 200		A Personeeluitgawes	
B Administrative expenditure	1 616		B Administratiewe uitgawes	
C Stores and livestock	350		C Voorrade en lewende hawe	
D Equipment	457		D Toerusting	
E Land and buildings			E Grond en geboue	
F Professional and special services	223		F Professionele en spesiale dienste	
G Transfer payments			G Oordragbetalings	
H Miscellaneous expenditure	154		H Diverse uitgawes	
Amount to be voted	10 000		Bedrag wat bewillig moet word	

**CAPE PROVINCIAL ADMINISTRATION
KAAPSE PROVINSIALE ADMINISTRASIE**

38-1

AIM:

General provincial services

To render general provincial services

Health services

To render health and related services which have been assigned to the Cape Provincial Administration in terms of legislation

Road network provision and traffic administration

To provide and maintain efficient road connections as well as the enforcement of traffic control and regulations and particular ordinances and managing the collection of outstanding taxes, revenue and other debts

Community development

To promote community development within the boundaries of the CPA

Improvement of conditions of service

To provide for expenditure resulting from improved conditions of service of officers and employees

Accounting officer: Director-general: Cape Provincial Administration

DOEL:

Algemene provinsiale dienste

Om algemene provinsiale dienste te lewer

Gesondheidsdienste

Om gesondheid- en verwante dienste te lewer wat ingevolge wetgewing aan die Kaapse Provinsiale Administrasie opgedra is

Padnetwerkvoorsiening en verkeersadministrasie

Om doeltreffende padverbindings daar te stel en in stand te hou asook verkeersbeheer en reëlings en bepaalde ordonnasies toe te pas en die invordering van uitstaande belasting, inkomste en ander skulde te behartig

Gemeenskapsontwikkeling

Om gemeenskapsontwikkeling binne die grense van KPA te bevorder

Verbetering van diensvoorwaardes

Om voorsiening te maak vir uitgawes voortspruitend uit die verbetering van diensvoorwaardes van beamptes en werknemers

Rekenpligtige beampte: Direkteur-generaal: Kaapse Provinsiale Administrasie

No.	Vote—Begrotingspos Title—Titel	1994/95				1993/94	
		Current Lopend	Capital Kapitaal	Transfers/Oordragte			Te be- vestig te word
				Current Lopend	Capital Kapitaal		
		R'000	R'000	R'000	R'000	R'000	
1	General provincial services—Algemene provinsiale dienste	363 117	115 987	43 924	8 431	531 489	508 068
2	Health Services—Gesondheidsdienste	2 251 248	83 727	225 678	12 000	2 872 653	2 271 384
3	Road network provision and traffic administration—Padnetwerkvoorsiening en verkeersadministrasie	206 084	350 861		53 372	610 317	555 802
4	Community development—Gemeenskapsontwikkeling	321 700	68 522	2 764 003	36 403	3 190 628	2 619 409
5	Improvement of conditions of service—Verbetering van diensvoorwaardes	92 041				82 841	53 560
Total—Totaal		3 234 190	619 097	3 033 605	110 206	6 987 896	6 208 223

Net increase—Netto toename R788 875 000

**NATAL PROVINCIAL ADMINISTRATION
NATALE PROVINSIALE ADMINISTRASIE**

39-1

AIM:

General provincial services

To render general provincial services

Health services

To render health and related services which have been assigned to the Natal Provincial Administration in terms of legislation

Road network provision and traffic administration

To provide and maintain efficient road connections as well as the enforcement of traffic control and regulations and particular ordinances and managing the collection of outstanding taxes, revenue and other debts

Community development

To promote community development within the boundaries of the NPA

Improvement of conditions of service

To provide for expenditure resulting from improved conditions of service of officers and employees

Accounting officer: Director-general: Natal Provincial Administration

DOEL:

Algemene provinsiale dienste

Om algemene provinsiale dienste te lewer

Gesondheidsdienste

Om gesondheid- en verwante dienste te lewer wat ingevolge wetgewing aan die NATALE Provinsiale Administrasie opgedra is

Padnetwerkvoorsiening en verkeersadministrasie

Om doeltreffende padverbindings daar te stel en in stand te hou asook verkeersbeheer en reëlings en bepaalde ordonnasies toe te pas en die invordering van uitstaande belasting, inkomste en ander skulde te behartig

Gemeenskapsontwikkeling

Om gemeenskapsontwikkeling binne die grense van NPA te bevorder

Verbetering van diensvoorwaardes

Om voorsiening te maak vir uitgawes voortspruitend uit die verbetering van diensvoorwaardes van beamptes en werknemers

Rekenpligtige beampte: Direkteur-generaal: NATALE Provinsiale Administrasie

No.	Vote—Begrotingspos Title—Titel	1994/95				1993/94	
		Current Lopend	Capital Kapitaal	Transfers/Oordragte			Te be- vestig te word
				Current Lopend	Capital Kapitaal		
		R'000	R'000	R'000	R'000	R'000	
1	General provincial services—Algemene provinsiale dienste	143 206	120 832	112 918	9 023	385 979	327 274
2	Health Services—Gesondheidsdienste	1 470 395	91 705	77 155		1 639 255	1 379 220
3	Road network provision and traffic administration—Padnetwerkvoorsiening en verkeersadministrasie	125 998	205 787	25 603		357 388	330 469
4	Community development—Gemeenskapsontwikkeling	273 897	42 497	974 817	10 000	1 381 211	1 164 972
5	Improvement of conditions of service—Verbetering van diensvoorwaardes	64 429				64 429	35 411
Total—Totaal		2 077 925	460 821	1 190 493	19 023	3 748 262	3 237 346

Net increase—Netto toename R510 916 000

AIM:

General provincial services
To render general provincial services

Health services
To render health and related services which have been assigned to the OFS Provincial Administration in terms of legislation

Road network provision and traffic administration
To provide and maintain efficient road connections as well as the enforcement of traffic control and regulations and particular ordinances and managing the collection of outstanding taxes, revenue and other debts

Community development
To promote community development within the boundaries of the OFS

Improvement of conditions of service
To provide for expenditure resulting from improved conditions of service of officers and employees

Accounting officer: Director-general: Orange Free State Provincial Administration

DOEL:

Algemene provinsiale dienste
Om algemene provinsiale dienste te lewer

Gesondheidsdienste
Om gesondheid- en verwante dienste te lewer wat ingevolge wetgewing aan die OVS Provinsiale Administrasie opgedra is

Padnetwerkvoorsiening en verkeersadministrasie
Om doeltreffende padverbindinge daar te stel en in stand te hou asook verkeersbeheer en reëlings en bepaalde ordonansies toe te pas en die invordering van uitstaande belasting, inkomste en ander skulde te behartig

Gemeenskapsontwikkeling
Om gemeenskapsontwikkeling binne die grense van OVS te bevorder

Verbetering van diensvoorwaardes
Om voorsiening te maak vir uitgawes voortspruitend uit die verbetering van diensvoorwaardes van beamptes en werknemers

Rekenpligtige beampte: Direkteur-generaal: Oranje-Vrystaatse Provinsiale Administrasie

Vote—Begrotingspos		1994/95				1993/94	
		Current Lopend	Capital Kapitaal	Transfers/Oordragte			To be voted Bewilling te word
No.	Title—Titel			R'000	R'000	R'000	
1	General provincial services—Algemene provinsiale dienste	174 362	84 391	18 864		277 617	254 936
2	Health Services—Gesondheidsdienste	770 258	14 965	29 045		814 268	739 481
3	Road network provision and traffic administration—Padnetwerkvoorsiening en verkeersadministrasie	175 926	109 171	4 094		289 191	259 012
4	Community development—Gemeenskapsontwikkeling	128 570	24 947	591 523	75	748 118	686 207
5	Improvement of conditions of service—Verbetering van diensvoorwaardes	33 325				33 325	17 795
	Total—Totaal	1 282 441	233 474	643 526	75	2 158 516	1 959 431

Net increase—Netto toename R200 085 000

**TRANSCVAAL PROVINCIAL ADMINISTRATION
TRANSCVAALSE PROVINSIALE ADMINSTRASIE**

AIM:

General provincial services
To render general provincial services

Health services
To render health and related services which have been assigned to the Transvaal Provincial Administration in terms of legislation

Road network provision and traffic administration
To provide and maintain efficient road connections as well as the enforcement of traffic control and regulations and particular ordinances and managing the collection of outstanding taxes, revenue and other debts

Community development
To promote community development within the boundaries of the TPA

Improvement of conditions of service
To provide for expenditure resulting from improved conditions of service of officers and employees

Accounting officer: Director-general: Transvaal Provincial Administration

DOEL:

Algemene provinsiale dienste
Om algemene provinsiale dienste te lewer

Gesondheidsdienste
Om gesondheid- en verwante dienste te lewer wat ingevolge wetgewing aan die Transvaalse Provinsiale Administrasie opgedra is.

Padnetwerkvoorsiening en verkeersadministrasie
Om doeltreffende padverbindinge daar te stel en in stand te hou asook verkeersbeheer en reëlings en bepaalde ordonansies toe te pas en die invordering van uitstaande belasting, inkomste en ander skulde te behartig

Gemeenskapsontwikkeling
Om gemeenskapsontwikkeling binne die grense van TPA te bevorder

Verbetering van diensvoorwaardes
Om voorsiening te maak vir uitgawes voortspruitend uit die verbetering van diensvoorwaardes van beamptes en werknemers

Rekenpligtige beampte: Direkteur-generaal: Transvaalse Provinsiale Administrasie

Vote—Begrotingspos		1994/95				1993/94	
		Current Lopend	Capital Kapitaal	Transfers/Oordragte			To be voted Bewilling te word
No.	Title—Titel			R'000	R'000	R'000	
1	General provincial services—Algemene provinsiale dienste	622 499	321 585	44 457	315	986 856	954 219
2	Health Services—Gesondheidsdienste	3 102 808	156 120	298 542		3 557 470	2 927 930
3	Road network provision and traffic administration—Padnetwerkvoorsiening en verkeersadministrasie	380 808	332 002	3 361		724 171	658 261
4	Community development—Gemeenskapsontwikkeling	442 796	15 411	2 378 374	355	2 836 936	2 655 847
5	Improvement of conditions of service—Verbetering van diensvoorwaardes	127 588				127 588	71 177
	Total—Totaal	4 684 499	825 118	2 724 734	670	6 235 821	7 267 434

Net increase—Netto toename R1 167 587 000

Former self-governing territory: Gazankulu
Voormalige selfregerende gebied: Gazankulu

R1 780 276 000

AIM: To render services to the citizens of the former self-governing territory, Gazankulu

DOEL: Om dienste aan die inwoners van die voormalige selfregerende gebied, Gazankulu, te lewer

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	Hoofindelings
1 Administration	51 159	46 198	959	6 236	43 153	48 290			95 171	100 724	1 Administrasie
2 Education	647 902	513 109	3 800	14 388	5 102	10 722			656 604	538 219	2 Onderwys
3 Health and welfare	223 386	187 443	8 000	12 550	236 618	189 429			468 004	389 422	3 Gesondheid en welsyn
4 Justice	18 571	17 086	2 867	3 000					21 438	20 086	4 Justisie
5 Law and order	55 199	47 009	909	2 825	90	100			56 196	49 934	5 Wet en orde
6 Associated services	432 785	336 002	41 411	89 878	8 665	6 614			482 861	432 484	6 Verwante dienste
AMOUNT TO BE VOTED	1 429 002	1 146 847	57 646	128 877	293 628	255 155			1 780 276	1 530 878	BEDRAG WAT BEWILLIG MOET WORD
Increase	282 155				38 473				249 397		Toename
Decrease			71 231								Afname

**Former self-governing territory: KaNgwane
Voormalige selfregerende gebied: KaNgwane**

R1 096 114 000

AIM: To render services to the citizens of the former self-governing territory, KaNgwane

DOEL: Om dienste aan die inwoners van die voormalige selfregerende gebied KaNgwane te lewer

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme Hoofindelings
					Current Lopend		Capital Kapitaal		1994/95	1993/94	
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94			
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	34 574	36 420	9 411	3 187	11 725	16 241			55 710	55 648	1 Administrasie
2 Education	415 125	296 502	23 012	41 771	2 750	37 021			440 697	375 294	2 Onderwys
3 Health and welfare	102 000	79 658	7 379	13 276	151 463	119 827			260 842	212 761	3 Gesondheid en welsyn
4 Justice	8 421	6 969	1 040	509					9 461	7 478	4 Justisie
5 Police	30 738	25 426	2 076	5 061					32 814	30 507	5 Polisie
6 Associated services	143 409	147 625	114 389	32 716	38 622	29 547			296 400	209 668	6 Verwante dienste
AMOUNT TO BE VOTED	734 267	592 600	157 287	96 540	204 580	202 636			1 096 114	691 776	BEDRAG WAT BEWILLIG MOET WORD
Increase	141 667		60 747		1 924				204 338		Toename
Decrease											Afname

**Former self-governing territory: KwaNdebele
Voormalige selfregerende gebied: KwaNdebele**

R807 406 000

AIM: To render services to the citizens of the former self-governing territory, KwaNdebele

DOEL: Om dienste aan die inwoners van die voormalige selfregerende gebied, KwaNdebele, te lewer

