

Statistical tables

Explanatory notes

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General remarks

This annexure presents details of the main budget, consolidated national and provincial expenditure, consolidated government expenditure, government debt and financial guarantees. While government revenues are concentrated at the national government level, expenditure shifted from the national towards the provincial sphere after 1994. Equitable share transfers to the nine provinces as a statutory commitment of government began in 1998/99, and the 1998 Budget marked the introduction of the local government equitable share. The 2006 Budget sees a major amendment to the national budget data due to the shifting of the responsibility for social assistance grants from the provinces to the Department of Social Development. The historical data has been amended for this function shift from the 1999/2000 financial year.

Since more than 60 per cent of total expenditure on the main budget comprises transfer payments to other levels of general government, economic and functional classifications of national budget expenditure are not comprehensive. For purposes of analysis, it would be preferable to present economic and functional classifications of the expenditure of *general government*. This requires information on expenditure at all levels of general government and on its financing through revenue, balances brought forward and transfer payments (mainly from the national budget). This information is not readily available for local government, making it impossible to present consolidated general government finances at the time of the national budget. Historical data on general government finances are, however, published by the Reserve Bank in its *Quarterly Bulletin* and by Statistics South Africa.

Treatment of foreign grants to the Reconstruction and Development Programme (RDP) Fund

Prior to 1999/00 foreign grants were paid to the National Revenue Fund and expenditure was included in departmental appropriations. From 1999/00 onwards, no foreign grants for RDP-related purposes have been included in the appropriations of national departments. All foreign technical assistance and other RDP-related grants are paid to the RDP Fund account that is separated from the accounts of government. Departments incur expenditure on RDP-related projects from an RDP Grant account, which is cleared with requisitions from the RDP Fund account. However, disbursements of foreign grants and technical assistance are included in the consolidated national and provincial expenditure estimates in Tables 5 and 6.

In 2002/03 and 2003/04, amounts of R117,5 million and R66,7 million respectively were included in revenue as grants received from international donors. These were contributions towards defraying expenditure on the Burundi peacekeeping mission, appropriated on the budget of the Department of Defence.

Adjustments due to function shifts

In the 2006 Budget a number of function shifts have been implemented that impact on the presentation of the government accounts. These include:

- The establishment of the South African Social Security Agency (SASSA), responsible for administering the delivery of social assistance grants, resulting in function shifts between national and provincial government and public entities. The shifting of this function to national result in *transfers to provincial revenue funds* being reclassified as *transfers to households* and *transfers to departmental agencies and accounts*. The historic data in this publication has been amended to cater for this function shift as from the 2002/03 financial year. Where such amendments have been made, appropriate explanatory footnotes are provided.

- The 2006 Budget introduces an accommodation charge payable by national departments for the use of government properties, levied by the property management trading account and included in the books of the Department of Public Works. This results in the presentation of individual departments being amended to provide for these accommodation charges and a new trading account being introduced for the Department of Public Works. For purposes of the presentation of the national budget aggregates in Table 1 of this annexure, the revenue and expenditure of this account has been consolidated with that of the rest of national government. A detailed discussion on the establishment of the trading account is included in the 2006 *Estimates of National Expenditure*.
- Expenditure related to Regional Services Council (RSC) levies, previously included as a departmental expenditure item, is now presented as a *transfer to local government* forming part of the local government equitable share. This adjustment is affected in the government accounts as from the 2006/07 financial year.
- Indirect grants to local government, previously included in *transfers to local government* in the Water Services Trading Account, have now been shifted to the Department of Water Affairs budget. From here the funds are spent on the appropriate *goods and services* and capital asset items used in the maintenance and upgrading of water schemes. Once refurbished, these schemes are transferred to local government as in-kind transfers that are not recorded in the cash government account.

Adjustments due to transactions in government stock

As part of the restructuring of government's debt portfolio, bonds are repurchased or switched into new government bonds. In the process, government may make a capital profit, which is a book entry change in the discount on government bonds and is regarded as an extraordinary receipt. As such, capital profit does not represent an actual cash flow and is regarded as a "book profit", recorded as a negative receipt and loan redemption for analysis purposes.

A premium may also be accrued or be payable when restructuring government's debt portfolio. Premiums paid are accounted for as extraordinary payments and premiums received as extraordinary receipts.

Sources of information

The information in Tables 1 to 6 on national and provincial government finances is obtained from the following sources:

- Reports of the Auditor-General on the Appropriation and Miscellaneous Accounts in respect of General Affairs (1987/88 to 1993/94), the Accounts of the National Government (1994/95 to 1999/00), Audited Annual Financial Statements of National Departments (2000/01 to 2004/05) and the Revenue Accounts of the former self-governing territories and TBVC states.
- Reports of the Auditor-General on the Appropriation Accounts of the nine provinces, Audited Annual Financial Statements of Provincial Departments, as well as draft Financial Statements for some of the provinces.
- Printed Estimates of Revenue and Expenditure for the national and provincial budgets.
- The Reserve Bank.
- The Development Bank of Southern Africa.
- Annual statements of the Branches: Inland Revenue and Customs and Excise (previously of the Department of Finance) and of the South African Revenue Service.

- Monthly press releases of the National Treasury, published in terms of Section 32 of the Public Finance Management Act.

In some cases the information on revenue of the former self-governing territories, TBVC states and the new provinces in Table 2 was either preliminary or a budget estimate. Where data was incomplete, collections of a particular tax have been adjusted by the average growth in collections of that tax in the rest of the self-governing territories and TBVC states. Hence the information in Table 2 cannot be regarded as actual and audited.

Revenue, expenditure, budget deficit and financing (Table 1)

Table 1 summarises the main budget balances since 1999/2000 and medium-term estimates to 2008/09. To be in line with the economic reporting format, the revenue classification has been amended to show *transactions in assets and liabilities* separately, which was previously included in non-tax current revenue.

Repayments of loans and advances, which were previously shown as negative expenditure, have been reclassified as revenue. Given that the same amount is added to both revenue and expenditure, the national budget deficit is unaffected.

Appropriations by vote are divided into current payments, transfers and subsidies, and payments for capital assets. Both current and capital transfers are included in transfers and subsidies, in line with the requirements of the economic reporting format. Expenditure from 1999/2000 has been reclassified to be in line with the new classification principles introduced in 2004/05.

The size of the deficit figures presented in this table differ from those presented in budgets prior to 1995/96, as a number of items that were previously regarded as “below-the-line” expenditure have been included in total expenditure. In addition, revaluations of foreign loan obligations are now excluded from expenditure, in keeping with international practice.

Under loan redemptions and financing, *short-term loans* include the net result of transactions in treasury bills. *Long-term loans* include all transactions in government bonds (i.e. new loan issues, repayments on maturity, consolidations, repurchases and switches).

Loans issued for extraordinary purposes represent the settlement of extraordinary payments by means of government bonds issues. It excludes extraordinary payments in cash.

Prior to the *1998 Budget Review*, transfers from the Strategic Fuel Fund and the National Supplies Procurement Fund, as well as proceeds from the sale and restructuring of state assets, were treated as financing items. These, together with extraordinary payments unrelated to expenditure, are now shown below the deficit and before financing. The reclassification does not affect the budget deficit.

Transfers between the former state revenue account, the stabilisation account and the tax reserve account are shown in Table 1 as part of the changes in cash and other balances.

Main budget revenue (Tables 2 and 3)

Table 2 presents a summary of revenue and the details are set out in Table 3. Main budget revenue collections are recorded on an adjusted cash basis (cash book – revenue recorded as it is received in the ledgers of SARS). Tax revenue is classified according to standard international categories and departmental revenue according to the requirements of the economic reporting format.

Certain receipts into the National Revenue Fund are not regarded as revenue. These include proceeds from the sale of state assets, transfers from the IMF deposit account, transfers from the tax reserve account, adjustments due to transactions in government stock and proceeds from the sales of fuel stocks.

The historical data presented in Table 3 have been reclassified to be in line with the economic reporting format introduced in 2004/05. However, a large portion of the data cannot be reclassified, as departments captured these revenue transactions within their ledgers as miscellaneous revenue. These amounts are therefore reported as unspecified revenue.

Medium-term expenditure estimates by votes (Table 4)

Table 4 contains estimates of expenditure on national budget votes for the period 2001/02 to 2008/09. In 2004/05, amounts appropriated in the main budget and the adjusted estimates as well as preliminary estimates of spending on each vote are shown. The historical numbers have been adjusted for function shifts between various departments and therefore the detail amounts of some departments might differ from financial statements produced by those departments. However, total expenditure is not influenced by these changes.

Consolidated national and provincial budgets (Tables 5 and 6)

Tables 5 and 6 show the economic and functional classification of payments for consolidated national and provincial government and the social security funds. The social security funds include the Unemployment Insurance Fund, the Road Accident Fund and the compensation funds. The national expenditure figures are for the 2006 Budget. In the provinces, however, expenditure estimates are preliminary, as their budgets are tabled after the national budget. Provincial estimates are based on preliminary budget statements provided by the provinces and are subject to change before being tabled in the provincial legislature.

National Treasury introduced a new economic classification in the 2005 Budget, which brings budget reporting in line with international best practice, thereby improving transparency and accountability. Given that departments are not yet totally familiar with some of the concepts of this new classification, it will take some time before departments will be in a position to make completely accurate classifications.

During the conversion from the old to the new economic format and the reclassification of historical data, a few misclassifications have been identified and rectified. This results in the data in Tables 5 and 6 not being strictly comparable to the same tables published in previous budgets. Some of the major amendments to the economic and functional classifications can be summarised as follows:

- The municipal infrastructure grant (MIG) to local government, in the Department of Provincial and Local Government previously classified as part of *general government services and unallocatable expenditure* has been allocated to specific functions, influencing mainly *water schemes and related services, transport and communication, fuel and energy and housing*.
- RSC levies payable by departments and municipal rates and taxes payable by the Department of Public Works are compulsory fees due to local government. These amounts were previously classified as *goods and services* in the economic table but are now classified as *transfers to municipalities*, in line with international classification standards.
- The full set of accounts for the *Mines and Works Compensation Fund* has been included in the account for the social security funds, resulting in an upward adjustment of consolidated expenditure in all years. Consequently, data provided in this budget review would not be strictly comparable with the same data published in previous publications.
- A number of transfers to extra-budgetary institutions were previously erroneously included as *transfers to households and non-profit institutions*. These classifications have been amended to be in line with the latest version of the schedules of public entities listed in the Public Finance Management Act and are now included in *transfers to departmental agencies and accounts*.

- Small amounts spent on current maintenance previously classified as *capital expenditure* is now correctly reflected as *current payments*.

Consolidated government budget (Table 7)

Table 7 shows the economic and functional classification of payments for the consolidated government budget, which consists of the consolidated national, provincial and social security numbers presented in Tables 5 and 6 combined with entities forming part of the general government sector, as well as some government business enterprises.

This consolidation extends the coverage of the budget accounts by including an additional 42 public entities (including 22 SETAs and the SASSA), 5 major public entities, 18 government business enterprises (including 15 water boards) and the Water Services Trading Account. This results in a coverage that is wider than the normal general government account, but that still excludes all the big public corporations included in the public sector account.

The government budget consolidation includes all entities controlled and mainly financed by government revenue, where such revenue is defined as either taxes, levies and administrative or service fees prescribed by government, or direct budgetary support in the form of transfer payments. This consolidation also includes a number of government business enterprises, based on the principle that they sell most of their goods and services produced to government institutions or departments at regulated prices and are therefore not businesses in the true sense of the word.

Based on this principle these entities are broadly identified as one of the following:

- Enterprises that sell mainly to government departments or institutions, have no clear competitors and whose prices are therefore not clearly market related
- Science councils that conduct research or fulfil a regulatory or advisory function, where regulatory or administration fees are determined by government
- Government-regulated businesses that are primarily financed by a dedicated tax, administration fee or levy, the level of which is dictated by government.

The consolidated government budget covers 33,8 per cent or 66 of a total of 195 entities, but represents roughly 76 per cent of total expenditure of all entities included in the general government sector. A discussion on the consolidation procedures followed as well as a detailed list of all entities included in the consolidation is included in Annexure D.

In the consolidation process all intra-entity transactions must be eliminated. However, in the accounting systems of government and many of its agencies not all intra-entity transactions are identified, complicating the consolidation process. In the consolidated government account all identifiable transactions have been eliminated, these broadly includes the following:

- Transactions involving transfers from one government unit to another, including transfers made by national departments to public entities, and transfers from public entities to other public entities (i.e. Water Services Trading Account transfers to water boards).
- Taxes paid by business enterprises to national government.
- Purchases of goods and services from other government units included in the consolidation, which includes purchases by departments of computer services from the State Information Technology Agency, transactions between the Trans-Caledon Tunnel Authority, water boards and the Water Services Trading Account.

Total debt of government (Table 8)

Table 7 shows the major components of government debt. Total net government loan debt is calculated taking into account the cash balances of the National Revenue Fund. Realised losses on the Gold and Foreign Exchange Contingency Reserve Account is also disclosed. The projections for 2005/06 to 2008/09 are based on national budget data.

Financial guarantees: Amounts drawn on government guarantees (Table 9)

The national government furnishes guarantees to various institutions that will realise as liabilities to the state only if these institutions are unable to meet their commitments. It is not possible to anticipate the portion of these guarantees that will realise as liabilities to the national government, and they are therefore disclosed as *contingent liabilities* in government's *Statement of Liabilities and Financially Related Assets*. Amounts drawn in respect of guarantees and interest on these amounts, if guaranteed, are disclosed.

2006 Budget Review

Table 1
Main Budget:
Revenue, expenditure, deficit and financing 1)

| | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 |
|---|------------------|------------------|------------------|------------------|---------------------|------------------|
| | Actual outcome | | | | Preliminary outcome | |
| R million | | | | | | |
| Revenue | | | | | | |
| Tax revenue (gross) | 201 386,0 | 220 334,1 | 252 298,3 | 282 209,6 | 302 507,5 | 354 980,3 |
| Less: SACU payments | -7 197,3 | -8 396,1 | -8 204,8 | -8 259,4 | -9 722,7 | -13 327,8 |
| Departmental receipts | 3 824,9 | 3 498,0 | 4 087,6 | 4 191,9 | 5 931,4 | 5 520,4 |
| Total current revenue | 198 013,6 | 215 436,1 | 248 181,0 | 278 142,1 | 298 716,3 | 347 172,8 |
| Transactions in assets and liabilities 2) | 148,8 | 155,7 | 81,4 | 365,6 | 714,9 | 681,6 |
| Main budget revenue | 198 162,4 | 215 591,9 | 248 262,4 | 278 507,7 | 299 431,2 | 347 854,4 |
| Expenditure 3) | | | | | | |
| Statutory and standing appropriations | 117 059,4 | 126 959,5 | 137 239,4 | 144 866,2 | 158 579,3 | 175 521,8 |
| Cost of servicing state debt 4) | 44 289,7 | 46 320,9 | 47 580,7 | 46 807,7 | 46 312,9 | 48 851,2 |
| Provincial equitable share | 71 590,7 | 79 397,0 | 85 994,7 | 93 895,3 | 107 538,4 | 120 884,5 |
| Other 5) | 1 179,0 | 1 241,6 | 3 664,0 | 4 163,2 | 4 727,9 | 5 786,1 |
| Appropriated by vote | 97 690,5 | 106 974,5 | 125 665,1 | 146 657,7 | 170 129,9 | 193 019,4 |
| Current payments 6) | 39 848,9 | 41 647,6 | 46 720,9 | 52 044,0 | 56 902,7 | 62 389,3 |
| Transfers and subsidies 7) | 54 540,3 | 62 831,7 | 74 419,0 | 90 341,2 | 108 788,2 | 125 216,3 |
| Payments for capital assets 8) | 3 301,2 | 2 495,3 | 4 525,1 | 4 272,5 | 4 439,1 | 5 413,9 |
| Plus: Unallocated funds | - | - | - | - | - | - |
| Contingency reserve | - | - | - | - | - | - |
| Total expenditure | 214 749,9 | 233 934,0 | 262 904,5 | 291 524,0 | 328 709,2 | 368 541,2 |
| Budget deficit | -16 587,6 | -18 342,2 | -14 642,2 | -13 016,2 | -29 278,0 | -20 686,8 |
| Deficit as percentage of GDP | -2,0% | -1,9% | -1,4% | -1,1% | -2,3% | -1,5% |
| Extraordinary transfers 9) | -1 485,4 | -2 299,3 | -2 077,7 | -7 971,3 | -7 443,5 | -9 787,4 |
| Extraordinary receipts 10) | 7 238,3 | 2 984,2 | 4 159,1 | 8 167,9 | 1 598,2 | 2 492,0 |
| Net borrowing requirement | -10 834,7 | -17 657,3 | -12 560,8 | -12 819,6 | -35 123,3 | -27 982,1 |
| Financing | | | | | | |
| Change in loan liabilities | | | | | | |
| Domestic short-term loans (net) | 1 884,1 | 4 978,9 | -7 966,6 | 4 213,9 | 6 694,8 | 6 132,0 |
| Domestic long-term loans (net) | 3 031,9 | 6 406,3 | -9 871,3 | -3 017,4 | 31 123,1 | 33 409,4 |
| Loans issued for financing: | 1 546,5 | 4 182,7 | -12 087,9 | -6 940,3 | 24 037,4 | 24 588,1 |
| New loans | 21 218,4 | 20 312,0 | 14 647,1 | 15 549,9 | 51 404,9 | 53 131,4 |
| Less: Discount | -3 685,8 | -964,6 | -323,3 | -355,0 | -730,7 | -2 191,6 |
| Redemptions (net of book profit) | -15 981,0 | -15 161,6 | -22 433,4 | -21 624,9 | -26 636,8 | -26 351,7 |
| Buy backs | -5,1 | -3,1 | -3 978,3 | -510,3 | - | - |
| Loans issued for switching: | - | -57,4 | 2 216,6 | 270,2 | -119,9 | -639,5 |
| New loans | 5 575,8 | 5 563,8 | 40 914,1 | 7 674,8 | 10 166,5 | 16 316,8 |
| Less: Discount | -601,5 | -168,5 | -1 675,3 | -246,5 | -116,0 | -185,4 |
| Loans switched (net of book profit) | -4 974,3 | -5 452,7 | -37 022,2 | -7 158,1 | -10 170,4 | -16 770,9 |
| Loans issued for extraordinary purposes: | 1 485,4 | 2 281,0 | - | 3 652,7 | 7 205,6 | 9 460,8 |
| New loans | 1 485,4 | 2 281,0 | - | 7 652,7 | 7 276,4 | 9 460,8 |
| Less: Discount | - | - | - | - | -70,8 | - |
| Buy back (net of book profit) | - | - | - | -4 000,0 | - | - |
| Foreign loans (net) | 8 513,9 | 1 901,8 | 33 130,8 | 14 310,1 | 1 045,1 | 4 537,9 |
| Market loans | 13 259,6 | 1 987,5 | 29 873,7 | 11 039,2 | 10 656,8 | 6 551,0 |
| Arms procurement loan agreements | - | 1 976,9 | 3 383,1 | 4 880,7 | 3 770,9 | 3 407,0 |
| Less: Discount on issues of new loans | -67,2 | - | -57,1 | -226,0 | -80,7 | -85,1 |
| Redemptions (including revaluation of loans) | -4 678,5 | -2 062,6 | -68,9 | -1 383,8 | -13 301,9 | -5 335,0 |
| Change in cash and other balances (- increase) | -2 595,2 | 4 370,3 | -2 732,1 | -2 687,0 | -3 739,7 | -16 097,2 |
| Total financing (net) | 10 834,7 | 17 657,3 | 12 560,8 | 12 819,6 | 35 123,3 | 27 982,1 |
| Gross domestic product (GDP) | 837 240 | 951 682 | 1 048 755 | 1 198 344 | 1 281 438 | 1 419 991 |

1) This table summarises revenue, expenditure and the main budget balance since 1999/00. As available data are incomplete, the estimates are not fully consistent with other sources, such as the government finance statistics series of the Reserve Bank.