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	59 034	81 777	398	779	1 020	768			60 452	83 324	1 Administrasie
2 Education and culture	256 814	224 526	13 557	22 437					270 371	246 963	2 Onderwys en kultuur
3 Health, welfare and social allowances	28 382	20 765	1 733	7 184	99 562	78 041			129 677	105 990	3 Gesondheid, welnsyn en maatskaplike toelae
4 Justice	8 691	7 988	190	502					8 681	8 490	4 Justisie
5 Law and order	39 122	36 154	2 205	6 380					41 327	42 534	5 Wet en orde
6 Associated services	198 729	150 686	64 919	64 232	33 050	27 441			296 698	242 381	6 Verwante dienste
AMOUNT TO BE VOTED	590 772	521 698	83 002	101 514	133 632	106 250			607 406	729 682	BEDRAG WAT BEWILLIG MOET WORD
Increase	68 874				27 382				77 744		Toename
Decrease			18 512								Afname

**Former self-governing territory: KwaZulu
Voormalige selfregerende gebied: KwaZulu**

R7 107 677 000

AIM: To render services to the citizens of the former self-governing territory, KwaZulu

DOEL: Om dienste aan die inwoners van die voormalige selfregerende gebied, KwaZulu, te lewer

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	Hoofindelings
1 Administration	137 724	47 704			12 736	13 362			150 460	61 066	1 Administrasie
2 Education and culture	2 247 141	1 996 290	246 646	176 800	56 962	57 473			2 552 749	2 232 563	2 Onderwys en kultuur
3 Health	751 096	696 319			16 050	13 049			767 146	709 368	3 Gesondheid
4 Welfare and pensions	54 704	47 327			1 615 395	1 404 241			1 670 099	1 451 568	4 Welwyn en pensioene
5 Justice	39 002	35 462							39 002	35 462	5 Justisie
6 Police	169 866	166 904							169 866	166 904	6 Polisie
7 Correctional services	26 584	24 589			15	15			26 599	24 604	7 Korrektiewe dienste
8 Associated services	1 306 544	1 101 947	329 166	263 706	5 626	1 161	66 400	66 400	1 709 756	1 433 214	8 Verwante dienste
AMOUNT TO BE VOTED	4 754 661	4 116 542	575 832	440 506	1 706 784	1 469 301	66 400	66 400	7 107 677	6 114 749	BEDRAG WAT BEWILLIG MOET WORD
Increase	638 119		135 326		216 683		2 000		992 928		Toename
Decrease											Afname

**Former self-governing territory: Lebowa
Voormalige selfregerende gebied: Lebowa**

R4 223 366 000

AIM: To render services to the citizens of the former self-governing territory, Lebowa

DOEL: Om dienste aan die inwoners van die voormalige selfregerende gebied, Lebowa, te lewer

Presentation according to programmes Main divisions	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme Hoofindelings
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	54 740	65 071	9 490	29 575	3 000	5 903			67 220	100 549	1 Administrasie
2 Education	1 860 508	1 421 669	46 641	154 538					1 927 149	1 576 227	2 Onderwys
3 Health and welfare	397 913	371 299	32 810	66 691	837 976	595 492			1 268 701	1 033 482	3 Gesondheid en welsyn
4 Justice	41 527	36 364	5 380	15 364					46 907	51 728	4 Justisie
5 Law and order	166 382	133 600	1 932	13 836					166 314	147 636	5 Wet en orde
6 Associated services	605 059	506 274	77 716	150 974	62 300	55 210			745 075	712 456	6 Verwante dienste
AMOUNT TO BE VOTED	3 146 129	2 534 497	173 959	430 976	903 276	656 605			4 223 366	3 622 060	BEDRAG WAT BEWILLIG MOET WORD
Increase	611 632				246 673				601 286		Toename
Decrease			257 019								Afname

Former self-governing territory: Qwaqwa
Voormalige selfregerende gebied: Qwaqwa

R959 375 000

AIM: To render services to the citizens of the former self-governing territory, Qwaqwa

DOEL: Om dienste aan die inwoners van die voormalige selfregerende gebied, Qwaqwa, te lewer

Presentation according to programmes Main divisions	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme Hoofindelings
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	18 131	13 464	1	1	28 080	20	53 000		99 212	13 485	1 Administrasie
2 Education	276 287	231 228	352	217	675	600			279 314	232 045	2 Onderwys
3 Health and welfare	96 187	74 986	3 080	3 950	3 372	2 554			102 639	81 470	3 Gesondheid en welsyn
4 Justice	6 944	5 780							6 944	5 780	4 Justisie
5 Police	47 517	32 980	2 000	1 600					49 517	34 560	5 Polisie
6 Associated services	176 370	152 599	123 216	100 237	120 163	115 644		56 785	421 749	425 285	6 Verwante dienste
AMOUNT TO BE VOTED	825 436	511 017	126 649	106 005	152 290	116 818	53 000	56 785	959 375	792 625	BEDRAG WAT BEWILLIG MOET WORD
Increase	114 419		22 644		33 472				166 750		Toename
Decrease							3 485				Afname

**Former Independent state: Transkei
Voormalige onafhanklike staat: Transkei**

R6 599 709 000

AIM: To render services to the citizens of the former independent state, Transkei

DOEL: Om dienste aan die inwoners van die voormalige onafhanklike staat, Transkei, te lewer

Presentation according to programmes Main divisions	Current Loperd		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme Hoofindelings
	1994/95	1993/94	1994/95	1993/94	Current Loperd		Capital Kapitaal		1994/95	1993/94	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	36 915	18 820	80	2 816	44 039	41 830	2 226	3 528	83 260	66 792	1 Administrasie
2 Defence	251 275	163 422	5 078	2 078					256 353	165 500	2 Verdediging
3 Education	1 832 255	1 283 482	25 400	25 400	101 429	97 296	6 761	2 850	1 765 845	1 409 008	3 Onderwys
4 Justice	82 401	63 611	355	222					82 756	63 833	4 Justisie
5 Police	288 853	218 604	5 210	6 210					294 063	224 814	5 Polisie
6 Prisons	107 355	94 255	241	273					107 596	94 528	6 Gevangenes
7 Health, welfare and pensions	648 854	571 672	2 316	2 810	1 397 959	1 380 509			2 048 129	1 934 991	7 Geondheid, weloyn en pensioene
8 Associated services	1 630 789	1 619 624	180 538	188 879	163 968	182 293	5 414	5 413	1 960 707	1 976 209	8 Verwante dienste
AMOUNT TO BE VOTED	4 678 697	4 033 470	199 218	228 488	1 707 393	1 661 926	14 401	11 789	6 599 709	5 935 675	BEDRAG WAT BEWILLIG MOET WORD
Increase	645 227				45 465		2 612		664 034		Toename
Decrease			29 270								Afname

Former independent state: Bophuthatswana
Voormalige onafhanklike staat: Bophuthatswana

R5 208 065 000

AIM: To render services to the citizens of the former independent state, Bophuthatswana

DOEL: Om dienste aan die inwoners van die voormalige onafhanklike staat, Bophuthatswana, te lewer

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
					Current Lopend		Capital Kapitaal				
	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	
Main divisions	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	51 100	60 300			46 100	44 500	8 500	26 000	105 700	132 600	1 Administrasie
2 Defence	160 200	177 700							160 200	177 700	2 Verdediging
3 Education	951 800	889 400			131 000	130 300	1 400	2 900	1 084 200	1 022 600	3 Onderwys
4 Justice	23 400	25 500			1 100	1 500			24 500	27 000	4 Justisie
5 Police	298 665	343 000							298 665	343 000	5 Polisie
6 Prisons	41 800	40 800							41 800	40 800	6 Gevangenes
7 Health, welfare services and population development	966 200	864 400			500	600			966 700	865 200	7 Gesondheid, welsyndienste en bevolkingsontwikkeling
8 Associated services	1 358 600	1 466 000	539 800	439 900	564 600	608 100	43 300	54 900	2 526 300	2 585 900	8 Verwante dienste
AMOUNT TO BE VOTED	3 851 785	3 867 100	539 800	439 900	763 300	785 200	53 200	85 800	5 208 065	5 198 000	BEDRAG WAT BEWILLIG MOET WORD
Increase			99 900						10 065		Toename
Decrease	35 335				21 900		32 600				Afname

**Former independent state: Venda
Voormalige onafhanklike staat: Venda**

R1 900 482 000

AIM: To render services to the citizens of the former independent country, Venda

DOEL: Om dienste aan die inwoners van die voormalige onafhanklike staat, Venda, te lewer

Presentation according to programmes Main divisions	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme Hoofindelings
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
					1994/95	1993/94	1994/95	1993/94			
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	17 007	13 652	432		32 780	40 833	4 659		54 678	54 485	1 Administrasie
2 Defence	49 644	46 683	61						49 705	46 683	2 Verdediging
3 Education and culture	469 838	424 624	26 421	200	38 051	37 303	2 341		536 451	482 127	3 Onderwys en kultuur
4 Justice	10 013	6 587	1 080						11 093	8 567	4 Justisie
5 Law and order	73 217	68 862	970						74 187	68 862	5 Wet en orde
6 Prisons	14 248	12 357	1 680	110					15 928	12 467	6 Gevangenes
7 Health and welfare	109 207	106 921	38 789		270 228	202 662			418 204	309 603	7 Geesondheid en weloyn
8 Associated services	645 175	582 710	58 080	164 626	36 781	31 548			740 036	778 684	8 Verwante dienste
AMOUNT TO BE VOTED	1 388 149	1 264 396	127 493	164 936	377 840	312 366	7 000		1 900 482	1 741 698	BEDRAG WAT BEWILLIG MOET WORD
Increase	123 753				65 474		7 000		158 784		Toename
Decrease			37 443								Afname

Former independent state: Ciskei
Voormalige onafhanklike staat: Ciskei

R2 830 724 000

AIM: To render services to the citizens of the former independent state, Ciskei

DOEL: Om dienste aan die inwoners van die voormalige onafhanklike staat, Ciskei, te lewer

Presentation according to programmes	Current Lopend		Capital Kapitaal		Transfers Oordragte				Total Totaal		Aanbieding volgens programme
	1994/95	1993/94	1994/95	1993/94	Current Lopend		Capital Kapitaal		1994/95	1993/94	
Main divisions	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	Hoofindelings
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
1 Administration	12 361	16 887	200	2 231		5 237			12 561	26 355	1 Administrasie
2 Defence	101 969	99 155	100	1 000	770	755			102 839	100 910	2 Verdediging
3 Education and culture	497 759	413 784	61 487	72 193	98 595	75 069			657 641	561 026	3 Onderwys en kultuur
4 Justice and constitution development	22 106	21 685		100	620	606			22 726	22 391	4 Justisie en staatkundige ontwikkeling
5 Police	107 113	102 927	500	400					107 613	103 327	5 Polisie
6 Prisons service	34 414	30 630	920	1 550					35 334	32 180	6 Gevangenediens
7 Health, welfare and population development	298 713	269 629	11 450	13 600	320 019	249 057			630 182	532 286	7 Gesondheid, welsyn en bevolkingsontwikkeling
8 Associated services	1 057 012	1 018 020	41 338	69 442	147 248	118 276	16 030	16 030	1 261 628	1 241 768	8 Verwante dienste
AMOUNT TO BE VOTED	2 131 447	1 974 697	115 995	180 518	567 252	449 000	16 030	16 030	2 630 724	2 620 243	BEDRAG WAT BEWILLIG MOET WORD
Increase	156 750				118 252				210 481		Toename
Decrease			64 521								Afname

1994/95 BUDGET

SUMMARY OF TAX PROPOSALS

PART I: INLAND REVENUE

1. TRANSITION LEVY

It is proposed that the following levy be imposed:

1.1 INDIVIDUALS

1.1.1 Individuals other than married women

The levy will be imposed at the rate of 3,33 per cent of the amount of taxable income which exceeds R50 000. The levy will apply in respect of taxable income determined in respect of years of assessment ending on 28 February 1995 and 30 June 1995, as the case may be.

1.1.2 Married women

The levy will be imposed at the rate of 3.33 per cent of the amount of taxable income which exceeds R175 000. The levy will apply in respect of taxable income determined in respect of years of assessment ending on 28 February 1995 and 30 June 1995, as the case may be.

1.1.3 Continuation of levy in 1996 year of assessment

The levy will continue to apply in respect of taxable income determined with regard to years of assessment ending on 29 February 1996 or 30 June 1996 (as the case may be) but, will be imposed at the rate of 1,67 per cent of taxable income exceeding R50 000. With regard to married women the levy will also be imposed at the rate of 1,67 per cent but, on the amount of taxable income exceeding R175 000. This proposal is, however, subject to revision should the rates with regard to married women change in respect of the 1996 year of assessment.

1.2 COMPANIES

The levy will be imposed at the rate of 5 per cent of the amount of taxable income, before the set-off of any assessed losses brought forward from previous years, which exceeds R50 000. The levy will apply in respect of taxable income as determined above in respect of years of assessment ending during the period of 12 months ending on 31 March 1995.

1.3 TBVC COUNTRIES

Taxpayers (individuals and companies) of the former TBVC countries will also be liable for the levy on the equivalent of "taxable income" as defined in the legislation applicable to such countries. Ciskeian companies who have been granted "tax-free" status in terms of Ciskei laws, will also be subject to the levy.

1.4 EXAMPLES

The effect of the imposition of the levy is illustrated in Tables B1 to B5.

2. DUAL TAX ON COMPANIES

2.1 COMPANIES EXCLUDING GOLD MINING COMPANIES

It is proposed that:

- The rate of tax on companies be reduced from 40 per cent to 35 per cent. The new rate will apply to all companies whose year of assessment ends on or after 1 April 1994.