2) Transactions in assets and liabilities includes recovery of loans and advances and sale of capital assets. Transfers from the National Supplies Procurement Fund and Strategic Fuel Fund are excluded.

3) Expenditure for 1999/00 has been reclassified to be in line with the new economic reporting format.

4) Excluding discount on the sales of new government stock, premium on debt portfolio restructuring and revaluation of foreign loan repayments. Including management costs.

5) Includes standing appropriations comprising realised guarantee liabilities, subscriptions payments to IDA and IBRD, as well as valuation adjustment payments to the

Table 1
Main Budget:
Revenue, expenditure, deficit and financing ¹⁾

| 2005/06 | | | 2006/07 | 2007/08 | 2008/09 | |
|------------------|------------------|------------------|------------------|------------------|------------------|---|
| Budget estimate | Revised estimate | Deviation | Budget estimate | | | |
| | | | | | | R million |
| | | | | | | Revenue |
| 372 774,3 | 417 050,0 | 44 275,7 | 456 786,0 | 501 670,3 | 558 105,5 | Tax revenue (gross) |
| -12 052,9 | -14 144,9 | -2 092,0 | -19 744,4 | -20 344,2 | -22 450,5 | Less: SACU payments |
| 8 502,4 | 7 454,1 | -1 048,3 | 8 585,1 | 9 609,7 | 10 300,2 | Departmental receipts |
| 369 223,8 | 410 359,1 | 41 135,3 | 445 626,7 | 490 935,8 | 545 955,2 | Total current revenue |
| 645,7 | 725,9 | 80,2 | 735,0 | 1 067,2 | 1 135,8 | 2) Transactions in assets and liabilities |
| 369 869,5 | 411 085,1 | 41 215,6 | 446 361,7 | 492 003,0 | 547 091,0 | Main budget revenue |
| | | | | | | 3) Expenditure |
| 193 913,5 | 192 668,8 | -1 244,7 | 209 599,2 | 228 408,0 | 250 781,0 | Statutory and standing appropriations |
| 53 125,0 | 51 160,0 | -1 965,0 | 52 049,0 | 53 324,0 | 55 716,0 | 4) Cost of servicing state debt |
| 134 706,2 | 135 291,6 | 585,4 | 150 752,9 | 167 701,4 | 187 099,8 | Provincial equitable share |
| 6 082,3 | 6 217,2 | 134,9 | 6 797,3 | 7 382,6 | 7 965,1 | 5) Other |
| 221 405,7 | 226 307,1 | 4 901,4 | 260 025,7 | 284 465,8 | 310 346,9 | Appropriated by vote |
| 71 110,8 | 71 526,0 | 415,2 | 80 983,5 | 87 984,7 | 94 439,0 | 6) Current payments |
| 144 139,6 | 149 127,8 | 56 392,6 | 173 066,2 | 189 880,6 | 208 477,7 | 7) Transfers and subsidies |
| 6 155,2 | 5 653,3 | -502,0 | 5 976,0 | 6 600,5 | 7 430,2 | 8) Payments for capital assets |
| 500,0 | - | -500,0 | 600,0 | 1 300,0 | 2 140,0 | Plus: Unallocated funds |
| 2 000,0 | - | -2 000,0 | 2 500,0 | 5 000,0 | 8 000,0 | Contingency reserve |
| 417 819,2 | 418 975,9 | 1 156,7 | 472 724,9 | 519 173,8 | 571 267,8 | Total expenditure |
| -47 949,7 | -7 890,8 | 40 058,9 | -26 363,3 | -27 170,8 | -24 176,9 | Budget deficit |
| -3,1% | -0,5% | 2,6% | -1,5% | -1,4% | -1,2% | Deficit as percentage of GDP |
| -7 000,0 | -8 871,0 | -1 871,0 | - | - | - | 9) Extraordinary transfers |
| 1 528,7 | 6 497,0 | 4 968,3 | 1 700,0 | 1 450,0 | 1 450,0 | 10) Extraordinary receipts |
| -53 421,0 | -10 264,8 | 43 156,2 | -24 663,3 | -25 720,8 | -22 726,9 | Net borrowing requirement |
| | | | | | | Financing |
| | | | | | | Change in loan liabilities |
| 4 974,0 | 5 850,0 | 876,0 | 5 800,0 | 5 750,0 | 5 750,0 | Domestic short-term loans (net) |
| 25 768,1 | 23 305,8 | -2 462,3 | 8 693,9 | 16 529,0 | 22 995,7 | Domestic long-term loans (net) |
| 18 768,1 | 19 065,4 | 297,3 | 8 693,9 | 16 529,0 | 22 995,7 | Loans issued for financing: |
| 48 431,4 | 46 219,9 | -2 211,5 | 45 488,9 | 48 918,4 | 49 416,6 | New loans |
| -3 291,0 | -781,0 | 2 510,0 | -989,4 | -1 918,0 | -1 416,5 | Less: Discount |
| -26 372,3 | -26 373,5 | -1,2 | -35 805,6 | -30 471,4 | -25 004,4 | Redemptions (net of book profit) |
| - | - | - | - | - | - | Buy backs |
| - | -298,6 | -298,6 | - | - | - | Loans issued for switching: |
| 7 000,0 | 4 265,7 | -2 734,3 | - | - | - | New loans |
| - | -25,0 | -25,0 | - | - | - | Less: Discount |
| -7 000,0 | -4 539,2 | 2 460,8 | - | - | - | Loans switched (net of book profit) |
| 7 000,0 | 4 539,0 | -2 461,0 | - | - | - | Loans issued for extraordinary purposes: |
| 7 000,0 | 4 539,0 | -2 461,0 | - | - | - | New loans |
| - | - | - | - | - | - | Less: Discount |
| - | - | - | - | - | - | Buy back (net of book profit) |
| 12 038,7 | 741,8 | -11 296,9 | 2 415,1 | 3 638,0 | 2 362,3 | Foreign loans (net) |
| 9 390,0 | 50,0 | -9 340,0 | 6 240,0 | 6 850,0 | 7 880,0 | Market loans |
| 4 708,0 | 3 164,2 | -1 543,8 | 3 568,7 | 2 940,5 | 2 139,4 | Arms procurement loan agreements |
| - | - | - | - | - | - | Less: Discount on issues of new loans |
| -2 059,3 | -2 472,4 | -413,1 | -7 393,6 | -6 152,5 | -7 657,1 | Redemptions (including revaluation of loans) |
| 10 640,2 | -19 632,8 | -30 273,0 | 7 754,3 | -196,2 | -8 381,1 | Change in cash and other balances (- increase) |
| 53 421,0 | 10 264,8 | -43 156,2 | 24 663,3 | 25 720,8 | 22 726,9 | Total financing (net) |
| 1 528 633 | 1 559 580 | 30 947 | 1 714 528 | 1 884 866 | 2 095 911 | Gross domestic product (GDP) |

IMF and other statutory appropriations such as judges salaries and skills development funds.

- 6) Includes compensation of employees, payments for goods and services, interest on overdue accounts, rent on land and financial transactions in assets and liabilities.
7) Includes current and capital transfers and subsidies to business, households, foreign countries and other levels and funds of general government.
8) Includes acquisition and own account construction, construction of new assets and the cost of upgrading, improving and extensions to existing capital assets.
9) Includes premiums received on destination bonds in switch auctions, previously recorded as revenue.
10) Includes proceeds from the sales of state assets and strategic supplies. Also included is "book profit" on domestic government bond buy-backs and source bonds issued in switch auctions, previously included as non-tax revenue, which does not represent actual cash receipts and is therefore excluded from revenue.

Table 2
Main Budget:
Summary of revenue 1)

| | 1988/89 | 1989/90 | 1990/91 | 1991/92 | 1992/93 | 1993/94 | 1994/95 |
|--|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | Actual collections | | | | | | |
| R million | | | | | | | |
| Taxes on income and profits | 26 671,1 | 34 430,7 | 39 580,9 | 44 661,6 | 47 559,4 | 50 933,7 | 61 004,7 |
| Persons and individuals | 14 910,4 | 20 008,8 | 24 149,6 | 29 968,9 | 33 833,0 | 37 805,3 | 44 972,8 |
| Gold mines | 1 694,7 | 1 016,1 | 644,4 | 523,7 | 421,5 | 622,5 | 1 172,7 |
| Other mines | 1 312,8 | 1 791,5 | 2 246,0 | 1 048,9 | 575,7 | 508,6 | 457,2 |
| Companies 2) | 8 236,0 | 11 013,3 | 11 870,5 | 12 490,8 | 12 126,0 | 10 359,3 | 11 961,3 |
| Secondary tax on companies | – | – | – | – | – | 876,7 | 1 303,6 |
| Tax on retirement funds | – | – | – | – | – | – | – |
| Other 3) | 517,2 | 601,1 | 670,4 | 629,3 | 603,1 | 761,4 | 1 137,1 |
| Taxes on payroll and workforce | – | – | – | – | – | – | – |
| Skills development levy 4) | – | – | – | – | – | – | – |
| Taxes on property | 823,0 | 1 033,6 | 1 098,2 | 1 127,8 | 1 187,5 | 1 500,9 | 2 074,7 |
| Donations tax | 3,2 | 4,3 | 6,5 | 6,8 | 18,0 | 39,0 | 104,4 |
| Estate duty | 136,5 | 75,9 | 82,0 | 78,7 | 84,9 | 118,3 | 125,3 |
| Marketable securities tax | 138,5 | 278,1 | 243,3 | 199,8 | 164,5 | 267,0 | 431,4 |
| Transfer duties | 544,8 | 675,3 | 766,4 | 842,6 | 920,1 | 1 076,7 | 1 413,5 |
| Demutualisation charge 5) | – | – | – | – | – | – | – |
| Domestic taxes on goods and services | 18 196,0 | 23 684,1 | 25 722,3 | 28 140,9 | 29 551,5 | 38 949,2 | 44 070,3 |
| Value-added tax/sales tax 6) | 13 123,0 | 16 752,1 | 18 260,7 | 18 791,8 | 17 506,1 | 25 449,0 | 29 288,4 |
| Specific excise duties | 2 293,5 | 2 578,4 | 2 888,5 | 3 360,1 | 4 099,5 | 4 628,3 | 5 431,3 |
| Ad valorem excise duties | 215,3 | 263,6 | 455,9 | 465,2 | 336,5 | 338,7 | 372,9 |
| Levies on fuel | 2 555,6 | 4 080,7 | 4 103,8 | 5 421,3 | 7 083,1 | 7 860,2 | 8 351,5 |
| Air departure tax | – | – | – | – | – | – | – |
| Other 7) | 8,6 | 9,3 | 13,3 | 102,5 | 526,4 | 673,0 | 626,1 |
| Taxes on international trade and transactions | 4 358,8 | 4 903,7 | 4 697,6 | 4 321,1 | 4 644,7 | 5 246,9 | 5 606,4 |
| Customs duties | 2 466,0 | 2 193,8 | 2 502,3 | 2 736,1 | 2 961,1 | 3 413,4 | 4 247,0 |
| Import surcharges | 1 875,6 | 2 625,4 | 2 075,3 | 1 455,5 | 1 520,9 | 1 756,1 | 1 170,8 |
| Other 8) | 17,2 | 84,6 | 119,9 | 129,5 | 162,7 | 77,3 | 188,5 |
| Stamp duties and fees | 469,3 | 685,2 | 657,3 | 712,2 | 760,4 | 846,7 | 942,9 |
| State Miscellaneous Revenue (SMR) 9) | 14,5 | 29,2 | 41,9 | 35,2 | 25,8 | 10,3 | 75,6 |
| TOTAL TAX REVENUE (gross) | 50 532,6 | 64 766,6 | 71 798,1 | 78 998,8 | 83 729,3 | 97 487,7 | 113 774,5 |
| Departmental revenue 10) | 2 013,0 | 2 052,4 | 1 993,1 | 1 606,5 | 1 920,2 | 2 088,3 | 1 586,2 |
| Transactions in assets and liabilities | 35,9 | 87,4 | 126,5 | 133,9 | 210,8 | 187,4 | 216,0 |
| Less: SACU payments 11) | -1 114,0 | -1 365,8 | -1 800,9 | -2 760,3 | -2 984,1 | -3 089,4 | -3 248,8 |
| TOTAL BUDGET REVENUE | 51 467,5 | 65 540,6 | 72 116,8 | 77 979,0 | 82 876,1 | 96 674,0 | 112 327,9 |
| Current revenue | 51 431,6 | 65 453,2 | 71 990,3 | 77 845,1 | 82 665,3 | 96 486,6 | 112 112,0 |
| Direct taxes | 26 810,8 | 34 511,0 | 39 669,4 | 44 747,2 | 47 662,3 | 51 091,0 | 61 234,4 |
| Indirect taxes | 23 707,3 | 30 226,4 | 32 086,9 | 34 216,5 | 36 041,2 | 46 386,4 | 52 464,5 |
| State Miscellaneous Revenue (SMR) | 14,5 | 29,2 | 41,9 | 35,2 | 25,8 | 10,3 | 75,6 |
| Departmental revenue (including grants) | 2 013,0 | 2 052,4 | 1 993,1 | 1 606,5 | 1 920,2 | 2 088,3 | 1 586,2 |
| Less: SACU payments | -1 114,0 | -1 365,8 | -1 800,9 | -2 760,3 | -2 984,1 | -3 089,4 | -3 248,8 |
| Transactions in assets and liabilities | 35,9 | 87,4 | 126,5 | 133,9 | 210,8 | 187,4 | 216,0 |
| Receipts not regarded as revenue 12) | 602,0 | 3 772,0 | 333,6 | 959,0 | 1 221,5 | 1 583,7 | 1 201,0 |

1) Figures prior to 1994/95 (representing the former State Revenue Account) are adjusted to be comparable to the current National Revenue Fund (see introductory notes to this statistical annexure). Figures prior to 1995/96 include collections by the former TBVC states and self-governing territories.

2) Figures prior to 1999/00 exclude receipts from mining companies. Figures from 1999/00 onwards include receipts from all companies.

3) Including interest on overdue tax, non-resident shareholders' tax, non-residents' tax on interest and tax on undistributed profits.

4) Levy on payroll dedicated to skills development.

5) The 1998/99 and the 1999/00 figures include receipts of the demutualisation charge amounting to R278,5 million and R577,0 million respectively, which were not included in the budget estimates.

6) Including sales duty, which was replaced by a general sales tax in July 1978. The value added tax replaced the general sales tax in September 1991.