The rate of Secondary Tax on Companies (STC) be increased from 15 per cent to 25 per cent in respect of dividends declared on or after 22 June 1994.

The new formula will apply to goldmining companies with years of assessment ending on or after 1 April 1994. The new formula will, however, only apply to a gold mining company which is not exempt from STC.

2.2 GOLD MINING COMPANIES

It is proposed that the relevant tax formula which is applicable to gold mines be revised as follows:

$$y = 43 - [215 \div x]$$

where: y = tax rate
 x = profit ratio

3. WITHDRAWAL OF GENERAL EXPORT INCENTIVE SCHEME EXEMPTION (GEIS)

It is proposed that the exemption from normal tax in respect of assistance granted in terms of the above scheme be withdrawn from 1 March 1995. Amounts which accrue to taxpayers on or after that date will be subject to tax.

TABLE B.1
INCOME TAX PAYABLE: 1994 AND 1995 (MARRIED, UNDER 65): RSA AND VENDA

TAXABLE INCOME	NO CHILDREN		ANNUAL INCREASE	MONTHLY PAYE INCREASE	1 CHILD		ANNUAL INCREASE	MONTHLY PAYE INCREASE	2 CHILDREN		ANNUAL INCREASE	MONTHLY PAYE INCREASE
	1994	1995			1994	1995			1994	1995		
R 50 000	R 9 975	R 9 975	R 0	R 0*	R 9 875	R 9 875	R 0	R 0*	R 9 775	R 9 775	R 0	R 0*
52 000	10 795	10 862	67	8*	10 695	10 762	67	8*	10 595	10 662	67	8*
54 000	11 615	11 748	133	17*	11 515	11 648	133	17*	11 415	11 548	133	17*
56 000	12 435	12 635	200	25*	12 335	12 535	200	25*	12 235	12 435	200	25*
58 000	13 255	13 521	266	33*	13 155	13 421	266	33*	13 055	13 321	266	33*
60 000	14 075	14 408	333	42*	13 975	14 308	333	42*	13 875	14 208	333	42*
62 000	14 915	15 315	400	50*	14 815	15 215	400	50*	14 715	15 115	400	50*
64 000	15 755	16 221	466	58*	15 655	16 121	466	58*	15 555	16 021	466	58*
66 000	16 595	17 128	533	67*	16 495	17 028	533	67*	16 395	16 928	533	67*
68 000	17 435	18 034	599	75*	17 335	17 934	599	75*	17 235	17 834	599	75*
70 000	18 275	18 941	666	83*	18 175	18 841	666	83*	18 075	18 741	666	83*
75 000	20 375	21 208	833	104*	20 275	21 108	833	104*	20 175	21 008	833	104*
80 000	22 475	23 474	999	125*	22 375	23 374	999	125*	22 275	23 274	999	125*
85 000	24 625	25 791	1 166	146*	24 525	25 691	1 166	146*	24 425	25 591	1 166	146*
90 000	26 775	28 107	1 332	167*	26 675	28 007	1 332	167*	26 575	27 907	1 332	167*
95 000	28 925	30 424	1 499	187*	28 825	30 324	1 499	187*	28 725	30 224	1 499	187*
100 000	31 075	32 740	1 665	208*	30 975	32 640	1 665	208*	30 875	32 540	1 665	208*
110 000	35 375	37 373	1 998	250*	35 275	37 273	1 998	250*	35 175	37 173	1 998	250*
120 000	39 675	42 006	2 331	291*	39 575	41 906	2 331	291*	39 475	41 806	2 331	291*
130 000	43 975	46 639	2 664	333*	43 875	46 539	2 664	333*	43 775	46 439	2 664	333*
140 000	48 275	51 272	2 997	375*	48 175	51 172	2 997	375*	48 075	51 072	2 997	375*
150 000	52 575	55 905	3 330	416*	52 475	55 805	3 330	416*	52 375	55 705	3 330	416*
160 000	56 875	60 538	3 663	458*	56 775	60 438	3 663	458*	56 675	60 338	3 663	458*
170 000	61 175	65 171	3 996	500*	61 075	65 071	3 996	500*	60 975	64 971	3 996	500*
180 000	65 475	69 804	4 329	541*	65 375	69 704	4 329	541*	65 275	69 604	4 329	541*
190 000	69 775	74 437	4 662	583*	69 675	74 337	4 662	583*	69 575	74 237	4 662	583*
200 000	74 075	79 070	4 995	624*	73 975	78 970	4 995	624*	73 875	78 870	4 995	624*
225 000	84 825	90 653	5 828	728*	84 725	90 553	5 828	728*	84 625	90 453	5 828	728*
250 000	95 575	102 235	6 660	833*	95 475	102 135	6 660	833*	95 375	102 035	6 660	833*
275 000	106 325	113 818	7 493	937*	106 225	113 718	7 493	937*	106 125	113 618	7 493	937*
300 000	117 075	125 400	8 325	1 041*	116 975	125 300	8 325	1 041*	116 875	125 200	8 325	1 041*
350 000	138 575	148 565	9 990	1 249*	138 475	148 465	9 990	1 249*	138 375	148 365	9 990	1 249*
400 000	160 075	171 730	11 655	1 457*	159 975	171 630	11 655	1 457*	159 875	171 530	11 655	1 457*

* Note : Monthly PAYE increase based on the assumption that the annual increase will be recovered during the remaining 8 months (from July 1994) of the tax year.
(Rounded to the nearest rand)

TABLE B.2
INCOME TAX PAYABLE: 1994 AND 1995: MARRIED (OVER 65): RSA AND VENDA

TAXABLE INCOME	OVER 65		ANNUAL	MONTHLY
	1994	1995	INCREASE	PAYE INCREASE
R	R	R	R	R
50 000	7 475	7 475	0	0 *
52 000	8 295	8 362	67	8 *
54 000	9 115	9 248	133	17 *
56 000	9 935	10 135	200	25 *
58 000	10 755	11 021	266	33 *
60 000	11 575	11 908	333	42 *
62 000	12 415	12 815	400	50 *
64 000	13 255	13 721	466	58 *
66 000	14 095	14 628	533	67 *
68 000	14 935	15 534	599	75 *
70 000	15 775	16 441	666	83 *
75 000	17 875	18 708	833	104 *
80 000	19 975	20 974	999	125 *
85 000	22 125	23 291	1 166	146 *
90 000	24 275	25 607	1 332	167 *
95 000	26 425	27 924	1 499	187 *
100 000	28 575	30 240	1 665	208 *
110 000	32 875	34 873	1 998	250 *
120 000	37 175	39 506	2 331	291 *
130 000	41 475	44 139	2 664	333 *
140 000	45 775	48 772	2 997	375 *
150 000	50 075	53 405	3 330	416 *
160 000	54 375	58 038	3 663	458 *
170 000	58 675	62 671	3 996	500 *
180 000	62 975	67 304	4 329	541 *
190 000	67 275	71 937	4 662	583 *
200 000	71 575	76 570	4 995	624 *
225 000	82 325	88 153	5 828	728 *
250 000	93 075	99 735	6 660	833 *
275 000	103 825	111 318	7 493	937 *
300 000	114 575	122 900	8 325	1 041 *
350 000	136 075	146 065	9 990	1 249 *
400 000	157 575	169 230	11 655	1 457 *

** Note : Monthly PAYE increase based on the assumption that the annual increase will be recovered during the remaining 8 months (from July 1994) of the tax year. (Rounded to the nearest rand)*

**TABLE B.3
INCOME TAX PAYABLE: 1994 AND 1995: UNMARRIED: RSA AND VENDA**

TAXABLE INCOME	UNDER 65		ANNUAL INCREASE	MONTHLY PAYE INCREASE	OVER 65		ANNUAL INCREASE	MONTHLY PAYE INCREASE
	1994	1995			1994	1995		
	R	R			R	R		
50 000	12 600	12 600	0	0*	10 100	10 100	0	0*
52 000	13 440	13 507	67	8*	10 940	11 007	67	8*
54 000	16 230	16 363	133	17*	13 730	13 863	133	17*
56 000	15 120	15 320	200	25*	12 620	12 820	200	25*
58 000	15 980	16 246	266	33*	13 480	13 746	266	33*
60 000	16 840	17 173	333	42*	14 340	14 673	333	42*
62 000	17 700	18 100	400	50*	15 200	15 600	400	50*
64 000	18 560	19 026	466	58*	16 060	16 526	466	58*
66 000	19 420	19 953	533	67*	16 920	17 453	533	67*
68 000	20 280	20 879	599	75*	17 780	18 379	599	75*
70 000	21 140	21 806	666	83*	18 640	19 306	666	83*
75 000	23 290	24 123	833	104*	20 790	21 623	833	104*
80 000	25 440	26 439	999	125*	22 940	23 939	999	125*
85 000	27 590	28 756	1 166	146*	25 090	26 256	1 166	146*
90 000	29 740	31 072	1 332	167*	27 240	28 572	1 332	167*
95 000	31 890	33 389	1 499	187*	29 390	30 889	1 499	187*
100 000	34 040	35 705	1 665	208*	31 540	33 205	1 665	208*
110 000	38 340	40 338	1 998	250*	35 840	37 838	1 998	250*
120 000	42 640	44 971	2 331	291*	40 140	42 471	2 331	291*
130 000	46 940	49 604	2 664	333*	44 440	47 104	2 664	333*
140 000	51 240	54 237	2 997	375*	48 740	51 737	2 997	375*
150 000	55 540	58 870	3 330	416*	53 040	56 370	3 330	416*
160 000	59 840	63 503	3 663	458*	57 340	61 003	3 663	458*
170 000	64 140	68 136	3 996	500*	61 640	65 636	3 996	500*
180 000	68 440	72 769	4 329	541*	65 940	70 269	4 329	541*
190 000	72 740	77 402	4 662	583*	70 240	74 902	4 662	583*
200 000	77 040	82 035	4 995	624*	74 540	79 535	4 995	624*
250 000	98 540	105 200	6 660	833*	96 040	102 700	6 660	833*
300 000	120 040	128 365	8 325	1 041*	117 540	125 865	8 325	1 041*
350 000	141 540	151 530	9 990	1 249*	139 040	149 030	9 990	1 249*
400 000	163 040	174 695	11 655	1 457*	160 540	172 195	11 655	1 457*

* Note : Monthly PAYE increase based on the assumption that the annual increase will be recovered during the remaining 8 months (from July 1994) of the tax year. (Rounded to the nearest rand)

TABLE B.4
INCOME TAX PAYABLE: 1984 EN 1995: MARRIED WOMEN: RSA AND VENDA

TAXABLE INCOME	UNDER 65		ANNUAL INCREASE	MONTHLY PAYE INCREASE	OVER 65		ANNUAL INCREASE	MONTHLY PAYE INCREASE
	1994	1995			1994	1995		
	R	R	R	R	R	R	R	R
50 000	13 350	13 350	0	0*	10 850	10 850	0	0*
175 000	63 350	63 350	0	0*	60 850	60 850	0	0*
177 500	64 350	64 433	83	10*	61 850	61 933	83	10*
180 000	65 350	65 517	167	21*	62 850	63 017	167	21*
182 500	66 350	66 600	250	31*	63 850	64 100	250	31*
185 000	67 350	67 683	333	42*	64 850	65 183	333	42*
187 500	68 350	68 766	416	52*	65 850	66 266	416	52*
190 000	69 350	69 850	500	62*	66 850	67 350	500	62*
192 500	70 350	70 933	583	73*	67 850	68 433	583	73*
195 000	71 350	72 016	666	83*	68 850	69 516	666	83*
197 500	72 350	73 099	749	94*	69 850	70 599	749	94*
200 000	73 350	74 183	833	104*	70 850	71 683	833	104*
205 000	75 350	76 349	999	125*	72 850	73 849	999	125*
210 000	77 350	78 516	1 166	146*	74 850	76 016	1 166	146*
215 000	79 350	80 682	1 332	167*	76 850	78 182	1 332	167*
220 000	81 350	82 849	1 499	187*	78 850	80 349	1 499	187*
225 000	83 350	85 015	1 665	208*	80 850	82 515	1 665	208*
230 000	85 350	87 182	1 832	229*	82 850	84 682	1 832	229*
235 000	87 350	89 348	1 998	250*	84 850	86 848	1 998	250*
240 000	89 350	91 515	2 165	271*	86 850	89 015	2 165	271*
245 000	91 350	93 681	2 331	291*	88 850	91 181	2 331	291*
250 000	93 350	95 848	2 498	312*	90 850	93 348	2 498	312*
260 000	97 350	100 181	2 831	354*	94 850	97 681	2 831	354*
270 000	101 350	104 514	3 164	395*	98 850	102 014	3 164	395*
280 000	105 350	108 847	3 497	437*	102 850	106 347	3 497	437*
290 000	109 350	113 180	3 830	479*	106 850	110 680	3 830	479*
300 000	113 350	117 513	4 163	520*	110 850	115 013	4 163	520*
350 000	133 350	139 178	5 828	728*	130 850	136 678	5 828	728*
400 000	153 350	160 843	7 493	937*	150 850	158 343	7 493	937*

* Note : Monthly PAYE increase based on the assumption that the annual increase will be recovered during the remaining 6 months (from July 1994) of the tax year. (Rounded to the nearest rand)