7) Including various levies, mining leases and ownership, cinematographic tax and other special levies imposed since 1974/75, as well as receipts of the

Table 2
Main Budget:
Summary of revenue 1)

| 1995/96 | 1996/97 | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| Actual collections | | | | | | | |
| 68 883,8 | 82 876,1 | 95 003,6 | 108 021,5 | 116 148,9 | 126 146,1 | 147 310,4 | Taxes on income and profits |
| 51 179,3 | 59 519,8 | 68 342,4 | 77 733,9 | 85 883,8 | 86 478,9 | 90 389,5 | Persons and individuals |
| 893,7 | 507,7 | 332,5 | 188,6 | – | – | – | Gold mines |
| 714,8 | 1 341,6 | 1 349,4 | 1 946,1 | – | – | – | Other mines |
| 14 059,0 | 16 985,0 | 19 696,4 | 20 388,0 | 20 971,6 | 29 491,8 | 42 354,5 | 2) Companies |
| 1 262,2 | 1 337,9 | 1 446,4 | 1 930,8 | 3 149,9 | 4 031,3 | 7 162,7 | Secondary tax on companies |
| – | 2 565,5 | 3 229,7 | 5 098,8 | 5 330,4 | 5 219,8 | 6 190,6 | Tax on retirement funds |
| 774,8 | 618,6 | 606,8 | 735,3 | 813,1 | 924,3 | 1 213,1 | 3) Other |
| – | – | – | – | 0,1 | 1 257,4 | 2 717,3 | Taxes on payroll and workforce |
| – | – | – | – | 0,1 | 1 257,4 | 2 717,3 | 4) Skills development levy |
| 2 233,9 | 2 359,3 | 2 618,4 | 2 830,5 | 3 808,4 | 3 978,8 | 4 628,3 | Taxes on property |
| 61,0 | 46,7 | 17,7 | 9,1 | 15,2 | 32,1 | 20,6 | Donations tax |
| 181,3 | 181,8 | 302,6 | 256,4 | 304,2 | 442,7 | 481,9 | Estate duty |
| 462,9 | 397,3 | 442,3 | 721,1 | 1 090,4 | 1 102,1 | 1 212,8 | Marketable securities tax |
| 1 528,7 | 1 733,5 | 1 855,8 | 1 565,4 | 1 821,6 | 2 401,9 | 2 913,0 | Transfer duties |
| – | – | – | 278,5 | 577,0 | – | – | 5) Demutualisation charge |
| 48 881,7 | 53 572,9 | 60 619,0 | 66 270,8 | 72 304,7 | 79 091,6 | 86 888,4 | Domestic taxes on goods and services |
| 32 768,2 | 35 902,9 | 40 095,6 | 43 985,4 | 48 376,8 | 54 455,2 | 61 056,6 | 6) Value-added tax/sales tax |
| 6 075,0 | 5 912,4 | 7 425,8 | 8 052,8 | 8 886,1 | 9 126,6 | 9 797,2 | Specific excise duties |
| 400,2 | 718,7 | 581,6 | 518,9 | 584,3 | 693,9 | 776,1 | Ad valorem excise duties |
| 8 928,0 | 10 391,6 | 12 091,2 | 13 640,0 | 14 289,8 | 14 495,3 | 14 923,2 | Levies on fuel |
| – | – | – | – | – | 85,8 | 296,4 | Air departure tax |
| 710,2 | 647,2 | 424,8 | 73,7 | 167,7 | 234,9 | 38,8 | 7) Other |
| 6 169,6 | 7 200,5 | 5 638,6 | 6 052,5 | 6 778,1 | 8 226,6 | 8 680,1 | Taxes on international trade and transactions |
| 5 325,9 | 6 518,0 | 6 055,7 | 5 985,7 | 6 517,8 | 7 853,6 | 8 632,2 | Customs duties |
| 456,7 | -5,9 | -1,4 | 1,6 | 0,4 | 0,0 | 0,5 | Import surcharges |
| 387,1 | 688,4 | -415,7 | 65,2 | 259,9 | 372,9 | 47,5 | 8) Other |
| 1 024,8 | 1 202,4 | 1 483,8 | 1 489,0 | 1 618,9 | 1 561,6 | 1 767,2 | Stamp duties and fees |
| 84,1 | 121,2 | -36,0 | 179,3 | 727,0 | 72,0 | 306,7 | 9) State Miscellaneous Revenue (SMR) |
| 127 278,0 | 147 332,3 | 165 327,4 | 184 843,6 | 201 386,0 | 220 334,1 | 252 298,3 | TOTAL TAX REVENUE (gross) |
| 2 460,2 | 3 353,8 | 3 157,7 | 3 931,6 | 3 824,9 | 3 498,0 | 4 087,6 | 10) Departmental revenue |
| 154,7 | 168,9 | 141,7 | 806,9 | 148,8 | 155,7 | 81,4 | Transactions in assets and liabilities |
| -3 890,1 | -4 362,7 | -5 237,2 | -5 576,7 | -7 197,3 | -8 396,1 | -8 204,8 | 11) Less: SACU payments |
| 126 002,7 | 146 492,4 | 163 389,6 | 184 005,4 | 198 162,4 | 215 591,9 | 248 262,4 | TOTAL BUDGET REVENUE |
| 125 848,0 | 146 323,4 | 163 247,9 | 183 198,5 | 198 013,6 | 215 436,1 | 248 181,0 | Current revenue |
| 69 126,1 | 83 104,6 | 95 323,9 | 108 565,5 | 117 045,3 | 127 878,3 | 150 530,1 | Direct taxes |
| 58 067,7 | 64 106,6 | 70 039,5 | 76 098,8 | 83 613,8 | 92 383,8 | 101 461,5 | Indirect taxes |
| 84,1 | 121,2 | -36,0 | 179,3 | 727,0 | 72,0 | 306,7 | State Miscellaneous Revenue (SMR) |
| 2 460,2 | 3 353,8 | 3 157,7 | 3 931,6 | 3 824,9 | 3 498,0 | 4 087,6 | Departmental revenue (including grants) |
| -3 890,1 | -4 362,7 | -5 237,2 | -5 576,7 | -7 197,3 | -8 396,1 | -8 204,8 | Less: SACU payments |
| 154,7 | 168,9 | 141,7 | 806,9 | 148,8 | 155,7 | 81,4 | Transactions in assets and liabilities |
| 1 391,4 | 1 629,4 | 2 947,4 | 2 757,6 | 7 238,3 | 2 984,5 | 4 159,1 | 12) Receipts not regarded as revenue |

Universal Service Fund since 1998/99 and the Human Resources Fund for 1998/99 and 1999/00.

- 8) Including diamond export duties, miscellaneous customs and excise income, as well as ordinary levy collections.
9) Revenue received by SARS in respect of taxation which could not be allocated to specific revenue types. Previously shown as part of other non-tax revenue.
10) Premiums received on destination bonds on switch options, previously included in revenue, are now reflected under extraordinary receipts, but includes domestic and foreign grants previously shown separately as Grants received (RDP Fund).
11) South African Custom Union payments (excluding payments to the former TBVC states and self-governing territories). Payments to the Central Revenue Fund of Namibia up to independence are included.
12) Sales of strategic fuel stocks, proceeds from sales of state assets and certain other receipts are, by law, paid into the National Revenue Fund, but are not regarded as revenue.

Table 2
Main Budget:
Summary of revenue 1)

| R million | 2002/03 | 2003/04 | 2004/05 | 2005/06 | | 2006/07 | |
|--|--------------------|------------------|------------------|-------------------|----------------------------|---------------------------------------|------------------|
| | Actual collections | | | Revised estimates | % change on actual 2004/05 | Budget estimates Before tax proposals | After |
| Taxes on income and profits | 164 565,9 | 171 962,8 | 195 219,1 | 228 730,0 | 17,2% | 260 740,5 | 245 815,5 |
| Persons and individuals | 94 336,7 | 98 495,1 | 110 981,9 | 125 760,0 | 13,3% | 144 600,0 | 132 475,0 |
| Companies | 2) 55 745,1 | 60 880,8 | 70 781,9 | 84 900,0 | 19,9% | 95 600,5 | 95 200,5 |
| Secondary tax on companies | 6 325,6 | 6 132,9 | 7 487,1 | 11 850,0 | 58,3% | 13 850,0 | 13 850,0 |
| Tax on retirement funds | 6 989,7 | 4 897,7 | 4 406,1 | 4 500,0 | 2,1% | 4 800,0 | 2 400,0 |
| Other | 3) 1 169,0 | 1 556,3 | 1 562,2 | 1 720,0 | 10,1% | 1 890,0 | 1 890,0 |
| Taxes on payroll and workforce | 3 352,1 | 3 896,4 | 4 443,3 | 5 000,0 | 12,5% | 5 600,0 | 5 600,0 |
| Skills development levy | 4) 3 352,1 | 3 896,4 | 4 443,3 | 5 000,0 | 12,5% | 5 600,0 | 5 600,0 |
| Taxes on property | 5 084,6 | 6 707,5 | 9 012,6 | 11 120,0 | 23,4% | 13 462,0 | 8 922,0 |
| Donations tax | 17,7 | 17,1 | 25,2 | 30,0 | 19,1% | 32,0 | 30,0 |
| Estate duty | 432,7 | 417,1 | 506,9 | 590,0 | 16,4% | 650,0 | 612,0 |
| Marketable securities tax | 1 205,2 | 1 101,1 | 1 365,9 | 1 800,0 | 31,8% | 2 070,0 | 2 070,0 |
| Transfer duties | 3 429,0 | 5 172,1 | 7 114,6 | 8 700,0 | 22,3% | 10 710,0 | 6 210,0 |
| Domestic taxes on goods and services | 97 581,9 | 110 173,5 | 131 982,8 | 152 370,0 | 15,4% | 171 537,0 | 171 884,5 |
| Value-added tax/sales tax | 6) 70 149,9 | 80 681,8 | 98 157,9 | 115 000,0 | 17,2% | 132 200,0 | 131 200,0 |
| Specific excise duties | 10 422,6 | 11 364,6 | 13 066,7 | 14 599,0 | 11,7% | 15 246,0 | 16 615,5 |
| Ad valorem excise duties | 1 050,2 | 1 016,2 | 1 015,2 | 1 200,0 | 18,2% | 1 362,0 | 1 340,0 |
| Levies on fuel | 15 333,8 | 16 652,4 | 19 190,4 | 20 700,0 | 7,9% | 21 800,0 | 21 800,0 |
| Air departure tax | 324,8 | 367,2 | 412,2 | 440,0 | 6,8% | 460,0 | 460,0 |
| Other | 7) 300,7 | 91,5 | 140,5 | 431,0 | 206,8% | 469,0 | 469,0 |
| Taxes on international trade and transactions | 9 619,7 | 8 414,3 | 13 285,7 | 18 960,0 | 42,7% | 23 600,0 | 23 600,0 |
| Customs duties | 9 330,7 | 8 479,4 | 12 888,4 | 18 600,0 | 44,3% | 23 200,0 | 23 200,0 |
| Other | 8) 289,1 | -65,1 | 397,3 | 360,0 | -9,4% | 400,0 | 400,0 |
| Stamp duties and fees | 1 572,4 | 1 360,1 | 1 167,7 | 870,0 | -25,5% | 974,0 | 964,0 |
| State Miscellaneous Revenue (SMR) | 433,0 | -7,1 | -130,9 | - | - | - | - |
| TOTAL TAX REVENUE (gross) | 282 209,6 | 302 507,5 | 354 980,3 | 417 050,0 | 17,5% | 475 913,5 | 456 786,0 |
| Departmental revenue | 4 191,9 | 5 931,4 | 5 520,4 | 7 454,1 | 35,0% | 8 585,1 | 8 585,1 |
| Transactions in assets and liabilities | 365,6 | 714,9 | 681,6 | 725,9 | 6,5% | 735,0 | 735,0 |
| Less: SACU payments | 11) -8 259,4 | -9 722,7 | -13 327,8 | -14 144,9 | 6,1% | -19 744,4 | -19 744,4 |
| TOTAL BUDGET REVENUE | 278 507,7 | 299 431,2 | 347 854,4 | 411 085,1 | 18,2% | 465 489,2 | 446 361,7 |
| Current revenue | 278 142,1 | 298 716,3 | 347 172,8 | 410 359,1 | 18,2% | 464 754,2 | 445 626,7 |
| Direct taxes | 168 368,4 | 176 293,5 | 200 194,5 | 234 350,0 | 17,1% | 267 022,5 | 252 057,5 |
| Indirect taxes | 113 408,2 | 126 221,1 | 154 916,7 | 182 700,0 | 17,9% | 208 891,0 | 204 728,5 |
| State Miscellaneous Revenue (SMR) | 433,0 | -7,1 | -130,9 | - | - | - | - |
| Departmental revenue (including grants) | 4 191,9 | 5 931,4 | 5 520,4 | 7 454,1 | 35,0% | 8 585,1 | 8 585,1 |
| Less: SACU payments | -8 259,4 | -9 722,7 | -13 327,8 | -14 144,9 | 6,1% | -19 744,4 | -19 744,4 |
| Transactions in assets and liabilities | 365,6 | 714,9 | 681,6 | 725,9 | 6,5% | 735,0 | 735,0 |
| Receipts not regarded as revenue | 8 167,9 | 1 598,2 | 2 492,0 | 6 497,2 | 160,7% | 1 700,0 | 1 700,0 |

1) Figures prior to 1994/95 (representing the former State Revenue Account) are adjusted to be comparable to the current National Revenue Fund (see introductory notes to this statistical annexure). Figures prior to 1995/96 include collections by the former TBVC states and self-governing territories.

2) Figures prior to 1999/00 exclude receipts from mining companies. Figures from 1999/00 onwards include receipts from all companies.

3) Including interest on overdue tax, non-resident shareholders' tax, non-residents' tax on interest and tax on undistributed profits.

4) Levy on payroll dedicated to skills development.

5) The 1998/99 and the 1999/00 figures include receipts of the demutualisation charge amounting to R278,5 million and R577,0 million respectively, which were not included in the budget estimates.

6) Including sales duty, which was replaced by a general sales tax in July 1978. The value added tax replaced the general sales tax in September 1991.

7) Including various levies, mining leases and ownership, cinematographic tax and other special levies imposed since 1974/75, as well as receipts of the

Table 2
Main Budget:
Summary of revenue 1)

| 2006/07 | | 2007/08 | | 2008/09 | | |
|-----------------------------|---------------------------|-----------|---|-----------|---------------------|--|
| % change on revised 2005/06 | % of total budget revenue | Estimates | % change on after tax proposals 2006/07 | Estimates | % change on 2007/08 | |
| 7,5% | 55,1% | 272 315,0 | 10,8% | 306 560,0 | 12,6% | Taxes on income and profits |
| 5,3% | 29,7% | 148 850,0 | 12,4% | 169 200,0 | 13,7% | Persons and individuals |
| 12,1% | 21,3% | 104 000,0 | 9,2% | 116 000,0 | 11,5% | 2) Companies |
| 16,9% | 3,1% | 14 800,0 | 6,9% | 16 300,0 | 10,1% | Secondary tax on companies |
| -46,7% | 0,5% | 2 600,0 | 8,3% | 2 800,0 | 7,7% | Tax on retirement funds |
| 9,9% | 0,4% | 2 065,0 | 9,3% | 2 260,0 | 9,4% | 3) Other |
| 12,0% | 1,3% | 6 150,0 | 9,8% | 6 800,0 | 10,6% | Taxes on payroll and workforce |
| 12,0% | 1,3% | 6 150,0 | 9,8% | 6 800,0 | 10,6% | 4) Skills development levy |
| -19,8% | 2,0% | 12 023,0 | 34,8% | 12 845,0 | 6,8% | Taxes on property |
| - | 0,0% | 33,0 | 10,0% | 35,0 | 6,1% | Donations tax |
| 3,7% | 0,1% | 700,0 | 14,4% | 760,0 | 8,6% | Estate duty |
| 15,0% | 0,5% | 2 190,0 | 5,8% | 2 350,0 | 7,3% | Marketable securities tax |
| -28,6% | 1,4% | 9 100,0 | 46,5% | 9 700,0 | 6,6% | Transfer duties |
| 12,8% | 38,5% | 184 775,6 | 7,5% | 203 366,0 | 10,1% | Domestic taxes on goods and services |
| 14,1% | 29,4% | 142 000,0 | 8,2% | 157 000,0 | 10,6% | 6) Value-added tax/sales tax |
| 13,8% | 3,7% | 16 950,6 | 2,0% | 18 230,0 | 7,5% | Specific excise duties |
| 11,7% | 0,3% | 1 400,0 | 4,5% | 1 500,0 | 7,1% | Ad valorem excise duties |
| 5,3% | 4,9% | 23 400,0 | 7,3% | 25 500,0 | 9,0% | Levies on fuel |
| 4,5% | 0,1% | 500,0 | 8,7% | 550,0 | 10,0% | Air departure tax |
| 8,8% | 0,1% | 525,0 | 11,9% | 586,0 | 11,6% | 7) Other |
| 24,5% | 5,3% | 25 420,0 | 7,7% | 27 440,0 | 7,9% | Taxes on international trade and transactions |
| 24,7% | 5,2% | 25 000,0 | 7,8% | 27 000,0 | 8,0% | Customs duties |
| 11,1% | 0,1% | 420,0 | 5,0% | 440,0 | 4,8% | 8) Other |
| 10,8% | 0,2% | 986,7 | 2,4% | 1 094,5 | 10,9% | Stamp duties and fees |
| - | - | - | - | - | - | 9) State Miscellaneous Revenue (SMR) |
| 9,5% | 102,3% | 501 670,3 | 9,8% | 558 105,5 | 11,2% | TOTAL TAX REVENUE (gross) |
| 15,2% | 1,9% | 9 609,7 | 11,9% | 10 300,2 | 7,2% | 10) Departmental revenue |
| 1,2% | 0,2% | 1 067,2 | 45,2% | 1 135,8 | 6,4% | Transactions in assets and liabilities |
| 39,6% | -4,4% | -20 344,2 | 3,0% | -22 450,5 | 10,4% | 11) Less: SACU payments |
| 8,6% | 100,0% | 492 003,0 | 10,2% | 547 091,0 | 11,2% | TOTAL BUDGET REVENUE |
| 8,6% | 99,8% | 490 935,8 | 10,2% | 545 955,2 | 11,2% | Current revenue |
| 7,6% | 56,5% | 279 198,0 | 10,8% | 314 155,0 | 12,5% | Direct taxes |
| 12,1% | 45,9% | 222 472,3 | 8,7% | 243 950,5 | 9,7% | Indirect taxes |
| - | - | - | - | - | - | State Miscellaneous Revenue (SMR) |
| 15,2% | 1,9% | 9 609,7 | 11,9% | 10 300,2 | 7,2% | Departmental revenue (including grants) |
| 39,6% | -4,4% | -20 344,2 | 3,0% | -22 450,5 | 10,4% | Less: SACU payments |
| 1,2% | 0,2% | 1 067,2 | 45,2% | 1 135,8 | 6,4% | Transactions in assets and liabilities |
| -73,8% | 0,4% | 712,2 | -58,1% | 712,2 | - | 12) Receipts not regarded as revenue |

Universal Service Fund since 1998/99 and the Human Resources Fund for 1998/99 and 1999/00.

- 8) Including diamond export duties, miscellaneous customs and excise income, as well as ordinary levy collections.
9) Revenue received by SARS in respect of taxation which could not be allocated to specific revenue types. Previously shown as part of other non-tax revenue.
10) Premiums received on destination bonds on switch options, previously included in revenue, are now reflected under extraordinary receipts, but includes domestic and foreign grants previously shown separately as Grants received (RDP Fund).
11) South African Custom Union payments (excluding payments to the former TBVC states and self-governing territories). Payments to the Central Revenue Fund of Namibia up to independence are included.
12) Sales of strategic fuel stocks, proceeds from sales of state assets and certain other receipts are, by law, paid into the National Revenue Fund, but are not regarded as revenue.

2006 Budget Review

Table 3
Main Budget:
Revenue – detailed classification

| | 2002/03 | 2003/04 | 2004/05 | | | |
|---|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
| | Actual collections | | Before tax proposals | After | Revised estimate | Actual collection |
| R thousands | | | | | | |
| Taxes on income and profits | 164 565 931 | 171 962 773 | 193 260 200 | 189 198 200 | 189 900 000 | 195 219 114 |
| Income tax on persons and individuals | 94 336 679 | 98 495 130 | 110 000 000 | 105 938 000 | 110 950 000 | 110 981 881 |
| Tax on corporate income | | | | | | |
| Companies | 55 745 054 | 60 880 803 | 68 800 000 | 68 800 000 | 65 450 000 | 70 781 871 |
| Secondary tax on companies | 6 325 581 | 6 132 930 | 6 760 000 | 6 760 000 | 7 600 000 | 7 487 073 |
| Tax on retirement funds | 6 989 650 | 4 897 650 | 6 000 000 | 6 000 000 | 4 500 000 | 4 406 121 |
| Other | | | | | | |
| Interest on overdue income tax | 1 168 967 | 1 556 260 | 1 700 200 | 1 700 200 | 1 400 000 | 1 562 168 |
| Taxes on payroll and workforce | 3 352 054 | 3 896 435 | 4 300 000 | 4 300 000 | 4 600 000 | 4 443 296 |
| Skills development levy | 3 352 054 | 3 896 435 | 4 300 000 | 4 300 000 | 4 600 000 | 4 443 296 |
| Taxes on property | 5 084 644 | 6 707 470 | 6 970 000 | 6 870 000 | 8 928 000 | 9 012 634 |
| Estate, inheritance and gift taxes | | | | | | |
| Donations tax | 17 696 | 17 131 | 20 000 | 20 000 | 28 000 | 25 189 |
| Estate duty | 432 726 | 417 130 | 450 000 | 450 000 | 500 000 | 506 914 |
| Taxes on financial and capital transactions | | | | | | |
| Marketable securities tax | 1 205 176 | 1 101 147 | 1 200 000 | 1 200 000 | 1 200 000 | 1 365 902 |
| Transfer duties | 3 429 046 | 5 172 062 | 5 300 000 | 5 200 000 | 7 200 000 | 7 114 629 |
| Domestic taxes on goods and services | 97 581 850 | 110 173 530 | 119 417 411 | 121 549 411 | 129 033 280 | 131 982 800 |
| Value-added tax | 70 149 852 | 80 681 755 | 89 500 000 | 89 500 000 | 95 500 000 | 98 157 875 |
| Specific excise duties | | | | | | |
| Beer | 3 007 130 | 3 448 727 | 3 660 000 | 3 984 400 | 3 966 000 | 3 963 493 |
| Sorghum beer and sorghum flour | 37 656 | 38 989 | 36 911 | 36 911 | 36 000 | 42 448 |
| Wine and other fermented beverages | 544 656 | 513 667 | 407 000 | 521 800 | 695 000 | 739 748 |
| Mineral water | 15 486 | 8 659 | – | – | – | – |
| Spirits | 1 131 377 | 1 200 950 | 1 617 000 | 1 837 300 | 1 638 000 | 1 507 530 |
| Cigarettes and cigarette tobacco | 4 213 328 | 4 698 781 | 4 416 000 | 5 147 100 | 5 340 000 | 5 348 515 |
| Pipe tobacco and cigars | 370 553 | 336 262 | 557 000 | 619 400 | 364 000 | 389 370 |
| Petroleum products ¹⁾ | 680 739 | 786 786 | 765 000 | 765 000 | 806 000 | 802 312 |
| Revenue from neighbouring countries ²⁾ | 421 701 | 331 755 | 200 000 | 200 000 | 130 000 | 273 237 |
| <i>Ad valorem</i> excise duties | 1 050 184 | 1 016 151 | 1 140 000 | 910 000 | 1 100 000 | 1 015 184 |
| Levies on fuel | 15 333 757 | 16 652 388 | 16 500 000 | 17 409 000 | 18 800 000 | 19 190 431 |
| Taxes on specific services | | | | | | |
| Levy on financial services | 770 | -206 | – | – | – | -2 807 |
| Taxes on use of goods or permission to use goods or to perform activities | | | | | | |
| Air departure tax | 324 757 | 367 163 | 380 000 | 380 000 | 420 000 | 412 176 |
| Plastic bags levy | – | – | 90 000 | 90 000 | 40 000 | 41 214 |
| Mining leases and ownership | | | | | | |
| Other mines | 270 339 | 64 958 | 108 500 | 108 500 | 105 000 | 2 226 |
| Other | | | | | | |
| Universal Service Fund | 29 565 | 26 745 | 40 000 | 40 000 | 93 280 | 99 848 |
| Taxes on international trade and transactions | 9 619 759 | 8 414 278 | 10 476 000 | 10 476 000 | 11 650 000 | 13 285 694 |
| Import duties | | | | | | |
| Customs duties | 9 330 656 | 8 479 415 | 9 500 000 | 9 500 000 | 11 500 000 | 12 888 364 |
| Import surcharges | 19 | – | – | – | – | – |
| Other | | | | | | |
| Ordinary levy | 5 130 | 591 | 650 000 | 650 000 | – | 103 |
| Miscellaneous customs and excise receipts | 283 954 | -65 728 | 326 000 | 326 000 | 150 000 | 397 227 |
| Other taxes | 1 572 419 | 1 360 087 | 1 570 000 | 1 300 000 | 1 150 000 | 1 167 655 |
| Stamp duties and fees | 1 572 419 | 1 360 087 | 1 570 000 | 1 300 000 | 1 150 000 | 1 167 655 |
| State Miscellaneous Revenue (SMR) ³⁾ | 432 997 | -7 064 | – | – | – | -130 927 |
| TOTAL TAX REVENUE (gross) | 282 209 654 | 302 507 509 | 335 993 611 | 333 693 611 | 345 261 280 | 354 980 266 |

1) Specific excise duties on petrol, distillate fuel, residual fuel and base oil.

2) Excise duties which are collected by the BLNS countries, former self-governing territories and TBVC states.

3) Revenue received by SARS in respect of taxation which could not be allocated to specific revenue types.

4) South African Custom Union payments (excluding payments to the former TBVC states and self-governing territories). Payments to the Central

Table 3
Main Budget:
Revenue – detailed classification

| 2005/06 | | | | 2006/07 | | R thousands |
|---|------------------------|---------------------|----------------------------------|-------------------------|------------------------|--|
| Budget estimates Before tax proposals | After tax proposals | Revised estimate | % change on 2004/05 actual | Before tax proposals | After tax proposals | |
| 211 350 000 | 200 855 000 | 228 730 000 | 17,2% | 260 740 500 | 245 815 500 | Taxes on income and profits |
| 124 000 000 | 116 890 000 | 125 760 000 | 13,3% | 144 600 000 | 132 475 000 | Income tax on persons and individuals |
| 72 100 000 | 68 715 000 | 84 900 000 | 19,9% | 95 600 500 | 95 200 500 | Tax on corporate income |
| 8 700 000 | 8 700 000 | 11 850 000 | 58,3% | 13 850 000 | 13 850 000 | Companies |
| 4 900 000 | 4 900 000 | 4 500 000 | 2,1% | 4 800 000 | 2 400 000 | Secondary tax on companies |
| | | | | | | Tax on retirement funds |
| 1 650 000 | 1 650 000 | 1 720 000 | 10,1% | 1 890 000 | 1 890 000 | Other |
| | | | | | | Interest on overdue income tax |
| 5 000 000 | 4 908 000 | 5 000 000 | 12,5% | 5 600 000 | 5 600 000 | Taxes on payroll and workforce |
| 5 000 000 | 4 908 000 | 5 000 000 | 12,5% | 5 600 000 | 5 600 000 | Skills development levy |
| 10 270 000 | 9 820 000 | 11 120 000 | 23,4% | 13 462 000 | 8 922 000 | Taxes on property |
| | | | | | | Estate, inheritance and gift taxes |
| 30 000 | 30 000 | 30 000 | 19,1% | 32 000 | 30 000 | Donations tax |
| 540 000 | 540 000 | 590 000 | 16,4% | 650 000 | 612 000 | Estate duty |
| | | | | | | Taxes on financial and capital transactions |
| 1 300 000 | 1 300 000 | 1 800 000 | 31,8% | 2 070 000 | 2 070 000 | Marketable securities tax |
| 8 400 000 | 7 950 000 | 8 700 000 | 22,3% | 10 710 000 | 6 210 000 | Transfer duties |
| 141 085 000 | 143 091 300 | 152 370 000 | 15,4% | 171 537 000 | 171 884 500 | Domestic taxes on goods and services |
| 106 250 000 | 105 975 000 | 115 000 000 | 17,2% | 132 200 000 | 131 200 000 | Value-added tax |
| | | | | | | Specific excise duties |
| 4 120 000 | 4 510 000 | 4 450 000 | 12,3% | 4 580 000 | 5 022 000 | Beer |
| 40 000 | 40 000 | 45 000 | 6,0% | 46 000 | 46 000 | Sorghum beer and sorghum flour |
| 700 000 | 810 000 | 650 000 | -12,1% | 670 000 | 743 000 | Wine and other fermented beverages |
| | | | | | | Mineral water |
| 1 670 000 | 1 860 000 | 1 900 000 | 26,0% | 2 050 000 | 2 260 000 | Spirits |
| 5 320 000 | 5 897 800 | 6 070 000 | 13,5% | 6 340 000 | 6 950 000 | Cigarettes and cigarette tobacco |
| 360 000 | 402 200 | 350 000 | -10,1% | 360 000 | 394 500 | Pipe tobacco and cigars |
| 820 000 | 819 300 | 860 000 | 7,2% | 920 000 | 920 000 | Petroleum products |
| 170 000 | 170 000 | 274 000 | 0,3% | 280 000 | 280 000 | Revenue from neighbouring countries |
| 1 200 000 | 1 190 000 | 1 200 000 | 18,2% | 1 362 000 | 1 340 000 | <i>Ad valorem</i> excise duties |
| 19 700 000 | 20 650 000 | 20 700 000 | 7,9% | 21 800 000 | 21 800 000 | Levies on fuel |
| | | | | | | Taxes on specific services |
| | | | | | | Levy on financial services |
| | | | | | | Taxes on use of goods or permission to use goods or to perform activities |
| 430 000 | 462 000 | 440 000 | 6,8% | 460 000 | 460 000 | Air departure tax |
| 90 000 | 90 000 | 90 000 | 118,4% | 94 000 | 94 000 | Plastic bags levy |
| | | | | | | Mining leases and ownership |
| 110 000 | 110 000 | 150 000 | 6 638,5% | 160 000 | 160 000 | Other mines |
| | | | | | | Other |
| 105 000 | 105 000 | 191 000 | 91,3% | 215 000 | 215 000 | Universal Service Fund |
| 13 200 000 | 13 200 000 | 18 960 000 | 42,7% | 23 600 000 | 23 600 000 | Taxes on international trade and transactions |
| 13 000 000 | 13 000 000 | 18 600 000 | 44,3% | 23 200 000 | 23 200 000 | Import duties |
| | | | | | | Customs duties |
| | | | | | | Import surcharges |
| | | | | | | Other |
| | | | | | | Ordinary levy |
| 200 000 | 200 000 | 360 000 | -9,4% | 400 000 | 400 000 | Miscellaneous customs and excise receipts |
| 1 250 000 | 900 000 | 870 000 | -25,5% | 974 000 | 964 000 | Other taxes |
| 1 250 000 | 900 000 | 870 000 | -25,5% | 974 000 | 964 000 | Stamp duties and fees |
| | | | | | | 3) State Miscellaneous Revenue (SMR) |
| 382 155 000 | 372 774 300 | 417 050 000 | 17,5% | 475 913 500 | 456 786 000 | TOTAL TAX REVENUE (gross) |

Revenue Fund of Namibia up to independence are included.

5) Unallocated departmental revenue previously classified by departments as miscellaneous revenue.

6) Sales of strategic fuel stocks, proceeds from sales of state assets and certain other receipts are, by law, paid into the National Revenue Fund, but are not regarded as revenue. The 2005/06 revised estimate includes the proceeds from the foreign exchange amnesty.

2006 Budget Review

Table 3
Main Budget:
Revenue – detailed classification

| | 2002/03 | 2003/04 | 2004/05 | | | |
|--|---------------------------|--------------------------|----------------------|---------------------|---------------------|---------------------|
| | | Actual collections | Before tax proposals | After | Revised estimate | Actual collection |
| R thousands | | | | | | |
| TOTAL TAX REVENUE (gross) | 282 209 654 | 302 507 509 | 335 993 611 | 333 693 611 | 345 261 280 | 354 980 266 |
| Less: SACU payments 4) | -8 259 425 | -9 722 697 | -13 327 791 | -13 327 791 | -13 327 791 | -13 327 791 |
| Payments in terms of Customs Union agreements (sec. 51(2) of Act 91 of 1964) | -8 259 425 | -9 722 697 | -13 327 791 | -13 327 791 | -13 327 791 | -13 327 791 |
| TOTAL TAX REVENUE (net of SACU payments) | 273 950 229 | 292 784 812 | 322 665 820 | 320 365 820 | 331 933 489 | 341 652 475 |
| Sales of goods and services other than capital assets | 966 335 | 2 448 943 | 2 465 000 | 2 465 000 | 1 910 000 | 2 205 593 |
| Sales of goods and services produced by departments | | | | | | |
| Administrative fees | 708 769 | 1 820 509 | 1 700 000 | 1 700 000 | 1 280 000 | 1 611 604 |
| Other sales | 207 488 | 614 840 | 750 000 | 750 000 | 470 000 | 448 075 |
| Sales of scrap, waste, arms and other used current goods | 50 078 | 13 594 | 15 000 | 15 000 | 160 000 | 145 914 |
| Transfers received <i>of which: foreign grants received</i> | 117 495 117 495 | 130 121 66 685 | 6 000 - | 6 000 - | 4 500 - | 3 740 - |
| Fines, penalties and forfeits <i>of which: foreign exchange amnesty proceeds</i> | 185 188 - | 344 109 - | 240 000 - | 240 000 - | 395 000 - | 387 653 - |
| Interest, dividends and rent on land | 2 910 473 | 3 008 272 | 3 233 180 | 3 233 180 | 3 183 868 | 2 923 380 |
| Interest | | | | | | |
| Cash balances | 216 690 | 144 900 | 130 000 | 130 000 | 128 504 | 133 931 |
| Corporation for Public Deposits | 28 878 | 40 375 | 43 200 | 43 200 | 68 120 | 90 819 |
| Exchequer deposits | 1 269 605 | 1 779 616 | 1 500 000 | 1 500 000 | 1 700 000 | 1 504 448 |
| Other | 126 397 | - | - | - | - | - |
| Dividends | | | | | | |
| ACSA | 119 000 | 246 177 | 256 270 | 256 270 | 170 000 | 170 086 |
| Central Energy Fund | 290 000 | 189 221 | 303 431 | 303 431 | - | - |
| Eskom | 560 000 | - | 594 941 | 594 941 | 569 000 | 569 000 |
| Industrial Development Corporation | 55 000 | 55 000 | 57 255 | 57 255 | 60 000 | - |
| Operating surpluses of accounts and enterprises | 72 906 | - | 10 000 | 10 000 | - | - |
| Reserve Bank | 7 136 | 170 664 | 187 730 | 187 730 | 73 157 | 73 157 |
| SA Broadcasting Corporation | 1 791 | 1 780 | 1 853 | 1 853 | 1 780 | - |
| Telkom | - | 186 797 | - | - | 228 307 | 228 307 |
| SAFCOL | - | 68 000 | - | - | 30 000 | 30 000 |
| Denel | - | - | - | - | - | - |
| Other | - | 1 588 | - | - | - | 15 864 |
| Rent on land | 163 070 | 124 154 | 148 500 | 148 500 | 155 000 | 107 768 |
| Other revenue | 12 426 | - | - | - | - | - |
| Unspecified 5) | 12 426 | - | - | - | - | - |
| TOTAL DEPARTMENTAL REVENUE | 4 191 917 | 5 931 445 | 5 944 180 | 5 944 180 | 5 493 368 | 5 520 366 |
| TOTAL CURRENT REVENUE | 278 142 146 | 298 716 257 | 328 610 000 | 326 310 000 | 337 426 857 | 347 172 841 |
| Sales of capital assets | 57 848 | 16 493 | 16 200 | 16 200 | 43 143 | 26 187 |
| Transactions in assets and liabilities (Recoveries of loans) | 307 749 | 698 409 | 630 000 | 630 000 | 490 189 | 655 377 |
| TOTAL BUDGET REVENUE | 278 507 743 | 299 431 159 | 329 256 200 | 326 956 200 | 337 960 189 | 347 854 405 |
| <i>Receipts not regarded as revenue</i> 6) | 8 167 881 | 1 598 205 | 2 742 100 | 2 742 100 | 1 646 059 | 2 492 046 |
| Proceeds from state asset restructuring | 7 994 094 | 9 182 | 2 500 000 | 2 500 000 | 13 333 | 26 018 |
| Adjustments due to transactions in government stock | 173 787 | 1 589 023 | 242 100 | 242 100 | 1 632 726 | 2 466 028 |

1) Specific excise duties on petrol, distillate fuel, residual fuel and base oil.