TABLE B.5
INCOME TAX PAYABLE: 1984 AND 1985
MARRIED, UNMARRIED AND MARRIED WOMEN

TAXABLE INCOME	CISKEI				BOPHUTHATSWANA				TRANSKEI			
	1984		1985		1984		1985		1984		1985	
	R	R	R	R	R	R	R	R	R	R	R	R
50 000	7 100	7 100	0*	9 260	9 260	0	9 260	9 260	9 468	9 468	0*	9 468
52 000	7 500	7 567	8*	9 890	9 947	67	9 947	9 947	10 008	10 075	8*	10 075
54 000	7 900	8 033	17*	10 500	10 633	133	10 633	10 633	10 548	10 681	17*	10 681
56 000	8 300	8 500	25*	11 130	11 330	200	11 330	11 330	11 088	11 288	25*	11 288
58 000	8 700	8 966	33*	11 770	12 036	266	12 036	12 036	11 628	11 894	33*	11 894
60 000	9 100	9 433	42*	12 410	12 743	333	12 743	12 743	12 168	12 501	42*	12 501
62 000	9 500	9 900	50*	13 070	13 470	400	13 470	13 470	12 708	13 108	50*	13 108
64 000	9 900	10 366	58*	13 730	14 196	466	14 196	14 196	13 248	13 714	58*	13 714
66 000	10 300	10 833	67*	14 390	14 923	533	14 923	14 923	13 788	14 321	67*	14 321
68 000	10 700	11 299	75*	15 050	15 649	599	15 649	15 649	14 328	14 927	75*	14 927
70 000	11 100	11 766	83*	15 710	16 376	666	16 376	16 376	14 868	15 534	83*	15 534
75 000	12 100	12 933	104*	17 410	18 243	833	18 243	18 243	16 218	17 051	104*	17 051
80 000	13 100	14 099	125*	19 110	20 109	999	20 109	20 109	17 568	18 567	125*	18 567
85 000	14 100	15 266	146*	20 860	22 026	1 166	22 026	22 026	18 918	20 084	146*	20 084
90 000	15 100	16 432	167*	22 610	23 942	1 332	23 942	23 942	20 268	21 600	167*	21 600
95 000	16 100	17 599	187*	24 360	25 859	1 499	25 859	25 859	21 618	23 117	187*	23 117
100 000	17 100	18 765	208*	26 110	27 775	1 665	27 775	27 775	22 968	24 633	208*	24 633
110 000	19 100	21 098	250*	29 610	31 608	1 998	31 608	31 608	25 668	27 666	250*	27 666
120 000	21 100	23 431	291*	33 110	35 441	2 331	35 441	35 441	28 368	30 699	291*	30 699
130 000	23 100	25 764	333*	36 610	39 274	2 664	39 274	39 274	31 068	33 732	333*	33 732
140 000	25 100	28 097	375*	40 110	43 107	2 997	43 107	43 107	33 768	36 765	375*	36 765
150 000	27 100	30 430	416*	43 610	46 940	3 330	46 940	46 940	36 468	39 798	416*	39 798
160 000	29 100	32 763	458*	47 110	50 773	3 663	50 773	50 773	39 168	42 831	458*	42 831
170 000	31 100	35 096	500*	50 610	54 606	3 996	54 606	54 606	41 868	45 864	500*	45 864
180 000	33 100	37 429	541*	54 110	58 439	4 329	58 439	58 439	44 568	48 897	541*	48 897
190 000	35 100	39 762	583*	57 610	62 272	4 662	62 272	62 272	47 268	51 930	583*	51 930
200 000	37 100	42 095	624*	61 110	66 105	4 995	66 105	66 105	49 968	54 963	624*	54 963
250 000	47 100	53 760	833*	78 610	85 270	6 660	85 270	85 270	63 468	70 128	833*	70 128
300 000	57 100	65 425	1 041*	96 110	104 435	8 325	104 435	104 435	76 968	85 293	1 041*	85 293
350 000	67 100	77 090	1 249*	113 610	123 600	9 990	123 600	123 600	90 468	100 458	1 249*	100 458
400 000	77 100	88 755	1 457*	131 110	142 765	11 655	142 765	142 765	103 968	115 623	1 457*	115 623

* Note : Monthly PAYE increase based on the assumption that the annual increase will be recovered during the remaining 8 months (from July 1994) of the tax year.
(Rounded to the nearest rand)

PROPOSED AMENDMENTS TO THE INCOME TAX ACT, 1962 AND OTHER TAXATION LAWS

Inland Revenue is giving consideration to proposing various amendments to the Income Tax Act and other taxation laws during the course of this year. The following is a list of some of the proposed amendments being considered.

Income Tax Act, 1962

1. Withdrawal of the exemption granted to the State President in respect of his salary and emoluments - section 10(1)(c)(i).
2. Amendment to section 10(1)(cC) and (cl) to change the nomination of one of the directors by a Minister responsible for housing matters to the provincial representative responsible for housing matters.
3. Withdrawal of the exemption from income tax which the SA Bibliographic and Information Network (SABINET) currently enjoys in terms of section 10(1)(t)(xiii).
4. The extension of the exemption in respect of an annuity amount payable to a purchaser or his spouse or surviving spouse, as envisaged in section 10A(2), to such an amount payable to a deceased's estate.
5. Amendments to section 11(e) and (o) to include references to section 14bis(1)(c).
6. Amendment to section 12C to introduce a provision similar to that contained in paragraph (v) of the proviso to section 11(e).
7. Deletion of section 66(12), in view of the fact that the only items which may be carried free of postage are now to be posted in envelopes specifically prepared for this purpose.
8. Textual and consequential amendments to various sections such as section 5(10), 9A, 13bis, 24I, 89quin, 107, etc.
9. To amend paragraph 5(3) of the 7th Schedule to the Income Tax Act to provide that the first R2 000 of long service and bravery awards as envisaged in that paragraph, is not taxable.
10. To amend paragraph 7(1) of the 7th Schedule to the Income Tax Act to provide that where an employee previously enjoyed the use of a vehicle and such employee and vehicle are transferred to another company within the same group of companies, no reduction in the vehicle's determined value will be made.
11. Withdrawal of section 37B, the provisions of which relate to the determination of taxable income derived by a natural person in Walvis Bay.

Value-Added Tax Act, 1991 (the Act)

1. The zero-rating of services rendered to non-residents in connection with goods which will subsequently be exported - section 11(2)(f).
2. An amendment to exclude the Multilateral Motor Vehicle Accidents Fund from the ambit of value-added tax (VAT) - the definition of "enterprise" in section 1.
3. An amendment to exclude the collection of monies on someone else's behalf from the ambit of financial services - section 2(1)(m).
4. An amendment to require discount coupons to be VAT inclusive and to allow the issuer of the coupon an input tax deduction on the redemption thereof - section 10(20).
5. The exemption of the importation of travellers' cheques denominated in a foreign currency from VAT - Schedule 1.
6. An amendment to require an adjustment where the sale of second-hand goods involving the claiming of a credit for notional input tax is cancelled - section 18.
7. An amendment to suspend the period during which the Commissioner is required

to make a refund where the vendor's records cannot be examined by him, and a further amendment requiring refund claims to be submitted to Departmental Receivers of Revenue - section 45(1).

8. An amendment to amplify the requirement for the transfer of an enterprise as a going concern - section 11(1)(e).
9. The insertion of a provision permitting the entering into of double taxation agreements with other countries.
10. An amendment enabling the Commissioner

to cancel the registration of a vendor who has ceased to carry on an enterprise - section 24(5).

11. Any other amendments which may be necessary to prevent fraud and tax evasion will, if necessary, be made.

Estate Duty Act, 1955

To provide for a deduction in terms of section 4(h), in respect of the value of property included in the estate of a person which accrues to a fund envisaged in section 10(1)(cL) of the Income Tax Act.

PART II: CUSTOMS AND EXCISE

*That, subject to the provisions of an Act to be passed during the present session of Parliament and subject to such rebates, refunds or remissions of duty as may be provided for therein -

(1) the excise and customs duties in Section A of

Part 2 of Schedule No. 1 to the Customs and Excise Act, 1964, on the goods described hereunder and classified under the tariff items or subitems set forth hereunder, be amended to the extent shown:

TARIFF ITEM	TARIFF HEADING	DESCRIPTION	PRESENT RATE OF DUTY		PROPOSED RATE OF DUTY	
			EXCISE	CUSTOMS	EXCISE	CUSTOMS
104.00		PREPARED FOODSTUFFS: BEVERAGES, SPIRITS AND VINEGAR; TOBACCO				
104.01	19.01	MALT EXTRACT; FOOD PREPARATIONS OF FLOUR, MEAL, STARCH OR MALT EXTRACT, NOT CONTAINING COCOA POWDER OR CONTAINING COCOA POWER IN A PROPORTION, BY MASS OF LESS THAN 50 PER CENT, NOT ELSEWHERE SPECIFIED OR INCLUDED; FOOD PREPARATIONS OF GOODS OF HEADINGS NOS. 04.01 TO 04.04, NOT CONTAINING COCOA POWER OR CONTAINING COCOA POWER IN A PROPORTION, BY MASS OF LESS THAN 10 PER CENT, NOT ELSEWHERE SPECIFIED OR INCLUDED:				
.10		Preparations based on sorghum flour, put up for making beverages	15c/kg	15c/kg	20c/kg	20c/kg
104.05	22.01	WATERS, INCLUDING NATURAL OR ARTIFICIAL MINERAL WATERS AND AERATED WATERS, NOT CONTAINING ADDED SUGAR OR OTHER SWEETENING MATTER NOR FLAVOURED; ICE AND SNOW;				
	22.02	WATERS, INCLUDING MINERAL WATERS AND AERATED WATERS, CONTAINING ADDED SUGAR OR OTHER SWEETENING MATTER OR FLAVOURED, AND OTHER NON-ALCOHOLIC BEVERAGES (EXCLUDING FRUIT OR VEGETABLE JUICES OF HEADING NO. 20.09):				
.10		Mineral waters including spa waters and aerated waters, put up in closed bottles or other closed containers ready for drinking without dilution (excluding beverages packed in plastic tubes or similar containers and which are normally consumed in a frozen state)	12,36/£	13,42/£	13,60/£	14,66/£
.20		Lemonade and flavoured mineral waters, including flavoured spa and aerated waters, put up in closed bottles or other closed containers ready for drinking without dilution (excluding beverages packed in plastic tubes or similar containers and which are normally consumed in a frozen state)	12,36/£	13,42/£	13,60/£	14,66/£
.30		Non-alcoholic beverages not elsewhere specified or included in this tariff item, put up in closed bottles or other closed containers ready for drinking without dilution (excluding beverages packed in plastic tubes or similar containers and which are normally consumed in a frozen state)	12,36/£	13,42/£	13,60/£	14,66/£
104.10	22.03	BEER MADE FROM MALT:				
.10		Of a relative density before fermentation not exceeding 1.040°	6249c/100£	6248c/100£	6849c/100£	6848c/100£
		Plus a suspended duty of:				
		(i) In operation	Nil	Nil	Nil	Nil
		(ii) Maximum rate	275c/100£	275c/100£	275c/100£	275c/100£

TARIFF ITEM	TARIFF HEADING	DESCRIPTION	PRESENT RATE OF DUTY		PROPOSED RATE OF DUTY	
			EXCISE	CUSTOMS	EXCISE	CUSTOMS
.20		Of a relative density before fermentation exceeding 1 040° but not exceeding 1 050°, which is cleared ex any customs and excise manufacturing warehouse during any financial year, or which is imported into the Republic, or which is illicit beer: (1) On the first 4 500 000ℓ or any quantity less than 4 500 000ℓ so cleared during a financial year (2) On the quantity so cleared during a financial year which is more than 4 500 000ℓ but not exceeding 9 000 000ℓ (3) On the quantity so cleared during a financial year which is more than 9 000 000ℓ but not exceeding 18 000 000ℓ (4) On the quantity so cleared during a financial year which is more than 18 000 000ℓ but not exceeding 27 000 000ℓ (5) On the quantity so cleared during a financial year which is more than 27 000 000ℓ but not exceeding 36 000 000ℓ (6) On the quantity so cleared during a financial year which is more than 36 000 000ℓ (7) If duty is paid on illicit beer (8) If imported	8524c/100ℓ -	- 6502c/100ℓ	7124c/100ℓ -	- 7102c/100ℓ
.30		Of a relative density before fermentation exceeding 1 050° Plus, for every degree of relative density before fermentation exceeding 1 080°	7283c/100ℓ 22c/100ℓ	6722c/100ℓ 22c/100ℓ	7883c/100ℓ 22c/100ℓ	7322c/100ℓ 22c/100ℓ
104.15	22.04	WINE OF FRESH GRAPES, INCLUDING FORTIFIED WINES; GRAPE MUST BE OTHER THAN THAT OF HEADING NO. 20.09;				
	22.05	VERMOUTHS AND OTHER WINE OF FRESH GRAPES FLAVOURED WITH PLANTS OR AROMATIC SUBSTANCES;				
	22.06	OTHER FERMENTED BEVERAGES (FOR EXAMPLE, CIDER, PERRY, MEAD):				
.05		Sorghum beer (excluding beer made from preparations based on sorghum flour)	300c/100ℓ	300c/100ℓ	400c/100ℓ	400c/100ℓ
.10		Unfortified still wine	2300c/100ℓ	2300c/100ℓ	2900c/100ℓ	2900c/100ℓ
.40		Fortified still wine	6168c/100ℓ	6168c/100ℓ	6785c/100ℓ	6785c/100ℓ
.50		Other still fermented beverages, unfortified	2700c/100ℓ	2700c/100ℓ	3300c/100ℓ	3300c/100ℓ
.60		Other still fermented beverages, fortified	6702c/100ℓ	6702c/100ℓ	7302c/100ℓ	7302c/100ℓ
.70		Sparkling wine	7774c/100ℓ	7774c/100ℓ	8551c/100ℓ	8551c/100ℓ
.80		Other fermented beverages (excluding sorghum beer)	8404c/100ℓ	8404c/100ℓ	9004c/100ℓ	9004c/100ℓ