2) Excise duties which are collected by the BLNS countries, former self-governing territories and TBVC states.

3) Revenue received by SARS in respect of taxation which could not be allocated to specific revenue types.

4) South African Custom Union payments (excluding payments to the former TBVC states and self-governing territories). Payments to the Central

Table 3
Main Budget:
Revenue – detailed classification

| 2005/06 | | | | 2006/07 | | R thousands |
|---|------------------------|---------------------|----------------------------------|-------------------------|------------------------|---|
| Budget estimates Before tax proposals | After tax proposals | Revised estimate | % change on 2004/05 actual | Before tax proposals | After tax proposals | |
| 382 155 000 | 372 774 300 | 417 050 000 | 17,5% | 475 913 500 | 456 786 000 | TOTAL TAX REVENUE (gross) |
| -12 052 901 | -12 052 901 | -14 144 921 | 6,1% | -19 744 393 | -19 744 393 | 4) Less: SACU payments Payments in terms of Customs Union agreements (sec. 51(2) of Act 91 of 1964) |
| -12 052 901 | -12 052 901 | -14 144 921 | 6,1% | -19 744 393 | -19 744 393 | |
| 370 102 099 | 360 721 399 | 402 905 079 | 17,9% | 456 169 107 | 437 041 607 | TOTAL TAX REVENUE (net of SACU payments) |
| 2 005 000 | 2 005 000 | 2 495 028 | 13,1% | 2 579 493 | 2 579 493 | Sales of goods and services other than capital assets |
| 1 340 000 | 1 340 000 | 1 976 602 | 22,6% | 2 037 220 | 2 037 220 | Sales of goods and services produced by departments |
| 495 000 | 495 000 | 369 269 | -17,6% | 386 255 | 386 255 | Administrative fees |
| 170 000 | 170 000 | 149 157 | 2,2% | 156 018 | 156 018 | Other sales |
| | | | | | | Sales of scrap, waste, arms and other used current goods |
| 4 800 | 4 800 | 5 563 | 48,7% | 5 819 | 5 819 | Transfers received |
| - | - | - | - | - | - | <i>of which: foreign grants received</i> |
| 2 815 000 | 2 815 000 | 239 732 | -38,2% | 250 760 | 250 760 | Fines, penalties and forfeits |
| 2 400 000 | 2 400 000 | - | - | - | - | <i>of which: foreign exchange amnesty proceeds</i> |
| 3 677 601 | 3 677 601 | 4 713 741 | 61,2% | 5 748 998 | 5 748 998 | Interest, dividends and rent on land |
| | | | | | | Interest |
| 135 486 | 135 486 | 190 719 | 42,4% | 261 600 | 261 600 | Cash balances |
| 70 846 | 70 846 | 4 000 | -95,6% | - | - | Corporation for Public Deposits |
| 1 876 000 | 1 876 000 | 1 731 000 | 15,1% | 1 528 000 | 1 528 000 | Exchequer deposits |
| - | - | 458 272 | - | 1 742 000 | 1 742 000 | Other |
| | | | | | | Dividends |
| 178 500 | 178 500 | 234 000 | 37,6% | 245 700 | 245 700 | ACSA |
| 208 616 | 208 616 | - | - | - | - | Central Energy Fund |
| 619 334 | 619 334 | 981 000 | 72,4% | 800 000 | 800 000 | Eskom |
| 59 602 | 59 602 | 65 000 | - | 70 000 | 70 000 | Industrial Development Corporation |
| - | - | - | - | - | - | Operating surpluses of accounts and enterprises |
| 80 656 | 80 656 | 76 815 | 5,0% | 80 656 | 80 656 | Reserve Bank |
| 1 929 | 1 929 | 1 780 | - | 1 780 | 1 780 | SA Broadcasting Corporation |
| 239 722 | 239 722 | 828 192 | 262,8% | 869 602 | 869 602 | Telkom |
| 31 500 | 31 500 | 30 000 | - | 31 500 | 31 500 | SAFCOL |
| 10 410 | 10 410 | - | - | - | - | Denel |
| - | - | - | - | - | - | Other |
| 165 000 | 165 000 | 112 963 | 4,8% | 118 160 | 118 160 | Rent on land |
| - | - | - | - | - | - | Other revenue |
| - | - | - | - | - | - | 5) Unspecified |
| 8 502 401 | 8 502 401 | 7 454 064 | 35,0% | 8 585 070 | 8 585 070 | TOTAL DEPARTMENTAL REVENUE |
| 378 604 500 | 369 223 800 | 410 359 143 | 18,2% | 464 754 177 | 445 626 677 | TOTAL CURRENT REVENUE |
| 130 000 | 130 000 | 70 008 | 167,3% | 73 229 | 73 229 | Sales of capital assets |
| 515 690 | 515 690 | 655 928 | 0,1% | 661 754 | 661 754 | Transactions in assets and liabilities (Recoveries of loans) |
| 379 250 190 | 369 869 490 | 411 085 079 | 18,2% | 465 489 160 | 446 361 660 | TOTAL BUDGET REVENUE |
| 1 528 700 | 1 528 700 | 6 497 240 | 160,7% | 1 700 000 | 1 700 000 | 6) Receipts not regarded as revenue Proceeds from state asset restructuring Adjustments due to transactions in government stock |
| - | - | 4 497 240 | - | 200 000 | 200 000 | |
| 1 528 700 | 1 528 700 | 2 000 000 | -18,9% | 1 500 000 | 1 500 000 | |

Revenue Fund of Namibia up to independence are included.

5) Unallocated departmental revenue previously classified by departments as miscellaneous revenue.

6) Sales of strategic fuel stocks, proceeds from sales of state assets and certain other receipts are, by law, paid into the National Revenue Fund, but are not regarded as revenue. The 2005/06 revised estimate includes the proceeds from the foreign exchange amnesty.

Table 4
Main Budget: Expenditure defrayed from the
National Revenue Fund by vote

| R million | 2001/02 | 2002/03 | | 2003/04 | | |
|---|------------------------------------|------------------------------------|------------------------------------|---|------------------------------------|------------------------------------|
| | Expenditure on budget vote Outcome | Expenditure on budget vote Outcome | of which transfers to provinces 1) | of which transfers to local government 2) | Expenditure on budget vote Outcome | of which transfers to provinces 1) |
| Central Government Administration | | | | | | |
| The Presidency | 101,2 | 138,8 | – | – | 142,7 | – |
| Parliament | 269,6 | 307,4 | – | – | 448,5 | – |
| Foreign Affairs | 1 994,6 | 2 370,8 | – | – | 2 163,8 | – |
| Home Affairs | 1 119,5 | 1 430,0 | – | – | 2 022,0 | – |
| Provincial and Local Government | 4 653,1 | 6 570,0 | 241,2 | 6 145,8 | 9 456,3 | 259,6 |
| of which: Local government equitable share | 4 186,8 | 4 186,8 | – | 4 186,8 | 6 350,4 | – |
| Public Works | 3 705,2 | 1 745,4 | – | 259,8 | 2 024,5 | – |
| Financial and Administrative Services | | | | | | |
| Government Communication and Information System | 122,7 | 158,5 | – | – | 186,0 | – |
| National Treasury | 8 164,6 | 9 863,0 | 1 950,0 | 306,0 | 12 111,9 | 2 534,5 |
| Public Enterprises | 196,4 | 210,5 | – | – | 84,0 | – |
| Public Service and Administration | 99,1 | 138,6 | – | – | 155,9 | – |
| Public Service Commission | 52,7 | 62,0 | – | – | 69,3 | – |
| South African Management Development Institute | 22,8 | 30,7 | – | – | 36,9 | – |
| Statistics South Africa | 897,9 | 376,3 | – | – | 300,3 | – |
| Social Services | | | | | | |
| Arts and Culture | 442,8 | 609,9 | – | – | 924,1 | – |
| Education | 8 616,4 | 9 326,4 | 936,1 | – | 10 557,0 | 1 135,9 |
| Health | 6 223,9 | 7 135,9 | 6 353,3 | – | 7 735,6 | 6 783,2 |
| Labour | 1 396,8 | 1 336,6 | – | – | 1 071,8 | – |
| Social Development | 23 793,7 | 30 223,1 | 10,8 | – | 39 357,3 | – |
| Sport and Recreation South Africa | 101,1 | 172,6 | – | 83,8 | 224,1 | – |
| Justice and Protection Services | | | | | | |
| Correctional Services | 6 549,2 | 7 505,5 | – | – | 7 849,7 | – |
| Defence | 16 044,6 | 19 472,9 | – | – | 20 504,7 | – |
| Independent Complaints Directorate | 26,7 | 35,6 | – | – | 41,3 | – |
| Justice and Constitutional Development | 3 268,3 | 3 986,6 | – | – | 4 236,4 | – |
| Safety and Security | 17 670,4 | 20 380,1 | – | – | 22 692,9 | – |
| Economic Services and Infrastructure | | | | | | |
| Agriculture | 871,1 | 933,3 | 24,0 | – | 1 194,8 | 66,4 |
| Communications | 1 128,3 | 895,3 | – | – | 849,5 | – |
| Environmental Affairs and Tourism | 1 064,1 | 1 384,3 | – | – | 1 455,6 | – |
| Housing | 3 721,2 | 4 218,1 | 3 906,7 | – | 4 560,0 | 4 355,2 |
| Land Affairs | 976,2 | 1 102,3 | – | – | 1 635,9 | – |
| Minerals and Energy | 1 233,4 | 1 867,0 | – | 224,8 | 1 812,5 | – |
| Science and Technology | 1 004,4 | 1 101,4 | – | – | 1 391,6 | – |
| Trade and Industry | 1 713,0 | 2 107,2 | – | – | 2 349,2 | – |
| Transport | 4 936,9 | 5 718,2 | – | 39,7 | 6 232,5 | – |
| Water Affairs and Forestry | 3 483,1 | 3 743,4 | – | 1 042,5 | 4 251,5 | – |
| | 125 665,1 | 146 657,7 | 13 422,1 | 8 102,5 | 170 129,9 | 15 134,8 |
| Plus: | | | | | | |
| Unallocated funds/Projected underspending | – | – | – | – | – | – |
| Contingency reserve | – | – | – | – | – | – |
| Subtotal: Appropriations by vote | 125 665,1 | 146 657,7 | 13 422,1 | 8 102,5 | 170 129,9 | 15 134,8 |
| Plus: | | | | | | |
| Direct charges on the National Revenue Fund | | | | | | |
| State debt cost (National Treasury) | 47 580,7 | 46 807,7 | – | – | 46 312,9 | – |
| Provincial equitable share (National Treasury) | 85 994,7 | 93 895,3 | 93 895,3 | – | 107 538,4 | 107 538,4 |
| Skills levy and Setas (Labour) | 2 541,0 | 3 259,5 | – | – | 3 777,0 | – |
| Members' remuneration (Parliament) | 162,3 | 172,8 | – | – | 191,3 | – |
| Judges and Magistrates salaries (Justice and Const. Dev.) | 665,1 | 699,2 | – | – | 729,7 | – |
| President and Deputy President salaries (The Presidency) | 1,6 | 1,7 | – | – | 1,7 | – |
| Standing appropriations | 294,0 | 30,0 | – | – | 28,2 | – |
| Main budget expenditure | 262 904,5 | 291 524,0 | 107 317,4 | 8 102,5 | 328 709,2 | 122 673,1 |

1) Includes provincial equitable share and conditional grants allocated to provinces.

2) Includes local government equitable share and conditional grants allocated to local government.

Table 4
Main Budget: Expenditure defrayed from the
National Revenue Fund by vote

| 2003/04 | 2004/05 | | 2005/06 | | R million |
|-----------------|---------------------|------------------------------------|---|------------------|---|
| | Preliminary outcome | of which transfers to provinces 1) | of which transfers to local government 2) | Budget estimate | |
| | | | | | Central Government Administration |
| - | 167,7 | - | - | 213,5 | The Presidency |
| - | 580,8 | - | - | 677,3 | Parliament |
| - | 2 393,1 | - | - | 2 595,1 | Foreign Affairs |
| - | 2 069,4 | - | - | 2 972,7 | Home Affairs |
| 8 943,5 | 13 138,2 | 220,5 | 12 579,7 | 15 580,8 | Provincial and Local Government |
| 6 350,4 | 7 677,5 | - | 7 677,5 | 9 643,3 | of which: Local government equitable share |
| 262,4 | 2 244,4 | - | - | 5 554,1 | Public Works |
| | | | | | Financial and Administrative Services |
| - | 211,3 | - | - | 249,1 | Government Communication and Information System |
| 704,8 | 13 510,0 | 3 348,4 | 585,9 | 13 990,7 | National Treasury |
| - | 678,7 | - | - | 92,0 | Public Enterprises |
| - | 128,5 | - | - | 167,7 | Public Service and Administration |
| - | 77,0 | - | - | 82,1 | Public Service Commission |
| - | 34,4 | - | - | 57,0 | South African Management Development Institute |
| - | 371,2 | - | - | 691,3 | Statistics South Africa |
| | | | | | Social Services |
| - | 1 113,8 | - | - | 1 082,7 | Arts and Culture |
| - | 11 340,4 | 990,5 | - | 12 397,1 | Education |
| - | 8 454,9 | 7 443,5 | - | 9 825,2 | Health |
| - | 1 163,5 | - | - | 1 314,0 | Labour |
| - | 47 766,3 | - | - | 56 549,1 | Social Development |
| 121,9 | 282,5 | 9,0 | 133,8 | 203,6 | Sport and Recreation South Africa |
| | | | | | Justice and Protection Services |
| - | 8 828,8 | - | - | 9 234,1 | Correctional Services |
| - | 20 201,3 | - | - | 22 459,4 | Defence |
| - | 47,0 | - | - | 49,5 | Independent Complaints Directorate |
| - | 4 670,0 | - | - | 5 072,1 | Justice and Constitutional Development |
| - | 25 414,5 | - | - | 28 457,0 | Safety and Security |
| | | | | | Economic Services and Infrastructure |
| - | 1 408,2 | 343,8 | - | 1 684,7 | Agriculture |
| - | 1 663,9 | - | - | 1 017,5 | Communications |
| - | 1 660,5 | - | - | 1 723,1 | Environmental Affairs and Tourism |
| - | 4 808,4 | 4 589,1 | - | 5 191,7 | Housing |
| - | 2 022,0 | 6,3 | - | 3 881,5 | Land Affairs |
| 245,1 | 1 876,4 | - | 196,1 | 2 117,6 | Minerals and Energy |
| - | 1 632,9 | - | - | 1 986,6 | Science and Technology |
| - | 2 521,9 | - | - | 3 076,3 | Trade and Industry |
| 9,1 | 6 679,9 | - | - | 7 602,2 | Transport |
| 1 294,5 | 3 857,7 | - | 341,1 | 3 557,4 | Water Affairs and Forestry |
| 11 581,3 | 193 019,4 | 16 951,1 | 13 836,7 | 221 405,8 | 229 771,3 |
| - | - | - | - | - | Plus: |
| - | - | - | - | 2 500,0 | Unallocated funds/Projected underspending |
| | | | | | Contingency reserve |
| 11 581,3 | 193 019,4 | 16 951,1 | 13 836,7 | 223 905,8 | 227 271,3 |
| | | | | | Subtotal: Appropriations by vote |
| | | | | | Plus: |
| | | | | | Direct charges on the National Revenue Fund |
| - | 48 851,2 | - | - | 53 125,0 | State debt cost (National Treasury) |
| - | 120 884,5 | 120 884,5 | - | 134 706,2 | 3) Provincial equitable share (National Treasury) |
| - | 4 725,4 | - | - | 5 000,0 | Skills levy and Setas (Labour) |
| - | 203,9 | - | - | 208,3 | Members' remuneration (Parliament) |
| - | 829,4 | - | - | 850,0 | Judges and Magistrates salaries (Justice and Const. Dev.) |
| - | 2,0 | - | - | 2,0 | President and Deputy President salaries (The Presidency) |
| - | 25,4 | - | - | 22,0 | Standing appropriations |
| 11 581,3 | 368 541,2 | 137 835,6 | 13 836,7 | 417 819,2 | 420 433,1 |
| | | | | | Main budget expenditure |

3) Provincial equitable share, excluding conditional grants to provinces.