TARIFF ITEM	TARIFF HEADING	DESCRIPTION	PRESENT RATE OF DUTY	PRESENT RATE OF DUTY	PROPOSED RATE OF DUTY	PROPOSED RATE OF DUTY
			EXCISE	CUSTOMS	EXCISE	CUSTOMS
104.20	22.07	UNDENATURED ETHYL ALCOHOL OF AN ALCOHOLIC STRENGTH BY VOLUME OF 80 PERCENT VOLUME OR HIGHER; ETHYL ALCOHOL AND OTHER SPIRITS, DENATURED, OF ANY STRENGTH;				
	22.08	UNDENATURED ETHYL ALCOHOL OF AN ALCOHOLIC STRENGTH BY VOLUME OF LESS THAN 80 PERCENT VOLUME; SPIRITS, LIQUEURS AND OTHER SPIRITUOUS BEVERAGES; COMPOUND ALCOHOLIC PREPARATIONS OF A KIND USED FOR THE MANUFACTURE OF BEVERAGES:				
.10		Wine spirits, manufactured in the Republic by the distillation of wine	183838c/ 100ℓ of absolute alcohol	-	180238c/ 100ℓ of absolute alcohol	-
.15		Spirits, manufactured in the Republic by the distillation of any sugar cane product	173801c/ 100ℓ of absolute alcohol	-	190201c/ 100ℓ of absolute alcohol	-
.25		Spirits, manufactured in the Republic by the distillation of any grain product	178308c/ 100ℓ of absolute alcohol	-	194708c/ 100ℓ of absolute alcohol	-
.29		Other spirits, manufactured in the Republic	188275c/ 100ℓ of absolute alcohol	-	184875c/ 100ℓ of absolute alcohol	-
.60		Imported spirits of any nature, including spirits in imported spirituous beverages (excluding liqueurs, cordials and similar spirituous beverages containing added sugar) and in compound alcoholic preparations of an alcoholic strength exceeding 1,713 per cent alcohol by volume	-	154225c/ 100ℓ of absolute alcohol or 67174c/ 100ℓ	-	170825c/ 100ℓ of absolute alcohol or 74226c/ 100ℓ
.70		Spirits of any nature in imported liqueurs, cordials and similar spirituous beverages containing added sugar with or without flavouring substances	-	154225c/ 100ℓ of absolute alcohol	-	170825c/ 100ℓ of absolute alcohol
104.30	24.02	CIGARS, CHEROOTS, CIGARILLOS AND CIGARETTES, OF TOBACCO OR OF TOBACCO SUBSTITUTES;				
	24.03	OTHER MANUFACTURED TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES, "HOMOGENISED" OR "RECONSTITUTED" TOBACCO EXTRACTS AND ESSENCES:				
.10		Cigars	230c/kg net	252c/kg net	295c/kg net	317c/kg net
.20		Cigarettes	28,45c/10 cigarettes	28,45c/10 cigarettes	35,58c/10 cigarettes	35,58c/10 cigarettes
		Plus in respect of cigarettes the mass of the tobacco of which exceeds 1,5 kg/1 000	1264c/kg tobacco content	1264c/kg tobacco content	1441,6c/kg tobacco content	1441,6/kg tobacco content
.30		Cigarette tobacco	35,5c/50g or fraction thereof plus 213c/kg tobacco	35,5c/50g or fraction thereof plus 213c/kg tobacco	44,38c/50g or fraction thereof plus 213c/kg tobacco	44,38c/50g or fraction thereof plus 213c/kg tobacco

TARIFF ITEM	TARIFF HEADING	DESCRIPTION	PRESENT RATE OF DUTY		PROPOSED RATE OF DUTY	
			EXCISE	CUSTOMS	EXCISE	CUSTOMS
		Plus a suspended duty of: (i) in operation (ii) Maximum rate	Nil 73c/kg tobacco	Nil 73c/kg tobacco	Nil 73c/kg tobacco	Nil 73c/kg tobacco
.40		Pipe tobacco in immediate packings of a content of less than 5kg	260c/kg net	260c/kg net	325c/kg net	325c/kg net
.50		Pipe tobacco in immediate packings of a content of not less than 5 kg	242c/kg net	242c/kg net	307c/kg net	307c/kg net

- (2) the proposed rates of duty be applicable only to the goods concerned which have not been entered for home consumption at the time the Taxation Proposals are tabled."

TOTAL REVENUE: NATIONAL REVENUE ACCOUNT

Tables 1 and 2 show total 1994/95 revenue collections in the National Revenue Account, which replaced the State Revenue Account in terms of the Interim Constitution. Revenue collections in the years prior to 1994/95 are also shown on the basis of the National Revenue Account for purposes of comparison.

Table 1 shows details of total revenue collected in the National Revenue Account according to the existing classification. This means that the table reflects revenue collected by Inland Revenue and Customs and Excise. Although all national government revenue is, by law, paid into the National Revenue Account, some revenue items have been subtracted for analytical purposes.

Table 2 comprises exactly the same information as table 1, but is based, as far as available data allow, on the Manual on Government Finance Statistics of the IMF. According to this Manual, revenues are divided between current and capital, where current revenue comprises taxes and current non-tax revenue. Taxes are classified by the types of activity upon which the tax is levied, or the tax base; i.e. income, payroll, sales, imports, etc. Current non-tax revenues are classified by the nature of the inflow, i.e. property income, sales proceeds, fines, etc. Capital revenue includes proceeds from the sale of various kinds of capital assets and capital transfers from non-governmental sources.

Although all revenue is, by law, paid into the National Revenue Account, some revenue items are not regarded as current revenue according to the GFS classification method. These are also indicated, to correspond with table 1.

TABLE 1
TOTAL REVENUE: NATIONAL REVENUE ACCOUNT 1)
Traditional classification

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
INLAND REVENUE:										
Income tax:										
Normal tax:										
Gold mines	1 694 670	1 016 072	644 367	523 709	421 502	622 491	770 000	23.7%	805 000	29.3%
Diamond mines	458	10 715	24 211	21 008	55 077	13 270	28 000	111.0%	28 000	111.0%
Other mines	856 942	1 246 818	1 532 481	691 440	407 917	375 432	500 000	33.2%	476 000	26.8%
Persons and individuals	14 391 550	19 211 881	23 005 109	28 652 002	32 159 958	35 611 632	40 700 000	14.3%	42 160 000	18.4%
Companies (other than mining)	8 097 212	10 788 407	11 654 547	12 277 208	11 899 089	10 278 003	10 780 000	4.9%	10 770 000	4.8%
Secondary tax on companies	-	-	-	-	-	876 675	930 000	6.1%	1 440 000	64.3%
Interest on overdue tax	113 407	163 191	237 615	285 326	326 676	367 627	435 000	18.3%	435 000	18.3%
	25 154 240	32 437 083	37 088 330	42 450 684	45 270 220	48 145 130	54 143 000	12.5%	56 114 000	16.8%
Value-added tax / Sales tax	12 972 825	16 551 068	18 046 840	18 518 851	17 164 524	24 809 358	28 600 000	15.3%	28 600 000	15.3%
Other taxes:										
Non-resident shareholders' tax	390 253	424 344	416 071	334 787	273 294	365 422	410 000	12.2%	410 000	12.2%
Non-resident tax on interest	7 162	1 691	719	38	17	378	-	-	-	-
Undistributed profits tax	1 661	858	2 251	366	90	503	-	-	-	-
Donations tax	3 223	4 330	6 508	6 829	17 968	38 956	25 000	-35.8%	25 000	-35.8%
Estate duty	136 453	75 907	81 961	78 696	84 922	118 312	130 000	9.9%	130 000	9.9%
Marketable securities tax	138 536	278 073	243 288	199 756	164 508	266 987	300 000	12.4%	300 000	12.4%
Stamp duties and fees	462 228	678 044	649 859	698 518	745 811	838 011	926 000	10.5%	926 000	10.5%
Transfer duties	544 779	675 333	766 441	842 559	920 126	1 076 675	1 205 000	11.9%	1 205 000	11.9%
Levy on financial services	-	-	-	72 599	329 379	368 287	405 000	10.0%	405 000	10.0%
	1 684 295	2 138 580	2 167 097	2 234 147	2 536 115	3 073 529	3 401 000	10.7%	3 401 000	10.7%

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
Mining leases and ownership:										
Gold mines	481 867	327 028	183 120	150 902	67 312	196 087	128 000		128 000	
Diamond mines	42 040	29 379	69 823	75 660	31 297	29 918	27 000		27 000	
Other mines	118 459	164 845	179 252	98 433	89 228	68 582	27 000		27 000	
	642 366	541 252	432 195	324 995	187 837	294 586	182 000	-38.2%	182 000	-38.2%
Interest and dividends:										
Interest:										
Border area development	4 466	3 669	6 244	-	1 090	-	-		-	
Broadcasting	1 269	1 206	763	-	-	-	-		-	
Farming Industry	14 001	14 050	7 164	21 030	14 136	14 500	15 000		15 000	
State land	396	309	734	906	2 230	2 000	2 200		2 200	
Transport	120 183	135 718	-	-	-	-	-		-	
Communications	20 817	16 912	15 789	8 596	1 424	618	160		160	
Local loans	2 952	5 629	1 731	3 292	19 024	28 000	28 000		28 000	
Cash balances	1 133	1 797	8 098	4 473	2 123	5 000	1 500		1 500	
Exchequer deposits	-	-	-	-	-	414 240	350 000		350 000	
Corporation for Public Deposits	-	-	-	-	-	4 500	4 500		4 500	
Other	11 312	41 492	23 141	37 308	83 033	68 202	70 000		70 000	
Dividends:										
Broadcasting	2 276	2 276	2 111	1 780	1 780	1 800	1 800		1 800	
Iscor	64 000	240 619	0	0	13 285	-	-		-	
Telkom	-	-	-	-	102 000	102 300	115 000		115 000	
Other	65 143	0	-	-	-	146 434	65 500		65 500	
	307 947	463 678	65 774	77 386	240 127	787 594	653 680	-17.0%	653 680	-17.0%

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
Levies:										
Diamond export rights	16	3	1	0	0	1	-		-	
Mining lease rights and licences	4 775	5 350	5 932	21 430	29 519	31 562	15 000		15 000	
Licences	3 812	3 999	7 360	8 437	9 151	10 085	11 000		11 000	
	8 602	9 351	13 293	29 867	38 670	41 648	26 000	-37.6%	26 000	-37.6%
Recovery of loans and advances:										
Communications	8 885	12 789	13 913	15 135	10 448	10 448	2 134		2 134	
Local loans	-	-	-	8 237	16 514	16 514	21 853		21 853	
SWAWEC	-51 552	13 448	6 500	14 838	14 838	14 838	14 840		14 840	
Other	27 419	38 326	70 298	38 353	68 772	58 098	42 233		42 233	
	-15 248	64 563	90 711	76 563	110 571	99 898	81 060	-18.9%	81 060	-18.9%
Departmental activities:										
Sale of products:										
Agriculture, forestry and fishing	2 451	2 298	2 296	3 084	4 453	1 335	1 350		1 350	
Other	20 282	19 184	30 658	41 824	53 957	55 635	56 000		56 000	
Sale of capital equipment	6	784	22	2 211	220	2 000	10		10	
State property rights:										
Leasing and property rights money	53 206	70 008	78 660	102 191	114 080	104 886	110 000		110 000	
Sale of State-owned land, buildings and structures	28 588	5 253	20 807	22 547	68 542	23 175	40 200		40 200	
Revenue from Trust property	-	-	-	-	53 079	1 000	-		-	
Moneys prescribed by law:										
Registration and inspection fees	13 782	18 038	19 396	19 314	14 210	9 000	9 000		9 000	
Fines and forfeitures	58 839	65 331	201 541	94 955	95 825	103 000	110 000		110 000	
Witness fees	32	34	35	43	49	65	65		65	
Pension contributions	2 520	2 513	5 620	2 593	2 114	3 118	4 035		4 035	
Other	61 608	102 759	56 950	139 863	163 217	130 000	140 000		140 000	
Moneys not prescribed by law:										
Leasing	674	403	2 003	686	3 565	211	220		220	
Domestic services	6 452	8 254	8 257	7 756	24 196	19 000	15 000		15 000	

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
Profits on trading accounts	186 841	164 975	145 057	178 225	199 973	232 545	240 000		240 000	
Commission	12 411	14 666	17 529	10 831	11 998	35 000	35 000		35 000	
Other	17 999	20 751	26 393	50 126	59 607	50 000	50 000		50 000	
Miscellaneous revenue:										
Recoveries	22 535	16 762	14 961	32 561	31 436	65 000	65 000		65 000	
Exchange profits/losses:										
Soweto foreign loan	78 298	34 126	-2 032	-32 553	-18 384	14 007	-		-	
Other foreign loans	-	234	6	5 614	28 336	-	-		-	
Reserve Bank profits	24 131	48 659	147 098	70 876	116 098	171 000	60 000		60 000	
Sishen/Saldanha project	108 097	130 794	206 931	72 925	-	-	-		-	
Corporation for Public Deposits	19 344	26 828	35 586	28 510	24 863	40 000	40 000		40 000	
Black and Coloured Transport Account	14 163	39	1 904	388	-24	-	-		-	
Strategic Mineral Fund	-	-	-	-	4 940	-	-		-	
Iscor (Mineral rights)	-	-	12 631	1 790	-	-	-		-	
National Energy Council	-	-	-	34 280	145 817	-	-		-	
Maize Board	-	-	-	-	-	88 000	-		-	
Wool Board	-	-	-	-	-	14 000	-		-	
Unspecified	398 083	346 752	540 221	426 287	633 167	353 290	406 400		406 400	
	1 130 342	1 099 447	1 572 531	1 317 127	1 635 336	1 515 267	1 382 280	-8.8%	1 382 280	-8.8%
Extraordinary capital revenue:										
Proceeds from privatisation of State assets	600 000	2 989 180	-	-	107 692	-	-		-	
Transfer from NSPF	-	-	319 400	544 754	255 607	665 000	-		-	
Transfer from Central Energy Fund	-	-	-	264 471	780 519	741 067	-		-	
Premium on consolidation of government stock	-	782 785	14 247	153 821	76 322	171 019	200 000		200 000	
	600 000	3 771 965	333 647	963 046	1 220 140	1 577 086	200 000	-87.3%	200 000	-87.3%
TOTAL FOR INLAND REVENUE	42 485 368	57 076 987	59 820 419	65 990 676	68 603 540	80 344 097	88 669 000	10.4%	90 640 000	12.6%

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
CUSTOMS AND EXCISE:										
Customs duty	2 465 968	2 193 751	2 502 339	2 736 133	2 961 082	3 403 741	3 885 000	14.1%	3 885 000	14.1%
Surcharge on imports	1 875 599	2 625 354	2 075 343	1 455 502	1 520 895	1 747 400	2 000 000	14.5%	1 200 000	-31.3%
Excise duty:	2 508 757	2 841 970	3 344 486	3 825 332	4 435 941	4 934 319	5 037 000	2.1%	5 387 000	9.2%
Beer	687 881	850 648	1 006 950	1 178 316	1 364 604	1 452 251	1 460 000	0.5%	1 556 000	7.1%
Sorghum beer and -powder	-	-	-	799	14 149	27 335	27 500	0.6%	34 500	26.2%
Wine	12 996	14 973	14 826	23 509	72 037	103 396	104 000	0.6%	120 500	16.5%
Mineral water	25 266	66 795	73 735	99 946	162 461	181 277	183 000	1.0%	196 000	8.1%
Spirits	281 488	323 408	381 310	407 212	432 407	507 008	511 000	0.8%	545 500	7.6%
Cigarettes and -tobacco	540 156	593 233	693 965	816 434	938 072	1 022 176	1 030 000	0.8%	1 210 000	18.4%
Pipe tobacco and cigars	16 546	13 838	20 312	18 196	18 585	19 929	20 000	0.4%	23 000	15.4%
Petroleum products	479 652	470 856	443 016	462 423	480 806	480 585	490 000	2.0%	490 000	2.0%
Motor cars	89 976	43 759	67 670	126 963	306 066	500 583	526 000	5.1%	526 000	5.1%
Ad valorem: Schedule 1, Part 2B	215 302	263 601	455 937	465 249	336 490	343 250	365 000	6.3%	365 000	6.3%
Chemical products	-	-	110	503	1 843	6 155	10 500	70.6%	10 500	70.6%
Revenue from neighbouring countries	159 495	200 858	186 854	225 782	308 421	290 375	310 000	6.8%	310 000	6.8%
Fuel levy	2 555 625	4 080 688	4 103 821	5 421 269	7 083 109	7 888 093	8 045 000	2.0%	8 045 000	2.0%
Ordinary levy	-	70 101	110 233	69 209	79 352	65 357	60 500	-7.4%	60 500	-7.4%
Miscellaneous	17 168	14 499	9 658	60 287	83 389	39 935	45 500	13.9%	45 500	13.9%
Gross total for Customs and Excise	9 423 118	11 826 363	12 145 880	13 567 732	16 183 768	18 078 846	19 073 000	5.5%	18 823 000	3.0%
Less:										
Amount to the credit of Central Revenue Fund (sec. 22(1) of Act 25 of 1969)	394 200	447 800	111 750	-	-	-	-	-	-	-
Payments in terms of Customs Union Agreements (sec. 51(2) of Act 91 of 1964)	719 797	918 022	1 689 140	2 760 251	2 984 140	3 089 376	3 250 000	5.2%	3 250 000	5.2%
TOTAL FOR CUSTOMS AND EXCISE	8 309 120	10 460 541	10 344 990	10 807 481	13 179 628	14 989 470	15 823 000	5.8%	15 373 000	2.8%

C.S.

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
GRAND TOTAL: NATIONAL REVENUE ACCOUNT 11)	50 794 488	67 537 528	70 165 409	76 788 157	81 763 168	85 333 567	104 492 000	9.6%	106 013 000	11.2%
Less:										
Extraordinary capital revenue: 6)										
Proceeds from privatisation of State assets	600 000	2 989 180	-	-	107 692	-	-	-	-	-
Transfer from National Supplies Procurement Fund	-	-	319 400	544 754	255 607	665 000	-	-	-	-
Transfer from Central Energy Fund	-	-	-	264 471	780 519	741 067	-	-	-	-
Premium on consolidation of government stock	-	782 785	14 247	153 821	76 322	171 019	200 000		200 000	
TOTAL ORDINARY REVENUE: NATIONAL REVENUE ACCOUNT	50 194 488	63 785 563	69 831 762	75 835 111	80 563 028	93 758 480	104 292 000	11.2%	105 813 000	12.9%

1) Figures for the period 1988/89 to 1993/94 are presented on the same basis as those for the 1994/95 financial year.

2) These 1993/94 figures are provisional and unaudited.

3) Estimate at existing (1993/94) tax rates.

4) After tax proposals are taken into account.

5) Includes own revenue of the former Own Administrations for the period 1989/90 to 1993/94 (source: Reports of the Auditor-General). It will be allocated to the relevant central government revenue sources at a later stage. The 1994/95 figure makes provision for those own revenue sources that accrue to the National Revenue Account after the abolishment of these Administrations.

6) These receipts are, by law, paid into the State/National Revenue Account via Inland Revenue, but does not form part of their ordinary revenue.

7) Excise duties collected by the BLNS countries, former self-governing territories and TBVC states that accrue to the Customs Union pool.

8) Including allocations from the fuel levy to the former TBVC states, previously treated as Part II revenue.

9) Including allocations from the ordinary levy to the former TBVC states, previously treated as Part II revenue.

10) Excluding payments to the former TBVC states and self-governing territories in terms of the Customs Union Agreement.

11) Includes extraordinary capital receipts - see note 6.

TABLE 2
TOTAL REVENUE: NATIONAL REVENUE ACCOUNT 1)
Classification of revenue according to the Manual on Government Finance Statistics

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
1. TAXES ON INCOME AND PROFITS										
Persons and individuals	14 391 550	19 211 881	23 005 109	28 652 002	32 159 958	35 611 632	40 700 000	14.3%	42 160 000	4.5%
Corporate:										
Gold mines	1 694 670	1 016 072	644 367	523 709	421 502	622 491	770 000	23.7%	805 000	29.3%
Diamond mines	458	10 715	24 211	21 008	55 077	13 270	28 000	111.0%	28 000	111.0%
Other mines	856 942	1 246 818	1 532 481	691 440	407 917	375 432	500 000	33.2%	476 000	26.8%
Companies, other than mining	8 097 212	10 788 407	11 654 547	12 277 208	11 899 089	10 278 003	10 780 000	4.9%	10 770 000	4.8%
Secondary tax on companies	-	-	-	-	-	876 675	930 000	-	1 440 000	-
Undistributed profits tax	1 661	858	2 251	366	90	503	-	-	-	-
Other, non-allocable:										
Non-resident shareholders' tax	390 253	424 344	416 071	334 787	273 294	365 422	410 000	12.2%	410 000	12.2%
Non-residents' tax on interest	7 162	1 691	719	38	17	378	-	-	-	-
Interest on overdue income tax	113 407	163 191	237 615	285 326	326 676	367 627	435 000	18.3%	435 000	18.3%
Tax on income and profits	25 553 316	32 863 977	37 517 370	42 785 885	45 543 621	48 511 432	54 553 000	12.5%	56 524 000	16.5%
4. TAXES ON PROPERTY										
Estate, inheritance and gift taxes										
Donations tax	3 223	4 330	6 508	6 829	17 968	38 956	25 000	-35.8%	25 000	-35.8%
Estate duty	136 453	75 907	81 961	78 696	84 922	118 312	130 000	9.9%	130 000	9.9%
Taxes on financial and capital transactions										
Marketable securities tax	138 536	278 073	243 288	199 756	164 508	266 987	300 000	12.4%	300 000	12.4%
Transfer duties	544 779	675 333	766 441	842 559	920 126	1 076 675	1 205 000	11.9%	1 205 000	11.9%
Taxes on property	822 991	1 033 642	1 098 198	1 127 840	1 187 524	1 500 929	1 660 000	10.6%	1 660 000	10.6%

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
5. DOMESTIC TAXES ON GOODS AND SERVICES										
Value-added tax / Sales tax	12 972 825	16 551 068	18 046 840	18 516 851	17 164 524	24 809 358	28 600 000	15,3%	28 600 000	15,3%
Excise duties	2 508 757	2 841 970	3 344 486	3 825 332	4 435 941	4 934 319	5 037 000	2,1%	5 387 000	9,2%
Beer	687 881	850 648	1 006 950	1 178 316	1 364 604	1 452 251	1 460 000	0,5%	1 556 000	7,1%
Sorghum beer and powder	-	-	-	799	14 149	27 335	27 500	0,6%	34 500	26,2%
Wine	12 996	14 973	14 826	23 509	72 037	103 396	104 000	0,6%	120 500	16,5%
Mineral water	25 266	66 795	73 735	99 946	162 461	181 277	183 000	1,0%	196 000	8,1%
Spirits	281 488	323 408	381 310	407 212	432 407	507 008	511 000	0,8%	545 500	7,6%
Cigarettes and tobacco	540 156	593 233	693 965	816 434	938 072	1 022 176	1 030 000	0,8%	1 210 000	18,4%
Pipe tobacco and cigars	16 546	13 838	20 312	18 196	18 585	19 929	20 000	0,4%	23 000	15,4%
Petroleum products	479 652	470 856	443 016	482 423	480 806	490 585	490 000	2,0%	490 000	2,0%
Motor cars	89 976	43 759	67 670	126 963	306 066	500 583	526 000	5,1%	526 000	5,1%
Ad valorem: Schedule 1, Part 2B	215 302	263 601	455 937	465 249	336 490	343 250	365 000	6,3%	365 000	6,3%
Chemical products	-	-	110	503	1 843	6 155	10 500	70,6%	10 500	70,6%
Revenue from neighbouring countries 5)	159 495	200 858	186 654	225 782	308 421	290 375	310 000	6,8%	310 000	6,8%
Fuel levy 6)	2 555 625	4 080 688	4 103 821	5 421 269	7 083 109	7 888 093	8 045 000	2,0%	8 045 000	2,0%
Taxes on specific services										
Levy on financial services	-	-	-	72 599	329 379	368 287	405 000	10,0%	405 000	10,0%
Taxes on use of goods or permission to use goods or to perform activities										
Licences	3 812	3 999	7 360	8 437	9 151	10 085	11 000	9,1%	11 000	9,1%
Mining lease rights and licences	4 775	5 350	5 932	21 430	29 519	31 562	15 000	-52,5%	15 000	-52,5%
Domestic taxes on goods and services	18 045 793	23 483 075	25 508 439	27 865 918	29 051 623	38 041 705	42 113 000	10,7%	42 463 000	11,6%

C.B.