Table 4
Main Budget: Expenditure defrayed from the
National Revenue Fund by vote

| R million | 2005/06 | | | 2006/07 | | |
|---|------------------------|------------------------------------|----------------------------------|------------------|------------------------------------|----------------------------------|
| | Projected vote outturn | of which transfers to provinces 1) | transfers to local government 2) | Budget estimate | of which transfers to provinces 1) | transfers to local government 2) |
| Central Government Administration | | | | | | |
| The Presidency | 193,5 | - | - | 255,9 | - | - |
| Parliament | 499,6 | - | - | 782,1 | - | - |
| Foreign Affairs | 2 612,1 | - | - | 3 042,1 | - | - |
| Home Affairs | 2 940,7 | - | - | 2 800,4 | - | - |
| Provincial and Local Government | 15 978,3 | 40,7 | 15 590,5 | 24 903,4 | - | 24 523,2 |
| of which: Local government equitable share | 9 643,3 | - | 9 643,3 | 18 057,9 | - | 18 057,9 |
| Public Works | 2 148,9 | - | - | 3 080,2 | - | - |
| Financial and Administrative Services | | | | | | |
| Government Communication and Information System | 252,6 | - | - | 288,0 | - | - |
| National Treasury | 13 958,0 | 3 730,8 | 548,7 | 15 547,9 | 4 118,1 | 598,7 |
| Public Enterprises | 2 675,9 | - | - | 683,5 | - | - |
| Public Service and Administration | 188,4 | - | - | 325,6 | - | - |
| Public Service Commission | 92,1 | - | - | 96,3 | - | - |
| South African Management Development Institute | 57,0 | - | - | 58,9 | - | - |
| Statistics South Africa | 711,5 | - | - | 1 074,5 | - | - |
| Social Services | | | | | | |
| Arts and Culture | 1 129,2 | - | - | 1 318,5 | - | - |
| Education | 12 611,7 | 1 248,4 | - | 14 129,2 | 1 712,5 | - |
| Health | 9 788,7 | 8 906,9 | - | 11 270,0 | 10 033,4 | - |
| Labour | 1 349,9 | - | - | 1 512,7 | - | - |
| Social Development | 55 789,0 | - | - | 62 005,5 | - | - |
| Sport and Recreation South Africa | 458,9 | 24,0 | - | 352,2 | 119,0 | - |
| Justice and Protection Services | | | | | | |
| Correctional Services | 9 768,9 | - | - | 10 630,7 | - | - |
| Defence | 23 516,2 | - | - | 23 830,1 | - | - |
| Independent Complaints Directorate | 54,8 | - | - | 65,9 | - | - |
| Justice and Constitutional Development | 5 456,0 | - | - | 6 269,9 | - | - |
| Safety and Security | 29 361,3 | - | - | 32 557,7 | - | - |
| Economic Services and Infrastructure | | | | | | |
| Agriculture | 1 911,6 | 410,0 | - | 1 957,6 | 344,5 | - |
| Communications | 1 042,7 | - | - | 1 280,2 | - | - |
| Environmental Affairs and Tourism | 1 766,8 | - | - | 2 018,1 | - | - |
| Housing | 5 255,5 | 4 867,9 | - | 6 860,9 | 6 349,9 | - |
| Land Affairs | 2 963,4 | 8,0 | - | 4 852,2 | 8,0 | - |
| Minerals and Energy | 2 271,6 | - | 313,1 | 2 548,3 | - | 391,1 |
| Science and Technology | 2 044,5 | - | - | 2 614,1 | - | - |
| Trade and Industry | 3 145,5 | - | - | 3 665,9 | - | - |
| Transport | 10 553,6 | - | 241,7 | 12 870,5 | 3 241,0 | 519,0 |
| Water Affairs and Forestry | 3 758,9 | - | 164,5 | 4 476,5 | - | 500,0 |
| | 226 307,1 | 19 236,6 | 16 858,6 | 260 025,7 | 25 926,4 | 26 532,0 |
| Plus: | | | | | | |
| Unallocated funds/Projected underspending | - | - | - | 600,0 | - | - |
| Contingency reserve | - | - | - | 2 500,0 | - | - |
| Subtotal: Appropriations by vote | 226 307,1 | 19 236,6 | 16 858,6 | 263 125,7 | 25 926,4 | 26 532,0 |
| Plus: | | | | | | |
| Direct charges on the National Revenue Fund | | | | | | |
| State debt cost (National Treasury) | 51 160,0 | - | - | 52 049,0 | - | - |
| Provincial equitable share (National Treasury) | 135 291,6 | 135 291,6 | - | 150 752,9 | 150 752,9 | - |
| Skills levy and Setas (Labour) | 4 934,0 | - | - | 5 500,0 | - | - |
| Members' remuneration (Parliament) | 211,9 | - | - | 229,2 | - | - |
| Judges and Magistrates salaries (Justice and Const. Dev.) | 1 047,3 | - | - | 1 042,7 | - | - |
| President and Deputy President salaries (The Presidency) | 2,0 | - | - | 2,1 | - | - |
| Standing appropriations | 22,0 | - | - | 23,3 | - | - |
| Main budget expenditure | 418 975,9 | 154 528,3 | 16 858,6 | 472 724,9 | 176 679,4 | 26 532,0 |

1) Includes provincial equitable share and conditional grants allocated to provinces.

2) Includes local government equitable share and conditional grants allocated to local government.

Table 4
Main Budget: Expenditure defrayed from the
National Revenue Fund by vote

| 2007/08 | | | 2008/09 | | | R million |
|------------------|---------------------------|----------------------------------|------------------|---------------------------|----------------------------------|---|
| Budget estimate | of which | | Budget estimate | of which | | |
| | transfers to provinces 1) | transfers to local government 2) | | transfers to provinces 1) | transfers to local government 2) | |
| 269,6 | - | - | 278,6 | - | - | Central Government Administration |
| 835,7 | - | - | 881,9 | - | - | The Presidency |
| 3 409,4 | - | - | 3 645,5 | - | - | Parliament |
| 3 053,8 | - | - | 3 742,6 | - | - | Foreign Affairs |
| 27 824,4 | - | 27 424,2 | 31 453,0 | - | 31 027,9 | Home Affairs |
| 20 075,6 | - | 20 075,6 | 22 774,8 | - | 22 774,8 | Provincial and Local Government |
| 3 494,6 | - | - | 3 873,2 | - | - | of which: Local government equitable share |
| | | | | | | Public Works |
| | | | | | | Financial and Administrative Services |
| 319,5 | - | - | 345,9 | - | - | Government Communication and Information System |
| 18 510,4 | 5 324,0 | 1 498,7 | 19 769,4 | 5 696,7 | 1 700,0 | National Treasury |
| 118,0 | - | - | 127,7 | - | - | Public Enterprises |
| 255,7 | - | - | 275,1 | - | - | Public Service and Administration |
| 101,5 | - | - | 106,6 | - | - | Public Service Commission |
| 57,1 | - | - | 57,0 | - | - | South African Management Development Institute |
| 930,2 | - | - | 1 085,0 | - | - | Statistics South Africa |
| | | | | | | Social Services |
| 1 534,0 | - | - | 1 975,9 | - | - | Arts and Culture |
| 15 342,9 | 1 899,6 | - | 16 690,3 | 2 195,4 | - | Education |
| 12 015,1 | 10 721,0 | - | 12 702,8 | 11 343,2 | - | Health |
| 1 596,9 | - | - | 1 677,4 | - | - | Labour |
| 67 222,1 | - | - | 73 347,4 | - | - | Social Development |
| 399,2 | 154,0 | - | 450,4 | 205,0 | - | Sport and Recreation South Africa |
| | | | | | | Justice and Protection Services |
| 11 767,5 | - | - | 12 451,2 | - | - | Correctional Services |
| 24 665,8 | - | - | 25 733,8 | - | - | Defence |
| 73,9 | - | - | 83,4 | - | - | Independent Complaints Directorate |
| 6 953,3 | - | - | 7 688,2 | - | - | Justice and Constitutional Development |
| 35 559,0 | - | - | 38 482,8 | - | - | Safety and Security |
| | | | | | | Economic Services and Infrastructure |
| 2 193,5 | 461,7 | - | 2 299,7 | 483,9 | - | Agriculture |
| 1 305,1 | - | - | 1 373,6 | - | - | Communications |
| 2 412,8 | - | - | 2 632,3 | - | - | Environmental Affairs and Tourism |
| 8 575,6 | 7 937,9 | - | 9 450,9 | 8 721,4 | - | Housing |
| 5 677,5 | - | - | 5 994,3 | - | - | Land Affairs |
| 2 716,9 | - | 406,6 | 2 954,3 | - | 457,6 | Minerals and Energy |
| 2 908,5 | - | - | 3 250,5 | - | - | Science and Technology |
| 3 957,6 | - | - | 4 327,4 | - | - | Trade and Industry |
| 13 599,3 | 2 151,0 | 624,0 | 15 513,1 | 1 736,0 | 1 790,0 | Transport |
| 4 809,3 | - | 550,0 | 5 626,0 | - | 600,0 | Water Affairs and Forestry |
| 284 465,8 | 28 649,3 | 30 503,5 | 310 346,9 | 30 381,6 | 35 575,5 | |
| 1 300,0 | - | - | 2 140,0 | - | - | Plus: |
| 5 000,0 | - | - | 8 000,0 | - | - | Unallocated funds/Projected underspending |
| | | | | | | Contingency reserve |
| 290 765,8 | 28 649,3 | 30 503,5 | 320 486,9 | 30 381,6 | 35 575,5 | Subtotal: Appropriations by vote |
| | | | | | | Plus: |
| 53 324,0 | - | - | 55 716,0 | - | - | Direct charges on the National Revenue Fund |
| 167 701,4 | 167 701,4 | - | 187 099,8 | 187 099,8 | - | State debt cost (National Treasury) |
| 6 000,0 | - | - | 6 500,0 | - | - | 3) Provincial equitable share (National Treasury) |
| 241,4 | - | - | 254,0 | - | - | Skills levy and Setas (Labour) |
| 1 114,5 | - | - | 1 182,8 | - | - | Members' remuneration (Parliament) |
| 2,2 | - | - | 2,4 | - | - | Judges and Magistrates salaries (Justice and Const. Dev.) |
| 24,5 | - | - | 26,0 | - | - | President and Deputy President salaries (The Presidency) |
| | | | | | | Standing appropriations |
| 519 173,8 | 196 350,7 | 30 503,5 | 571 267,8 | 217 481,4 | 35 575,5 | Main budget expenditure |

3) Provincial equitable share, excluding conditional grants to provinces.

Table 5
Consolidated national, provincial and social security
funds expenditure: Economic classification ¹⁾

| | 2002/03 | | 2003/04 | | 2004/05 | | 2005/06 |
|---|------------------|---------------|------------------|---------------|------------------|---------------|------------------|
| | Outcome | % of total | Outcome | % of total | Outcome | % of total | Revised estimate |
| R million | | | | | | | |
| Current payments | | | | | | | |
| Compensation of employees | 109 941,1 | 35,3% | 119 887,9 | 34,4% | 129 728,4 | 33,7% | 143 134,2 |
| Goods and services | 39 452,5 | 12,7% | 44 892,5 | 12,9% | 49 167,2 | 12,8% | 58 328,1 |
| Interest and rent on land | 46 963,9 | 15,1% | 46 472,8 | 13,3% | 48 932,4 | 12,7% | 51 200,9 |
| Financial transactions in assets and liabilities | 168,3 | 0,1% | 193,3 | 0,1% | 841,7 | 0,2% | 48,9 |
| Total current payments | 196 525,8 | 63,2% | 211 446,6 | 60,6% | 228 669,8 | 59,4% | 252 712,1 |
| Transfers and subsidies | | | | | | | |
| Provinces and municipalities | 10 926,1 | 3,5% | 15 411,4 | 4,4% | 17 288,1 | 4,5% | 20 367,5 |
| Provincial agencies and funds | 58,2 | 0,0% | 160,7 | 0,0% | 93,0 | 0,0% | 93,6 |
| Municipalities | 10 867,9 | 3,5% | 15 250,8 | 4,4% | 17 195,0 | 4,5% | 20 273,9 |
| <i>of which: Local government share</i> | 4 186,8 | 1,3% | 6 350,4 | 1,8% | 7 677,5 | 2,0% | 9 643,3 |
| Departmental agencies and accounts | 26 579,5 | 8,5% | 29 522,3 | 8,5% | 31 037,3 | 8,1% | 37 359,7 |
| Social security funds | – | – | – | – | – | – | – |
| Entities | 26 579,5 | 8,5% | 29 522,3 | 8,5% | 31 037,3 | 8,1% | 37 359,7 |
| Universities and technikons | 7 531,0 | 2,4% | 8 388,2 | 2,4% | 9 343,0 | 2,4% | 9 954,0 |
| Public corporations and private enterprises | 8 814,7 | 2,8% | 9 726,1 | 2,8% | 12 407,5 | 3,2% | 15 399,7 |
| Public corporations | 5 836,0 | 1,9% | 6 240,9 | 1,8% | 8 635,8 | 2,2% | 11 177,8 |
| <i>Subsidies on production</i> | 4 102,6 | 1,3% | 4 328,9 | 1,2% | 4 584,0 | 1,2% | 5 110,4 |
| <i>Other transfers</i> | 1 733,3 | 0,6% | 1 912,0 | 0,5% | 4 051,8 | 1,1% | 6 067,4 |
| Private enterprises | 2 978,7 | 1,0% | 3 485,2 | 1,0% | 3 771,7 | 1,0% | 4 221,8 |
| <i>Subsidies on production</i> | 2 623,3 | 0,8% | 2 893,6 | 0,8% | 3 208,4 | 0,8% | 3 516,7 |
| <i>Other transfers</i> | 355,4 | 0,1% | 591,7 | 0,2% | 563,3 | 0,1% | 705,2 |
| Foreign governments and international organisations | 700,9 | 0,2% | 817,6 | 0,2% | 709,4 | 0,2% | 939,6 |
| Non-profit institutions | 4 062,7 | 1,3% | 5 340,6 | 1,5% | 5 734,1 | 1,5% | 6 293,7 |
| Households | 42 936,6 | 13,8% | 53 439,8 | 15,3% | 63 437,6 | 16,5% | 74 149,2 |
| Social benefits | 36 937,3 | 11,9% | 46 615,1 | 13,4% | 56 345,3 | 14,6% | 65 329,8 |
| Other transfers to households | 5 999,3 | 1,9% | 6 824,7 | 2,0% | 7 092,3 | 1,8% | 8 819,3 |
| Total transfers and subsidies | 101 551,5 | 32,6% | 122 646,1 | 35,1% | 139 956,8 | 36,3% | 164 463,3 |
| Payments for capital assets | | | | | | | |
| Buildings and other fixed structures | 8 682,9 | 2,8% | 10 097,5 | 2,9% | 11 420,3 | 3,0% | 12 694,2 |
| Buildings | 4 362,7 | 1,4% | 5 272,0 | 1,5% | 6 678,1 | 1,7% | 7 568,2 |
| Other fixed structures | 4 320,2 | 1,4% | 4 825,5 | 1,4% | 4 742,1 | 1,2% | 5 126,0 |
| Machinery and equipment | 4 266,6 | 1,4% | 4 622,4 | 1,3% | 4 821,9 | 1,3% | 5 550,4 |
| Transport equipment | 873,1 | 0,3% | 1 128,5 | 0,3% | 1 359,4 | 0,4% | 1 491,4 |
| Other machinery and equipment | 3 393,6 | 1,1% | 3 493,9 | 1,0% | 3 462,5 | 0,9% | 4 059,0 |
| Cultivated assets | 0,1 | 0,0% | 19,9 | 0,0% | 2,5 | 0,0% | 2,4 |
| Software and other intangible assets | 55,3 | 0,0% | 54,9 | 0,0% | 125,7 | 0,0% | 233,5 |
| Land and subsoil assets | 42,2 | 0,0% | 72,4 | 0,0% | 51,2 | 0,0% | 186,8 |
| Total payments for capital assets | 13 047,1 | 4,2% | 14 867,1 | 4,3% | 16 421,6 | 4,3% | 18 667,4 |
| Subtotal: Votes and statutory amounts | 311 124,5 | 100,0% | 348 959,7 | 100,0% | 385 048,3 | 100,0% | 435 842,8 |
| Plus: | | | | | | | |
| Contingency reserve | – | – | – | – | – | – | – |
| Total consolidated expenditure | 311 124,5 | 100,0% | 348 959,7 | 100,0% | 385 048,3 | 100,0% | 435 842,8 |

¹⁾ These figures were estimated by the National Treasury and may differ from data published by Statistics South Africa and the South African Reserve Bank. The numbers in this table are not strictly comparable to those published in previous years due to the reclassification of expenditure items for previous years. Data for the history years have been