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
6. TAXES ON INTERNATIONAL TRADE AND TRANSACTIONS										
Import duties										
Customs duties	2 465 968	2 193 751	2 502 339	2 736 133	2 961 082	3 403 741	3 885 000	14.1%	3 885 000	14.1%
Import surcharges	1 875 599	2 625 354	2 075 343	1 455 502	1 520 895	1 747 400	2 000 000	14.5%	1 200 000	-31.3%
Other										
Ordinary levy	-	70 101	110 233	69 209	79 352	65 357	60 500	-7.4%	60 500	-7.4%
Miscellaneous: Customs & Excise	17 168	14 499	9 658	60 287	83 389	39 935	45 500	13.9%	45 500	13.9%
Diamond export duties	16	3	1	0	0	1	.		.	
Taxes on international trade and transactions	4 358 751	4 903 707	4 697 574	4 321 131	4 644 718	5 256 435	5 991 000	14.0%	5 191 000	-1.2%
7. OTHER TAXES										
Stamp duties and fees	462 228	678 044	649 859	698 518	745 811	838 011	926 000	10.5%	926 000	10.5%
TAX REVENUE (GROSS COLLECTIONS) (1+4+5+6+7)	49 243 079	62 962 445	69 471 440	76 799 291	81 173 297	94 148 512	105 243 000	11.8%	106 784 000	13.4%
Less:										
Amount to the credit of Central Revenue Fund: Namibia (sec. 22(1) of Act 25 of 1969)	394 200	447 800	111 750	
Payments in terms of Customs Union Agreement (sec. 51(2) of Act 91 of 1964)	719 797	918 022	1 689 140	2 760 251	2 984 140	3 089 376	3 250 000	5.2%	3 250 000	5.2%
Total payments	1 113 997	1 365 822	1 800 890	2 760 251	2 984 140	3 089 376	3 250 000	5.2%	3 250 000	5.2%
IV. TAX REVENUE (NET COLLECTIONS)	48 129 082	61 596 623	67 670 550	74 039 040	78 189 157	91 059 136	101 993 000	12.0%	103 514 000	13.7%

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
8. ENTREPRENEURIAL AND PROPERTY INCOME										
Cash operating surplusses of departmental enterprise sales	186 841	164 975	145 057	178 225	199 973	232 545	240 000		240 000	
From nonfinancial public enterprises and public financial institutions										
Reserve Bank profits	24 131	48 659	147 098	70 876	116 098	171 000	60 000		60 000	
Sishen/Saldanha project	108 097	130 794	206 931	72 925	-	-	-		-	
Corporation for Public Deposits	19 344	26 828	35 586	28 510	24 863	40 000	40 000		40 000	
National Energy Council	-	-	-	34 280	145 817	-	-		-	
Strategic Mineral Fund	-	-	-	-	4 940	-	-		-	
Maize Board	-	-	-	-	-	88 000	-		-	
Wool Board	-	-	-	-	-	14 000	-		-	
Other	14 163	39	1 904	388	-24	-	-		-	
Commission	12 411	14 666	17 528	10 831	11 998	35 000	35 000		35 000	
Dividends										
Broadcasting	2 276	2 276	2 111	1 780	1 780	1 800	1 800		1 800	
Iscor	64 000	240 619	0	0	13 285	-	-		-	
Telkom	-	-	-	-	102 000	102 300	115 000		115 000	
Other	65 143	0	-	-	-	146 434	65 500		65 500	
Interest										
Border area development	4 466	3 669	6 244	-	1 090	-	-		-	
Broadcasting	1 269	1 206	763	-	-	-	-		-	
Cash balances	1 133	1 797	8 098	4 473	2 123	5 000	1 500		1 500	
Communications	20 817	16 912	15 789	8 596	1 424	618	160		160	
Corporation for Public Deposits	-	-	-	-	-	4 500	4 500		4 500	
Exchequer deposits	-	-	-	-	-	414 240	350 000		350 000	
Farming industry	14 001	14 050	7 164	21 030	14 136	14 500	15 000		15 000	
Local loans	2 952	5 629	1 731	3 292	19 024	28 000	28 000		28 000	
State land	396	309	734	906	2 230	2 000	2 200		2 200	
Transport	120 183	135 718	-	-	-	-	-		-	
Other	11 312	41 492	23 141	37 308	83 033	68 202	70 000		70 000	

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
Mining leases and ownership										
Gold mines	481 867	327 028	183 120	150 902	67 312	196 087	128 000		128 000	
Diamond mines	42 040	29 379	69 823	75 660	31 297	29 918	27 000		27 000	
Other mines	118 459	184 845	179 252	98 433	89 228	68 582	27 000		27 000	
Entrepreneurial and property income	1 315 300	1 380 892	1 052 075	798 415	931 629	1 662 725	1 210 660	-27.2%	1 210 660	-27.2%
9. ADMINISTRATIVE FEES & CHARGES, NONINDUSTRIAL & INCIDENTAL SALES										
Sale of products										
Agriculture, forestry and fishing	2 451	2 298	2 296	3 084	4 453	1 335	1 350		1 350	
Other	20 282	19 184	30 658	41 824	53 957	55 635	56 000		56 000	
Leasing and property rights money	53 206	70 008	78 660	102 191	114 080	104 886	110 000		110 000	
Registration and inspection fees	13 782	18 038	19 396	19 314	14 210	9 000	9 000		9 000	
Witness fees	32	34	35	43	49	65	65		65	
Moneys not prescribed by law:										
Leasing	674	403	2 003	688	3 565	211	220		220	
Domestic services	6 452	8 254	8 257	7 756	24 196	19 000	15 000		15 000	
Other	17 999	20 751	26 393	50 126	59 607	50 000	50 000		50 000	
Administrative fees and charges, nonindustrial and incidental sales	114 880	138 970	167 698	225 024	274 116	240 132	241 635	0.6%	241 635	0.6%
10. FINES AND FORFEITS	58 839	65 331	201 541	94 955	95 825	103 000	110 000	6.8%	110 000	6.8%

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
12. OTHER NON-TAX REVENUE										
Exchange rate profits/losses:										
Soweto foreign loan	78 298	34 128	-2 032	-32 553	-18 384	14 007	-		-	
Other foreign loans	-	234	6	5 814	28 336	-	-		-	
Pension contributions (Members of Parliament)	2 520	2 513	5 620	2 593	2 114	3 118	4 035		4 035	
Revenue from Trust property	-	-	-	-	53 079	1 000	-		-	
Unspecified 9)	459 691	449 510	609 801	567 940	796 384	483 290	546 400		546 400	
Other non-tax revenue	540 508	486 385	613 396	543 794	861 529	501 415	550 435	9.8%	550 435	9.8%
V. NON-TAX REVENUE (8+9+10+12)	2 029 527	2 081 578	2 034 711	1 662 188	2 163 099	2 507 272	2 112 730	-15.7%	2 112 730	-15.7%
III. TOTAL CURRENT REVENUE (IV+V)	50 158 609	63 678 201	69 705 261	75 701 228	80 352 256	93 586 407	104 105 730	11.3%	105 626 730	12.9%
<i>Plus: Items not regarded as revenue according to GFS classification</i> 10)										
Recovery of loans and advances										
Communications	8 885	12 789	13 913	15 135	10 448	10 448	2 134		2 134	
Local loans	-	-	-	8 237	16 514	16 514	21 853		21 853	
SWAWEC	-51 552	13 448	6 500	14 838	14 838	14 838	14 840		14 840	
Other	49 953	55 087	85 260	70 915	100 209	123 098	107 233		107 233	
Subtotal	7 288	81 325	105 672	109 125	142 009	164 898	146 060	-11.4%	146 060	-11.4%

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
13. SALE OF FIXED CAPITAL ASSETS										
Sale of capital equipment	6	784	22	2 211	220	2 000	10		10	
Sale of State-owned land, buildings and structures	28 588	5 253	20 807	22 547	68 542	23 175	40 200		40 200	
Sale of fixed capital assets	28 593	6 037	20 828	24 758	68 763	25 175	40 210	59.7%	40 210	59.7%
TOTAL ORDINARY REVENUE: NATIONAL REVENUE ACCOUNT	50 194 488	63 765 563	69 831 762	75 835 111	80 563 028	93 756 480	104 292 000	11.2%	105 813 000	12.9%
14. SALES OF STOCKS 12)										
Central Energy Fund	-	-	-	264 471	780 519	741 067	-		-	
National Supplies Procurement Fund	-	-	319 400	544 754	255 607	665 000	-		-	
Sales of stocks	-	-	319 400	809 225	1 036 126	1 406 067	-		-	
VI. TOTAL CAPITAL REVENUE (13+ 14)	28 593	6 037	340 228	833 983	1 104 889	1 431 242	40 210	-97.2%	40 210	-97.2%
II. TOTAL REVENUE (III+ VI)	50 187 202	63 684 239	70 045 489	76 535 212	81 457 144	94 997 649	104 145 940	9.6%	105 666 940	11.2%

HEAD OF REVENUE	ACTUAL COLLECTIONS						1994/95			
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94 2)	First Print: Estimate 3)	% change on 1993/94	Second Print: Estimate 4)	% change on 1993/94
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	
<i>Plus: Items not regarded as revenue according to GFS classification:</i>										
<i>Premium on consolidation of government stock 11)</i>	-	782 785	14 247	153 821	76 322	171 019	200 000		200 000	
<i>Proceeds from privatisation of State assets 10)</i>	600 000	2 989 180	-	-	107 692	-	-		-	
Subtotal	600 000	3 771 965	14 247	153 821	184 014	171 019	200 000	16,9%	200 000	16,9%
TOTAL REVENUE: NATIONAL REVENUE ACCOUNT 13)	50 794 488	67 537 528	70 165 409	76 798 157	81 783 168	95 333 567	104 492 000	9,6%	106 013 000	11,2%

- 1) Figures for the period 1988/89 to 1993/94 are presented on the same basis as those for the 1994/95 financial year.
- 2) These 1993/94 figures are provisional and unaudited.
- 3) Estimate at existing (1993/94) tax rates.
- 4) After tax proposals are taken into account.
- 5) Excise duties which are collected by the BLNS countries, former self-governing territories and TBVC states and are paid over to the State/National Revenue Account since it accrues to the Customs Union pool.
- 6) Including allocations from the fuel levy to the former TBVC states, previously treated as Part II revenue.
- 7) Including allocations from the ordinary levy to the former TBVC states, previously treated as Part II revenue.
- 8) Excluding payments to the former TBVC states and self-governing territories in terms of the Customs Union Agreement.
- 9) 1994/95 figure includes revenue of the former Own Administrations.
- 10) These receipts are, by law, paid into the State/National Revenue Account via Inland Revenue, but is regarded as not lending according to the GFS classification.
- 11) These receipts are, by law, paid into the State/National Revenue Account via Inland Revenue, but is regarded as financing according to the GFS classification.
- 12) Transfers from the National Supplies Procurement Fund (proceeds from sales of strategic assets) and transfers from the Central Energy Fund (sales of strategic oil supplies).
- 13) Including items that are not regarded as revenue according to the GFS classification method.

CONSOLIDATED REVENUE ACCOUNTS

For analytical purposes, a *consolidation* of the existing National Revenue Account and the Revenue Accounts of the former provincial administrations, self-governing territories and TBVC states is presented in the following table.

Total expenditure by the aforementioned former regional authorities is financed from opening balances, own revenue sources and transfers from the National Revenue Account. Total expenditure from the Consolidated Revenue Accounts therefore comprises the sum of expenditure from the relevant Revenue Accounts, *excluding* transfers made from the National Revenue Account to these Revenue Accounts.

Total revenue accruing to the Consolidated Revenue Accounts comprises the sum of revenue accruing the National Revenue Account and own revenue collected in the relevant regional Revenue Accounts.

The deficit on the Consolidated Revenue Accounts is financed as follows:

- Opening balances brought forward.
- Loans on the domestic capital market and foreign capital markets. A distinction is made between short-term financing (e.g. 90 day Treasury Bills) and long-term loans (e.g. RSA150 Government Stock).
- Concessionary, non-concessionary and own capital funding obtained by the former TBVC states and self-governing territories.

CONSOLIDATED REVENUE ACCOUNTS 1)

(R millions)

	ACTUAL FIGURES 2)					Provisional outcome	Budgeted 3)
	1988/89	1989/90	1990/91	1991/92	1992/93		
REVENUE:							
Total ordinary revenue: State Revenue Account 4)	48 071,4	61 106,6	66 804,3	72 151,5	75 687,4	87 810,2	100 148,2
Inland Revenue	41 101,7	52 302,7	58 233,1	63 312,4	64 943,2	75 926,6	87 663,0
Customs and Excise	6 969,7	8 803,9	8 571,2	8 839,1	10 744,2	11 883,6	12 485,2
<i>Plus:</i>							
Items now included in National Revenue Account	2 123,0	2 659,0	3 027,5	3 683,6	4 875,6	5 946,3	5 664,8
Own revenue of former Own Affairs Administrations 5)	195,4	314,4	340,6	318,8	392,8	183,9	0,0
Income tax and Sales tax/VAT diversions to former self-governing territories 6)	588,3	688,0	913,1	1 093,3	1 352,2	1 525,7	1 702,3
VAT diversions to former TBVC states 6)	0,0	0,0	0,0	303,2	695,1	1 130,7	1 074,7
Customs Union Agreement payments to former TBVC states 7)	1 241,4	1 484,4	1 597,9	1 739,5	2 124,8	2 766,6	2 538,4
Allocations from fuel levy to former TBVC states 8)	98,0	171,7	173,6	226,9	306,5	334,2	343,9
Allocations from ordinary levy to former TBVC states 8)	0,0	0,5	2,3	2,0	4,1	5,0	5,5
Total ordinary revenue: National Revenue Account 8)	50 194,5	63 765,6	69 831,8	75 835,1	80 563,0	93 756,5	105 813,0
<i>Plus:</i>							
Extra-ordinary capital revenue: State Revenue Account	600,0	2 989,2	319,4	809,2	1 143,8	1 406,1	0,0
Transfer from National Supplies Procurement Fund	-	-	319,4	544,8	255,6	665,0	-
Transfer from Central Energy Fund	-	-	-	264,5	780,5	741,1	-
Proceeds from privatisation	600,0	2 989,2	-	-	107,7	-	-
Total revenue: National Revenue Account	50 794,5	66 754,7	70 151,2	76 644,3	81 706,8	95 162,5	105 813,0

(R millions)

	ACTUAL FIGURES 2)					Provisional outcome	Budgeted 3)
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Plus:							
Own revenue collections	3 710,7	4 443,7	5 308,2	5 415,8	5 561,6	6 599,1	7 171,9
Former self-governing territories	490,0	698,0	881,0	1 073,0	923,0	1 305,0	1 450,5
Former TBVC states	1 617,0	2 077,0	2 571,0	2 236,0	2 563,0	2 970,0	3 446,2
Former Provincial Administrations 10)	1 603,7	1 668,7	1 856,2	2 106,8	2 075,6	2 324,1	2 275,1
Total revenue: Consolidated Revenue Accounts	54 505,2	71 198,4	75 459,3	82 060,1	87 268,4	101 761,6	112 984,9
EXPENDITURE:							
Total expenditure: State Revenue Account 11)	56 227,5	65 726,1	74 190,3	85 860,9	104 233,4	114 679,5	124 545,6
Plus:							
Items now included in National Revenue Account							
Revenue diversions to former self-governing territories and TBVC states 12)	1 927,6	2 344,6	2 686,9	3 364,8	4 482,8	5 762,3	5 664,8
Overdraft facilities: TBVC states 13)	160,0	209,0	462,0	1 369,0	1 840,0	2 117,0	2 136,0
Supplementary budget proposals 14)							2 740,4
Total expenditure: National Revenue Account 15)	58 315,2	68 279,7	77 339,2	90 594,7	110 556,2	122 558,8	135 086,8
Less:							
Transfers from State/National Revenue Account to 16)	24 116,9	28 096,5	34 400,2	42 447,9	53 353,2	55 834,7	45 059,7
Revenue Accounts of Own Affairs Administrations	8 949,2	10 387,7	13 002,0	15 206,2	19 690,1	16 249,6	0,0
Provincial Services Account: Cape	2 438,6	2 635,9	3 013,9	3 403,1	3 759,0	4 197,4	6 423,7
Provincial Services Account: Natal	1 255,6	1 332,1	1 478,1	1 645,1	2 076,2	2 491,7	3 356,2
Provincial Services Account: Orange Free State	826,7	950,7	1 012,6	1 241,4	1 558,2	1 721,7	1 901,3
Provincial Services Account: Transvaal	2 872,0	3 355,2	3 849,6	4 521,1	5 393,8	6 233,3	7 183,5
Self-governing territories' Revenue Accounts	4 164,0	5 023,0	6 591,0	8 263,0	10 559,0	12 779,0	13 560,3
TBVC states' Revenue Accounts 17)	3 611,0	4 412,0	5 453,0	8 168,0	10 317,0	12 162,0	12 634,7

(R millions)

	ACTUAL FIGURES 2)					Provisional outcome	Budgeted 3)
	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Total "central" government expenditure	34 198,2	40 163,2	42 939,0	48 146,8	57 203,0	66 724,1	90 027,1
<i>Plus:</i>							
Expenditure from Revenue Accounts 18)	27 671,3	32 995,7	40 122,3	48 095,4	59 797,8	64 659,7	53 155,1
Own Affairs Administrations	9 224,9	10 843,0	13 186,9	15 332,7	19 995,7	16 999,6	0,0
Provincial Services: Cape	2 868,1	3 113,1	3 534,2	4 045,5	4 227,5	4 810,8	6 997,1
Provincial Services: Natal	1 434,2	1 594,4	1 799,7	1 970,9	2 379,1	2 984,1	3 748,3
Provincial Services: Orange Free State	869,5	1 034,5	1 117,0	1 355,6	1 602,6	2 099,1	2 159,5
Provincial Services: Transvaal	3 523,6	3 933,7	4 516,5	5 380,7	6 111,9	7 606,2	8 235,0
Self-governing territories	4 671,0	5 662,0	7 200,0	9 335,0	11 786,0	14 772,0	15 598,2
TBVC states	5 080,0	6 815,0	8 768,0	10 675,0	13 695,0	15 388,0	16 417,0
Total expenditure: Consolidated Revenue Accounts	61 869,6	73 178,8	83 061,3	96 242,2	117 000,8	131 383,8	143 182,2
Budget deficit: Consolidated Revenue Accounts 19)	7 364,4	1 980,4	7 602,0	14 182,1	29 732,3	29 622,2	30 197,3
Budget deficit as a % of GDP (Consolidated Revenue Accounts)	3,5%	0,8%	2,7%	4,4%	8,5%	7,5%	6,8%
National Revenue Account deficit as % of GDP 20)	3,6%	0,6%	2,5%	4,3%	8,3%	6,9%	6,6%
Former State Revenue Account deficit as % of GDP 21)	3,6%	0,7%	2,5%	4,0%	7,8%	6,5%	6,1%
<i>Less:</i>							
Opening balances on	1 084,7	1 596,1	891,3	2 726,1	3 496,5	3 667,7	422,8
State Revenue Account	574,1	935,9	0,0	1 071,2	1 011,4	1 209,8	-605,1
Own Affairs Revenue Accounts	576,6	496,2	355,3	510,9	703,2	790,4	224,4
Provincial Services Accounts	0,0	0,0	0,0	0,0	164,9	706,5	174,6
Self-governing territories' Revenue Accounts	43,0	-5,0	82,0	561,0	817,0	991,0	629,0
TBVC states' Revenue Accounts	-109,0	169,0	454,0	583,0	800,0	-30,0	0,0
Net borrowing requirement: Consolidated Revenue Accounts	6 279,7	384,3	6 710,7	11 455,9	26 235,8	25 954,5	29 774,5

Explanatory notes on next page ...

Sources: Reports of the Auditor-General, Printed Estimates of Expenditure, the Unit for Information Analysis of Financial and Economic Services Company (Development Bank of Southern Africa) and the Department of Finance.

- 1) *Until the Revenue Accounts of the former four provinces, self-governing territories and TBVC states are properly incorporated into those of the new provinces, the Consolidated Revenue Accounts will be defined as to comprise the National Revenue Account and the Revenue Accounts of the four former provinces, the self-governing territories and the TBVC states.*
- 2) *Figures in respect of the former self-governing territories and TBVC states are provisional and subject to change.*
- 3) *After budget proposals are taken into account.*
- 4) *Ordinary revenue collections, as was presented in Budgets prior to 1994/95, that accrued to the former State Revenue Account.*
- 5) *Since Own Affairs Administrations ceased to exist on 1 April 1994, their own revenue collections will accrue to Inland Revenue's collections for 1994/95.*
- 6) *In Budgets prior to 1994/95 these revenue diversions were treated as direct liabilities against Inland Revenue's revenue collections.*
- 7) *In Budgets prior to 1994/95 these revenue diversions were treated as direct liabilities against Customs & Excise's revenue collections.*
- 8) *In Budgets prior to 1994/95 these revenue diversions were treated as Part II revenue, thus not affecting revenue collections in the State Revenue Account at all.*
- 9) *Total ordinary revenue collected at national level.*
- 10) *Unspent funds of previous years, as well as grants from the National Transport Commission, Post and Telecommunications and the South African Transport Services were included in the relevant financial years.*
- 11) *Total expenditure figures, as was presented in Budgets prior to 1994/95, from the State Revenue Account. Figures up to 1990/91 do not include surrendered provincial surpluses, as is the case in tables 3.1 and 3.3.*
- 12) *See footnotes 5, 6 and 7. From 1994/95 equivalent amounts are voted on the expenditure budget of the National Revenue Account.*
- 13) *For 1994/95 equivalent amounts are voted on the expenditure budget of the National Revenue Account. For the years prior to 1994/95, it is added for purposes of comparison.*
- 14) *Comprise allocations to RDP Fund (R2,5 billion), Financial and Fiscal Commission (R4,2 million) and advances to provincial governments (R236,2 million).*
- 15) *Total unconsolidated expenditure at national government level, i.e. including transfers to Revenue Accounts of regional authorities.*
- 16) *These transfers are subtracted in the process of consolidating expenditure.*
- 17) *All these amounts include, for purposes of comparison, transfers to cover overdraft facilities of these regions, as is the case in 1994/95.*
- 18) *Expenditure figures from the relevant Revenue Accounts.*
- 19) *Difference between consolidated revenue and expenditure figures.*
- 20) *Difference between revenue collected in and expenditure from the National Revenue Account, expressed in relation to the GDP.*
- 21) *Difference between revenue collected in and expenditure from the former State Revenue Account, expressed in relation to the GDP.*
- 22) *See table 3.3 in chapter 3. The 1993/94 closing balances on the Own Administrations' Revenue Accounts will be surrendered into the National Revenue Account.*

SUMMARY OF THE NATIONAL REVENUE ACCOUNT

	1993/94	1994/95		Percentage change
	Revised Estimates	Printed Estimates and Supplementary proposals		
	Rm	Rm	Rm	
EXPENDITURE				
Printed Estimate (R.P. 2-'94: First Print)			132 346,5	
<u>Plus:</u>				
Supplementary expenditure proposals:				
Reconstruction and Development Programme		2 500,0		
Financial and Fiscal Commission		4,2	2 504,2	
<u>Plus:</u>				
Expenditure to be voted in the Adjustments Budget:				
Advances to new provincial governments			236,2	
Total estimated expenditure: National Revenue Account	122 558,8		135 086,8	10,2%
REVENUE				
Printed Estimate (R.P.3-'94: First Print)			104 292,0	
<i>Ordinary revenue:</i>				
Customs and Excise at existing rates			15 823,0	
<u>Plus:</u>				
Tax proposals in respect of:				
Excise duties:				
Beer		96,0		
Spirits		34,5		
Cigarettes and tobacco		180,0		
Pipe tobacco and cigars		3,0		
Cold drinks and mineral water		13,0		
Wine		14,5		
Other fermented beverages		2,0		
Sorghum beer and powder		7,0		
			350,0	
Surcharge on imports:				
Capital and intermediate goods			-800,0	
Customs and Excise after tax proposals	14 989,5		15 373,0	2,6%

(continues on page E.2)

SUMMARY OF THE NATIONAL REVENUE ACCOUNT

	1993/94	1994/95		Percentage change
	Revised Estimate	Printed Estimate and Supplementary proposals		
	Rm	Rm	Rm	
Inland Revenue at existing rates:			88 469,0	
<u>Plus:</u>				
Tax proposals in respect of:				
Transition levy on:				
Individuals		1 460,0		
Mining companies		66,0		
Non-mining companies		1 050,0		
Statutory corporate tax rate:				
Non-gold mining companies		-55,0		
Non-mining companies		-1 060,0		
Secondary tax on companies		510,0	1 971,0	
Inland Revenue after tax proposals	78 767,0		90 440,0	14,8%
Total estimated ordinary revenue:				
National Revenue Account	93 756,5		105 813,0	12,9%
<u>Plus:</u>				
Extraordinary capital receipts	1 406,1		-	
Total estimated revenue:				
National Revenue Account	95 162,5		105 813,0	11,2%
BORROWING REQUIREMENT				
Budget deficit: National Revenue Account	27 396,2		29 273,8	
(As percentage of GDP)	6,9%		6,6%	
<u>Less:</u>				
Opening balance:				
Former State Revenue Account	1 209,8		-380,8	
Net borrowing requirement:				
National Revenue Account	26 186,5		29 654,6	
<u>Plus:</u>				
Loan redemptions	6 813,5		6 893,5	
Domestic loans	6 673,5		6 035,3	
Foreign loans	140,0		148,6	
Loan levy	0,0		709,6	
Gross borrowing requirement:				
National Revenue Account	33 000,0		36 548,1	

(continues on page E.3)

SUMMARY OF THE NATIONAL REVENUE ACCOUNT

		1993/94		1994/95		Percentage change
		Revised Estimate	Printed Estimate and Supplementary proposals			
		Rm	Rm	Rm		%
FINANCING OF NATIONAL REVENUE ACCOUNT						
Loans of TBVC states	2)	2 117,0	-	-		
Treasury Bills (net)		-174,5		500,0		
Domestic loans:		30 866,9		34 513,1		
Government stock	3)	30 834,3		34 483,1		
Bonds		32,7		30,0		
Foreign loans		-		1 800,0		
Total financing:						
National Revenue Account		32 809,4		36 813,1		
		-190,6		265,0		
<u>Less:</u> Guarantee liability (sec. 10 (1) (d) of Act 66 of 1975), Currency subscription: International Development Association and International Bank for Reconstruction and Development and IMF-valuation adjustment (sec. 58 of Act 11 of 1977)		230,6		265,0		
<u>Plus:</u> Closing balances on Revenue Accounts of former Own Affairs Administrations	4)	40,4		-		
Closing balance: National Revenue Account	4)	-380,8		0,0		

Note: Displayed figures might not always add up, due to rounding.

- 1) On the former State Revenue Account the budget deficit would have been equal to 6,1 per cent of GDP for 1994/95 compared to the latest figure of 6,5 per cent in 1993/94.
- 2) Chiefly overdraft facilities, guaranteed by central government.
- 3) The 1994/95 figure includes an estimated R200 million in respect of premiums earned in a continuing process of consolidating Government Stock. In 1993/94 this amount was R171 million and is accordingly included.
- 4) The closing balances on the Revenue Accounts of the former Own Affairs Administrations for 1993/94 is estimated at R224,4 million. Since the revenue figures of the National Revenue Account for 1993/94 already include, for purposes of comparability, own revenue collections of R183,9 million of these former Administrations, these revenues have to be excluded from the closing balances, to prevent double counting. The estimated closing balances of R224,4 million will be surrendered into the National Revenue Account, thus reducing the negative closing balance (cf. table 3.3, chapter 3) of R605,1 million to R380,8 million.