Table 5
Consolidated national, provincial and social security
funds expenditure: Economic classification 1)

| 2005/06 | 2006/07 | | 2007/08 | | 2008/09 | | |
|------------|-----------------|------------|-----------------|------------|-----------------|------------|---|
| % of total | Budget estimate | % of total | Budget estimate | % of total | Budget estimate | % of total | R million |
| 32,8% | 161 042,2 | 32,5% | 174 330,8 | 32,1% | 186 272,6 | 31,2% | Current payments |
| 13,4% | 66 986,1 | 13,5% | 74 834,2 | 13,8% | 84 494,7 | 14,2% | Compensation of employees |
| 11,7% | 52 050,7 | 10,5% | 53 324,8 | 9,8% | 55 716,8 | 9,3% | Goods and services |
| 0,0% | – | – | – | – | – | – | Interest and rent on land |
| 58,0% | 280 079,1 | 56,6% | 302 489,8 | 55,7% | 326 484,1 | 54,8% | Financial transactions in assets and liabilities |
| | | | | | | | Total current payments |
| | | | | | | | Transfers and subsidies |
| 4,7% | 29 879,8 | 6,0% | 34 567,6 | 6,4% | 40 200,8 | 6,7% | Provinces and municipalities |
| 0,0% | 422,0 | 0,1% | 628,1 | 0,1% | 834,4 | 0,1% | Provincial agencies and funds |
| 4,7% | 29 457,8 | 5,9% | 33 939,5 | 6,2% | 39 366,4 | 6,6% | Municipalities |
| 2,2% | 18 057,9 | 3,6% | 20 075,6 | 3,7% | 22 774,8 | 3,8% | <i>of which: Local government share</i> |
| 8,6% | 43 719,1 | 8,8% | 45 295,7 | 8,3% | 48 503,7 | 8,1% | Departmental agencies and accounts |
| – | – | – | – | – | – | – | Social security funds |
| 8,6% | 43 719,1 | 8,8% | 45 295,7 | 8,3% | 48 503,7 | 8,1% | Entities |
| 2,3% | 10 858,2 | 2,2% | 11 688,9 | 2,2% | 12 644,2 | 2,1% | Universities and technikons |
| 3,5% | 14 137,9 | 2,9% | 15 716,8 | 2,9% | 18 182,2 | 3,1% | Public corporations and private enterprises |
| 2,6% | 9 514,7 | 1,9% | 10 772,8 | 2,0% | 12 758,8 | 2,1% | Public corporations |
| 1,2% | 5 490,0 | 1,1% | 6 561,5 | 1,2% | 7 409,7 | 1,2% | <i>Subsidies on production</i> |
| 1,4% | 4 024,7 | 0,8% | 4 211,3 | 0,8% | 5 349,2 | 0,9% | <i>Other transfers</i> |
| 1,0% | 4 623,2 | 0,9% | 4 944,0 | 0,9% | 5 423,4 | 0,9% | Private enterprises |
| 0,8% | 3 701,2 | 0,7% | 3 856,5 | 0,7% | 4 191,9 | 0,7% | <i>Subsidies on production</i> |
| 0,2% | 922,0 | 0,2% | 1 087,5 | 0,2% | 1 231,4 | 0,2% | <i>Other transfers</i> |
| 0,2% | 1 031,5 | 0,2% | 1 145,0 | 0,2% | 1 262,9 | 0,2% | Foreign governments and international organisations |
| 1,4% | 8 055,8 | 1,6% | 9 438,1 | 1,7% | 10 730,3 | 1,8% | Non-profit institutions |
| 17,0% | 83 219,8 | 16,8% | 92 378,6 | 17,0% | 100 463,1 | 16,9% | Households |
| 15,0% | 71 385,5 | 14,4% | 78 073,6 | 14,4% | 84 926,6 | 14,2% | Social benefits |
| 2,0% | 11 834,4 | 2,4% | 14 304,9 | 2,6% | 15 536,5 | 2,6% | Other transfers to households |
| 37,7% | 190 902,1 | 38,5% | 210 230,8 | 38,7% | 231 987,2 | 38,9% | Total transfers and subsidies |
| | | | | | | | Payments for capital assets |
| 2,9% | 15 699,8 | 3,2% | 19 018,0 | 3,5% | 22 254,9 | 3,7% | Buildings and other fixed structures |
| 1,7% | 9 279,7 | 1,9% | 10 294,4 | 1,9% | 11 920,4 | 2,0% | Buildings |
| 1,2% | 6 420,1 | 1,3% | 8 723,6 | 1,6% | 10 334,5 | 1,7% | Other fixed structures |
| 1,3% | 5 898,1 | 1,2% | 6 314,8 | 1,2% | 7 132,2 | 1,2% | Machinery and equipment |
| 0,3% | 1 498,2 | 0,3% | 1 617,2 | 0,3% | 1 779,1 | 0,3% | Transport equipment |
| 0,9% | 4 399,9 | 0,9% | 4 697,5 | 0,9% | 5 353,0 | 0,9% | Other machinery and equipment |
| 0,0% | 0,3 | 0,0% | 0,4 | 0,0% | 0,4 | 0,0% | Cultivated assets |
| 0,1% | 83,4 | 0,0% | 99,0 | 0,0% | 169,0 | 0,0% | Software and other intangible assets |
| 0,0% | 84,9 | 0,0% | 95,3 | 0,0% | 103,7 | 0,0% | Land and subsoil assets |
| 4,3% | 21 766,5 | 4,4% | 25 527,4 | 4,7% | 29 660,1 | 5,0% | Total payments for capital assets |
| 100,0% | 492 747,7 | 99,5% | 538 248,0 | 99,1% | 588 131,4 | 98,7% | Subtotal: Votes and statutory amounts |
| – | 2 500,0 | 0,5% | 5 000,0 | 0,9% | 8 000,0 | 1,3% | Plus: |
| | | | | | | | Contingency reserve |
| 100,0% | 495 247,7 | 100,0% | 543 248,0 | 100,0% | 596 131,4 | 100,0% | Total consolidated expenditure |

adjusted accordingly.

2) Includes equitable share and conditional grants to local government.

Table 6
Consolidated national, provincial and social security
funds expenditure: Functional classification 1)

| R million | 2002/03 | | 2003/04 | | 2004/05 | | 2005/06 |
|---|-------------------|---------------|-------------------|---------------|-------------------|---------------|------------------|
| | Estimated outcome | % of total | Estimated outcome | % of total | Estimated outcome | % of total | Revised estimate |
| General government services and unallocatable expenditure 2) | 19 332,6 | 7,3% | 22 446,4 | 7,4% | 24 284,5 | 7,2% | 25 513,8 |
| Protection services | 55 026,5 | 20,8% | 59 663,3 | 19,7% | 64 261,9 | 19,1% | 73 738,3 |
| Defence and intelligence | 21 060,4 | 8,0% | 22 576,1 | 7,5% | 22 651,2 | 6,7% | 26 196,0 |
| Police | 21 323,8 | 8,1% | 23 800,3 | 7,9% | 26 787,9 | 8,0% | 30 792,7 |
| Prisons | 7 731,5 | 2,9% | 8 085,9 | 2,7% | 9 076,8 | 2,7% | 10 008,3 |
| Justice | 4 910,8 | 1,9% | 5 201,1 | 1,7% | 5 746,0 | 1,7% | 6 741,4 |
| Social services | 151 800,3 | 57,4% | 177 520,6 | 58,7% | 199 085,4 | 59,2% | 227 979,1 |
| Education | 62 012,2 | 23,5% | 70 130,1 | 23,2% | 75 485,1 | 22,5% | 83 437,0 |
| Health | 34 391,6 | 13,0% | 38 673,3 | 12,8% | 42 319,4 | 12,6% | 47 751,8 |
| Social security and welfare | 42 218,3 | 16,0% | 52 158,0 | 17,2% | 62 462,5 | 18,6% | 74 303,4 |
| Housing | 5 602,4 | 2,1% | 5 977,3 | 2,0% | 6 544,2 | 1,9% | 7 666,3 |
| Community development 3) | 7 575,8 | 2,9% | 10 582,0 | 3,5% | 12 274,1 | 3,7% | 14 820,6 |
| Economic services | 38 157,4 | 14,4% | 43 016,4 | 14,2% | 48 565,3 | 14,4% | 57 451,6 |
| Water schemes and related services | 4 657,9 | 1,8% | 5 346,5 | 1,8% | 5 792,8 | 1,7% | 6 108,7 |
| Fuel and energy | 1 724,4 | 0,7% | 1 674,6 | 0,6% | 1 902,9 | 0,6% | 2 823,7 |
| Agriculture, forestry and fishing | 5 291,8 | 2,0% | 6 425,9 | 2,1% | 7 127,8 | 2,1% | 8 572,8 |
| Mining, manufacturing and construction | 1 135,9 | 0,4% | 1 449,7 | 0,5% | 1 570,9 | 0,5% | 2 115,5 |
| Transport and communication | 14 289,4 | 5,4% | 15 616,0 | 5,2% | 17 862,4 | 5,3% | 19 875,7 |
| Other economic services 4) | 11 058,0 | 4,2% | 12 503,7 | 4,1% | 14 308,6 | 4,3% | 17 955,2 |
| Subtotal: Votes and statutory amounts | 264 316,8 | 100,0% | 302 646,8 | 100,0% | 336 197,1 | 100,0% | 384 682,8 |
| Plus: | | | | | | | |
| Contingency reserve | – | – | – | – | – | – | – |
| Total non-interest expenditure | 264 316,8 | – | 302 646,8 | – | 336 197,1 | – | 384 682,8 |
| Interest | 46 807,7 | – | 46 312,9 | – | 48 851,2 | – | 51 160,0 |
| Total consolidated expenditure | 311 124,5 | – | 348 959,7 | – | 385 048,3 | – | 435 842,8 |

1) These figures were estimated by the National Treasury and may differ from data published by Statistics South Africa. The numbers in this table is not strictly comparable to those published in previous years due to the allocation of some of the unallocable expenditure for previous years. Data for the history years has been adjusted accordingly.

2) Mainly general administration, cost of raising loans and unallocatable capital expenditure.

Table 6
Consolidated national, provincial and social security
funds expenditure: Functional classification ¹⁾

| 2005/06 | 2006/07 | | 2007/08 | | 2008/09 | | R million |
|---------|------------|-----------------|------------|-----------------|------------|-----------------|---|
| | % of total | Budget estimate | % of total | Budget estimate | % of total | Budget estimate | |
| 6,6% | 31 002,9 | 7,0% | 33 701,6 | 6,9% | 37 310,9 | 7,0% | 2) General government services and unallocatable expenditure |
| 19,2% | 79 380,3 | 18,0% | 85 550,4 | 17,6% | 91 435,2 | 17,2% | Protection services |
| 6,8% | 26 509,9 | 6,0% | 27 518,1 | 5,7% | 28 751,8 | 5,4% | Defence and intelligence |
| 8,0% | 34 286,4 | 7,8% | 37 469,8 | 7,7% | 40 517,2 | 7,6% | Police |
| 2,6% | 10 928,9 | 2,5% | 12 096,7 | 2,5% | 12 808,8 | 2,4% | Prisons |
| 1,8% | 7 655,1 | 1,7% | 8 465,7 | 1,7% | 9 357,4 | 1,8% | Justice |
| 59,3% | 260 918,4 | 59,2% | 288 599,9 | 59,5% | 317 048,7 | 59,5% | Social services |
| 21,7% | 91 994,8 | 20,9% | 101 154,4 | 20,9% | 110 236,0 | 20,7% | Education |
| 12,4% | 53 515,6 | 12,1% | 57 973,8 | 12,0% | 62 814,7 | 11,8% | Health |
| 19,3% | 81 896,3 | 18,6% | 89 715,5 | 18,5% | 98 333,2 | 18,5% | Social security and welfare |
| 2,0% | 9 051,7 | 2,1% | 11 019,1 | 2,3% | 12 062,2 | 2,3% | Housing |
| 3,9% | 24 460,0 | 5,6% | 28 737,1 | 5,9% | 33 602,6 | 6,3% | 3) Community development |
| 14,9% | 69 397,1 | 15,7% | 77 072,2 | 15,9% | 86 620,6 | 16,3% | Economic services |
| 1,6% | 7 231,2 | 1,6% | 7 933,7 | 1,6% | 9 154,5 | 1,7% | Water schemes and related services |
| 0,7% | 3 204,0 | 0,7% | 3 539,5 | 0,7% | 3 940,2 | 0,7% | Fuel and energy |
| 2,2% | 11 218,0 | 2,5% | 12 707,7 | 2,6% | 13 507,3 | 2,5% | Agriculture, forestry and fishing |
| 0,5% | 2 304,6 | 0,5% | 2 475,1 | 0,5% | 2 682,3 | 0,5% | Mining, manufacturing and construction |
| 5,2% | 26 796,0 | 6,1% | 30 128,8 | 6,2% | 33 937,8 | 6,4% | Transport and communication |
| 4,7% | 18 643,3 | 4,2% | 20 287,4 | 4,2% | 23 398,6 | 4,4% | 4) Other economic services |
| 100,0% | 440 698,7 | 100,0% | 484 924,0 | 100,0% | 532 415,4 | 100,0% | Subtotal: Votes and statutory amounts |
| – | 2 500,0 | – | 5 000,0 | – | 8 000,0 | – | Plus: Contingency reserve |
| – | 443 198,7 | – | 489 924,0 | – | 540 415,4 | – | Total non-interest expenditure |
| – | 52 049,0 | – | 53 324,0 | – | 55 716,0 | – | Interest |
| – | 495 247,7 | – | 543 248,0 | – | 596 131,4 | – | Total consolidated expenditure |

3) Including cultural, recreational and sport services.

4) Including tourism, labour and multi-purpose projects.

Table 7
Consolidated government expenditure 1)

| | 2002/03 | | 2003/04 | | 2004/05 | | 2005/06 |
|--|------------------|---------------|------------------|---------------|------------------|---------------|------------------|
| | Outcome | % of total | Outcome | % of total | Outcome | % of total | Revised estimate |
| R million | | | | | | | |
| Economic classification | | | | | | | |
| Current payments | 218 007,8 | 66,7% | 236 687,6 | 64,4% | 255 989,6 | 63,5% | 285 500,5 |
| Compensation of employees | 119 085,2 | 36,4% | 130 336,4 | 35,5% | 140 964,6 | 35,0% | 155 919,9 |
| Goods and services | 48 887,9 | 15,0% | 56 301,4 | 15,3% | 61 737,0 | 15,3% | 73 763,0 |
| Interest and rent on land | 49 866,4 | 15,3% | 49 856,6 | 13,6% | 52 446,3 | 13,0% | 55 768,7 |
| Financial transactions in assets and liabilities | 168,3 | 0,1% | 193,3 | 0,1% | 841,7 | 0,2% | 48,9 |
| Transfers and subsidies | 91 805,5 | 28,1% | 111 942,7 | 30,5% | 126 701,4 | 31,4% | 151 208,2 |
| Provincial agencies and municipalities | 11 236,2 | 3,4% | 15 832,0 | 4,3% | 17 725,9 | 4,4% | 20 837,0 |
| Departmental agencies and accounts | 14 947,2 | 4,6% | 15 913,3 | 4,3% | 14 907,2 | 3,7% | 19 162,8 |
| Universities and technikons | 8 008,3 | 2,5% | 8 964,3 | 2,4% | 9 972,0 | 2,5% | 10 795,3 |
| Public corporations and private enterprises | 9 899,9 | 3,0% | 11 630,3 | 3,2% | 14 208,5 | 3,5% | 19 025,3 |
| Foreign governments and international organisations | 701,9 | 0,2% | 817,7 | 0,2% | 709,4 | 0,2% | 939,6 |
| Non-profit institutions | 4 062,7 | 1,2% | 5 340,6 | 1,5% | 5 734,1 | 1,4% | 6 293,7 |
| Households | 42 949,5 | 13,1% | 53 444,5 | 14,5% | 63 444,4 | 15,7% | 74 154,5 |
| Payments for capital assets | 16 927,6 | 5,2% | 18 931,6 | 5,2% | 20 228,1 | 5,0% | 23 940,3 |
| Buildings and other fixed structures | 10 375,1 | 3,2% | 12 040,6 | 3,3% | 12 926,9 | 3,2% | 16 462,7 |
| Machinery and equipment | 5 240,9 | 1,6% | 5 522,0 | 1,5% | 6 592,3 | 1,6% | 6 696,7 |
| Cultivated assets | 5,4 | 0,0% | 24,8 | 0,0% | 13,5 | 0,0% | 13,6 |
| Software and other intangible assets | 1 136,8 | 0,3% | 1 197,6 | 0,3% | 595,8 | 0,1% | 440,5 |
| Land and subsoil assets | 169,4 | 0,1% | 146,5 | 0,0% | 99,6 | 0,0% | 326,8 |
| Subtotal: Economic classification | 326 741,0 | 100,0% | 367 561,9 | 100,0% | 402 919,1 | 100,0% | 460 649,0 |
| Functional classification | | | | | | | |
| General government services and unallocable expenditure | 20 592,0 | 6,3% | 24 575,1 | 6,7% | 26 229,0 | 6,5% | 29 257,6 |
| Protection services | 55 009,3 | 16,8% | 59 930,9 | 16,3% | 64 326,7 | 16,0% | 74 057,3 |
| Defence and intelligence | 21 450,7 | 6,6% | 23 365,9 | 6,4% | 23 190,3 | 5,8% | 27 042,9 |
| Police | 20 964,2 | 6,4% | 23 318,6 | 6,3% | 26 354,5 | 6,5% | 30 315,2 |
| Prisons | 7 715,4 | 2,4% | 8 070,0 | 2,2% | 9 052,3 | 2,2% | 9 983,9 |
| Justice | 4 879,0 | 1,5% | 5 176,3 | 1,4% | 5 729,6 | 1,4% | 6 715,3 |
| Social services | 151 480,3 | 46,4% | 177 756,1 | 48,4% | 200 559,6 | 49,8% | 229 855,6 |
| Education | 61 868,1 | 18,9% | 69 986,8 | 19,0% | 75 572,2 | 18,8% | 83 574,5 |
| Health | 35 246,5 | 10,8% | 39 320,5 | 10,7% | 43 115,7 | 10,7% | 48 770,4 |
| Social security and welfare | 41 466,6 | 12,7% | 51 280,0 | 14,0% | 61 366,5 | 15,2% | 73 127,9 |
| Housing | 5 612,1 | 1,7% | 6 066,5 | 1,7% | 6 591,8 | 1,6% | 7 806,3 |
| Community development | 7 286,9 | 2,2% | 11 102,4 | 3,0% | 13 913,4 | 3,5% | 16 576,5 |
| Economic services | 49 949,2 | 15,3% | 55 603,1 | 15,1% | 59 438,8 | 14,8% | 71 750,8 |
| Water schemes and related services | 9 649,8 | 3,0% | 10 792,6 | 2,9% | 10 448,0 | 2,6% | 11 385,9 |
| Fuel and energy | 1 724,4 | 0,5% | 1 674,6 | 0,5% | 1 902,9 | 0,5% | 2 823,7 |
| Agriculture, forestry and fishing | 5 585,3 | 1,7% | 6 754,2 | 1,8% | 7 477,9 | 1,9% | 8 956,0 |
| Mining, manufacturing and construction | 1 266,4 | 0,4% | 1 603,6 | 0,4% | 1 730,6 | 0,4% | 2 306,0 |
| Transport and communication | 18 991,2 | 5,8% | 20 696,7 | 5,6% | 21 868,1 | 5,4% | 26 502,1 |
| Other economic services | 12 732,0 | 3,9% | 14 081,4 | 3,8% | 16 011,2 | 4,0% | 19 777,2 |
| Interest | 49 710,3 | – | 49 696,7 | – | 52 365,1 | – | 55 727,8 |
| Subtotal: Functional classification | 326 741,0 | 100,0% | 367 561,9 | 100,0% | 402 919,1 | 100,0% | 460 649,0 |
| Plus: | | | | | | | |
| Contingency reserve | – | – | – | – | – | – | – |
| Total consolidated expenditure | 326 741,0 | – | 367 561,9 | – | 402 919,1 | – | 460 649,0 |

1) Consisting of national and provincial government, social security funds and selected public entities. Refer to Annexure D for a detailed list of entities included. In some cases figures were estimated by the National Treasury and may differ from data published by Statistics South Africa and the Reserve Bank.

Table 7
Consolidated government expenditure 1)

| 2005/06 | 2006/07 | | 2007/08 | | 2008/09 | | R million |
|---------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|--|
| | % of total | Budget estimate | % of total | Budget estimate | % of total | Budget estimate | |
| 62,0% | 312 103,5 | 60,4% | 336 334,7 | 59,7% | 363 004,9 | 59,1% | Economic classification |
| 33,8% | 174 742,8 | 33,8% | 188 963,5 | 33,5% | 202 048,6 | 32,9% | Current payments |
| 16,0% | 81 610,5 | 15,8% | 90 406,3 | 16,0% | 101 359,5 | 16,5% | Compensation of employees |
| 12,1% | 55 750,2 | 10,8% | 56 964,9 | 10,1% | 59 596,7 | 9,7% | Goods and services |
| 0,0% | – | – | – | – | – | – | Interest and rent on land |
| | | | | | | | Financial transactions in assets and liabilities |
| 32,8% | 175 620,5 | 34,0% | 193 363,7 | 34,3% | 213 333,6 | 34,7% | Transfers and subsidies |
| 4,5% | 30 115,1 | 5,8% | 34 796,9 | 6,2% | 40 464,1 | 6,6% | Provincial agencies and municipalities |
| 4,2% | 24 044,3 | 4,7% | 23 286,8 | 4,1% | 24 065,5 | 3,9% | Departmental agencies and accounts |
| 2,3% | 11 644,6 | 2,3% | 12 520,7 | 2,2% | 13 509,3 | 2,2% | Universities and technikons |
| 4,1% | 17 503,8 | 3,4% | 19 791,6 | 3,5% | 22 832,1 | 3,7% | Public corporations and private enterprises |
| 0,2% | 1 031,5 | 0,2% | 1 145,1 | 0,2% | 1 262,9 | 0,2% | Foreign governments and international organisations |
| 1,4% | 8 055,8 | 1,6% | 9 438,1 | 1,7% | 10 730,3 | 1,7% | Non-profit institutions |
| 16,1% | 83 225,3 | 16,1% | 92 384,5 | 16,4% | 100 469,4 | 16,4% | Households |
| 5,2% | 28 642,1 | 5,5% | 33 873,9 | 6,0% | 37 876,5 | 6,2% | Payments for capital assets |
| 3,6% | 21 576,7 | 4,2% | 26 392,4 | 4,7% | 29 393,5 | 4,8% | Buildings and other fixed structures |
| 1,5% | 6 629,6 | 1,3% | 7 025,4 | 1,2% | 7 944,3 | 1,3% | Machinery and equipment |
| 0,0% | 10,3 | 0,0% | 10,4 | 0,0% | 10,4 | 0,0% | Cultivated assets |
| 0,1% | 216,9 | 0,0% | 241,9 | 0,0% | 316,5 | 0,1% | Software and other intangible assets |
| 0,1% | 208,6 | 0,0% | 203,9 | 0,0% | 211,7 | 0,0% | Land and subsoil assets |
| 100,0% | 516 366,1 | 100,0% | 563 572,3 | 100,0% | 614 215,0 | 100,0% | Subtotal: Economic classification |
| | | | | | | | Functional classification |
| 6,4% | 33 973,1 | 6,6% | 36 968,5 | 6,6% | 40 805,0 | 6,6% | General government services and unallocable expenditure |
| 16,1% | 79 630,1 | 15,4% | 85 577,7 | 15,2% | 91 569,9 | 14,9% | Protection services |
| 5,9% | 27 246,4 | 5,3% | 28 061,6 | 5,0% | 29 448,0 | 4,8% | Defence and intelligence |
| 6,6% | 33 858,5 | 6,6% | 37 024,0 | 6,6% | 40 048,9 | 6,5% | Police |
| 2,2% | 10 899,9 | 2,1% | 12 058,1 | 2,1% | 12 747,8 | 2,1% | Prisons |
| 1,5% | 7 625,2 | 1,5% | 8 434,0 | 1,5% | 9 325,3 | 1,5% | Justice |
| 49,9% | 262 060,1 | 50,8% | 290 013,3 | 51,5% | 318 664,5 | 51,9% | Social services |
| 18,1% | 92 111,6 | 17,8% | 101 257,4 | 18,0% | 110 348,4 | 18,0% | Education |
| 10,6% | 54 532,6 | 10,6% | 59 022,2 | 10,5% | 63 897,4 | 10,4% | Health |
| 15,9% | 80 615,2 | 15,6% | 88 318,6 | 15,7% | 96 824,6 | 15,8% | Social security and welfare |
| 1,7% | 9 220,0 | 1,8% | 11 201,5 | 2,0% | 12 260,2 | 2,0% | Housing |
| 3,6% | 25 580,6 | 5,0% | 30 213,6 | 5,4% | 35 333,9 | 5,8% | Community development |
| 15,6% | 84 954,3 | 16,5% | 94 048,8 | 16,7% | 103 579,7 | 16,9% | Economic services |
| 2,5% | 13 822,0 | 2,7% | 12 845,6 | 2,3% | 13 584,7 | 2,2% | Water schemes and related services |
| 0,6% | 3 204,0 | 0,6% | 3 539,5 | 0,6% | 3 940,2 | 0,6% | Fuel and energy |
| 1,9% | 11 490,3 | 2,2% | 13 019,2 | 2,3% | 13 852,0 | 2,3% | Agriculture, forestry and fishing |
| 0,5% | 2 503,0 | 0,5% | 2 672,8 | 0,5% | 2 899,8 | 0,5% | Mining, manufacturing and construction |
| 5,8% | 33 268,8 | 6,4% | 39 518,8 | 7,0% | 43 625,2 | 7,1% | Transport and communication |
| 4,3% | 20 666,2 | 4,0% | 22 452,9 | 4,0% | 25 677,9 | 4,2% | Other economic services |
| – | 55 748,5 | – | 56 964,0 | – | 59 595,9 | – | Interest |
| 100,0% | 516 366,1 | 100,0% | 563 572,3 | 100,0% | 614 215,0 | 100,0% | Subtotal: Functional classification |
| – | 2 500,0 | – | 5 000,0 | – | 8 000,0 | – | Plus: |
| | | | | | | | Contingency reserve |
| – | 518 866,1 | – | 568 572,3 | – | 622 215,0 | – | Total consolidated expenditure |

2) Mainly general administration, cost of raising loans and unallocatable capital expenditure.

3) Including cultural, recreational and sport services.

4) Including tourism, labour and multi-purpose projects.

Table 8
Total debt of government 1)

| R million | 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Marketable domestic debt | 17 405 | 20 980 | 23 894 | 28 651 | 33 544 | 39 956 | 47 385 |
| <i>Government bonds</i> | 16 710 | 20 199 | 23 463 | 27 797 | 32 808 | 39 195 | 47 173 |
| <i>Treasury bills</i> | 695 | 781 | 431 | 854 | 736 | 761 | 212 |
| <i>Bridging bonds</i> | — | — | — | — | — | — | — |
| Non-marketable domestic debt 3) | 3 416 | 3 320 | 4 183 | 4 187 | 3 646 | 4 443 | 7 675 |
| Total domestic debt | 20 821 | 24 300 | 28 077 | 32 838 | 37 190 | 44 399 | 55 060 |
| Total foreign debt 4) | 1 118 | 1 229 | 1 441 | 2 201 | 2 295 | 2 446 | 2 442 |
| Total loan debt gross | 21 939 | 25 529 | 29 518 | 35 039 | 39 485 | 46 845 | 57 502 |
| Cash balances | 2 099 | 3 336 | 2 818 | 893 | 1 081 | 1 573 | 1 588 |
| Total loan debt net | 19 840 | 22 193 | 26 700 | 34 146 | 38 404 | 45 272 | 55 914 |
| Gold and Foreign Exchange Contingency Reserve Account 5) | 174 | 892 | 655 | 2 033 | 1 940 | 3 469 | 2 554 |
| Composition of debt (excluding cash balances): | | | | | | | |
| Marketable domestic debt | 79,3% | 82,2% | 80,9% | 81,8% | 85,0% | 85,3% | 82,4% |
| <i>Government bonds</i> | 76,2% | 79,1% | 79,5% | 79,3% | 83,1% | 83,7% | 82,0% |
| <i>Treasury bills</i> | 3,2% | 3,1% | 1,5% | 2,4% | 1,9% | 1,6% | 0,4% |
| <i>Bridging bonds</i> | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Non-marketable domestic debt 3) | 15,6% | 13,0% | 14,2% | 11,9% | 9,2% | 9,5% | 13,3% |
| Total domestic debt | 94,9% | 95,2% | 95,1% | 93,7% | 94,2% | 94,8% | 95,8% |
| Total foreign debt 4) | 5,1% | 4,8% | 4,9% | 6,3% | 5,8% | 5,2% | 4,2% |
| Percentages of GDP: | | | | | | | |
| Total domestic debt | 27,9% | 28,5% | 28,6% | 28,7% | 28,3% | 28,5% | 30,3% |
| Total foreign debt | 1,5% | 1,4% | 1,5% | 1,9% | 1,7% | 1,6% | 1,3% |
| Total loan debt gross | 29,4% | 29,9% | 30,1% | 30,6% | 30,1% | 30,1% | 31,6% |
| Total loan debt net | 26,6% | 26,0% | 27,2% | 29,8% | 29,3% | 29,1% | 30,7% |

Sources: National Treasury and South African Reserve Bank.

1) Debt of the central government, excluding extra-budgetary institutions and social security funds.

2) As projected at the end of January 2006.

3) Includes non-marketable treasury bills, retail bonds, former Namibian loans and loan levies.

Table 8
Total debt of government 1)

| 1988/89 | 1989/90 | 1990/91 | 1991/92 | 1992/93 | 1993/94 | 1994/95 | R million |
|---------------|---------------|---------------|----------------|----------------|----------------|----------------|---|
| 61 124 | 72 923 | 85 546 | 104 646 | 138 681 | 181 460 | 225 662 | Marketable domestic debt |
| 60 860 | 71 026 | 82 824 | 100 662 | 132 853 | 174 892 | 210 191 | Government bonds |
| 264 | 1 897 | 2 722 | 3 984 | 5 828 | 6 568 | 7 018 | Treasury bills |
| – | – | – | – | – | – | 8 453 | Bridging bonds |
| 5 386 | 6 883 | 7 989 | 6 520 | 4 703 | 3 310 | 5 705 | 3) Non-marketable domestic debt |
| 66 510 | 79 806 | 93 535 | 111 166 | 143 384 | 184 770 | 231 367 | Total domestic debt |
| 2 227 | 2 090 | 1 770 | 2 940 | 2 348 | 5 201 | 8 784 | 4) Total foreign debt |
| 68 737 | 81 896 | 95 305 | 114 107 | 145 731 | 189 970 | 240 151 | Total loan debt gross |
| 3 785 | 11 181 | 8 524 | 9 762 | 4 750 | 4 591 | 6 665 | Cash balances |
| 64 952 | 70 715 | 86 781 | 104 345 | 140 981 | 185 379 | 233 486 | Total loan debt net |
| 11 158 | 14 140 | 10 351 | 12 508 | 8 934 | 2 190 | 4 147 | 5) Gold and Foreign Exchange Contingency Reserve Account |
| | | | | | | | Composition of debt (excluding cash balances): |
| 88,9% | 89,0% | 89,8% | 91,7% | 95,2% | 95,5% | 94,0% | Marketable domestic debt |
| 88,5% | 86,7% | 86,9% | 88,2% | 91,2% | 92,1% | 87,5% | Government bonds |
| 0,4% | 2,3% | 2,9% | 3,5% | 4,0% | 3,5% | 2,9% | Treasury bills |
| 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 3,5% | Bridging bonds |
| 7,8% | 8,4% | 8,4% | 5,7% | 3,2% | 1,7% | 2,4% | 3) Non-marketable domestic debt |
| 96,8% | 97,4% | 98,1% | 97,4% | 98,4% | 97,3% | 96,3% | Total domestic debt |
| 3,2% | 2,6% | 1,9% | 2,6% | 1,6% | 2,7% | 3,7% | 4) Total foreign debt |
| | | | | | | | Percentages of GDP: |
| 30,3% | 30,6% | 31,2% | 32,3% | 37,5% | 41,8% | 46,5% | Total domestic debt |
| 1,0% | 0,8% | 0,6% | 0,9% | 0,6% | 1,2% | 1,8% | Total foreign debt |
| 31,3% | 31,4% | 31,8% | 33,2% | 38,1% | 43,0% | 48,3% | Total loan debt gross |
| 29,6% | 27,1% | 29,0% | 30,3% | 36,8% | 41,9% | 47,0% | Total loan debt net |

Sources: National Treasury and South African Reserve Bank.

- 4) Valued at appropriate foreign exchange rates up to 31 March 2005 as at the end of each period. Forward estimates are based on exchange rates prevailing at 31 December 2005, projected to depreciate in line with inflation differentials.
- 5) Forward cover losses on the Gold and Foreign Exchange Contingency Reserve Account on 31 March 2006 represents an estimated balance on the account. No provision for any profits or losses on this account has been made for subsequent years.

Table 8
Total debt of government 1)

| R million | 1995/96 | 1996/97 | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Marketable domestic debt | 263 844 | 290 424 | 318 773 | 344 938 | 354 705 | 365 141 | 348 455 |
| <i>Government bonds</i> | 248 877 | 276 124 | 301 488 | 325 938 | 332 705 | 339 641 | 330 545 |
| <i>Treasury bills</i> | 10 700 | 14 300 | 17 285 | 19 000 | 22 000 | 25 500 | 17 910 |
| <i>Bridging bonds</i> | 4 267 | – | – | – | – | – | – |
| Non-marketable domestic debt 3) | 4 700 | 6 421 | 2 778 | 2 013 | 998 | 2 382 | 2 030 |
| Total domestic debt | 268 544 | 296 845 | 321 551 | 346 951 | 355 703 | 367 523 | 350 485 |
| Total foreign debt 4) | 10 944 | 11 394 | 14 560 | 16 276 | 25 799 | 31 938 | 82 009 |
| Total loan debt gross | 279 488 | 308 239 | 336 111 | 363 227 | 381 502 | 399 461 | 432 494 |
| Cash balances | 8 630 | 2 757 | 4 798 | 5 166 | 7 285 | 2 650 | 6 549 |
| Total loan debt net | 270 858 | 305 482 | 331 313 | 358 061 | 374 217 | 396 811 | 425 945 |
| Gold and Foreign Exchange Contingency Reserve Account 5) | – | 2 169 | 73 | 14 431 | 9 200 | 18 170 | 28 024 |
| Composition of debt (excluding cash balances): | | | | | | | |
| Marketable domestic debt | 94,4% | 94,2% | 94,8% | 95,0% | 93,0% | 91,4% | 80,6% |
| <i>Government bonds</i> | 89,0% | 89,6% | 89,7% | 89,7% | 87,2% | 85,0% | 76,4% |
| <i>Treasury bills</i> | 3,8% | 4,6% | 5,1% | 5,2% | 5,8% | 6,4% | 4,1% |
| <i>Bridging bonds</i> | 1,5% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Non-marketable domestic debt 3) | 1,7% | 2,1% | 0,8% | 0,6% | 0,3% | 0,6% | 0,5% |
| Total domestic debt | 96,1% | 96,3% | 95,7% | 95,5% | 93,2% | 92,0% | 81,0% |
| Total foreign debt 4) | 3,9% | 3,7% | 4,3% | 4,5% | 6,8% | 8,0% | 19,0% |
| Percentages of GDP: | | | | | | | |
| Total domestic debt | 47,6% | 46,7% | 45,9% | 45,8% | 42,5% | 38,6% | 33,4% |
| Total foreign debt | 1,9% | 1,8% | 2,1% | 2,1% | 3,1% | 3,4% | 7,8% |
| Total loan debt gross | 49,5% | 48,5% | 48,0% | 48,0% | 45,6% | 42,0% | 41,2% |
| Total loan debt net | 48,0% | 48,1% | 47,3% | 47,3% | 44,7% | 41,7% | 40,6% |

Sources: National Treasury and South African Reserve Bank.

1) Debt of the central government, excluding extra-budgetary institutions and social security funds.

2) As projected at the end of January 2006.

3) Includes non-marketable treasury bills, retail bonds, former Namibian loans and loan levies.

inconsistent with the treatment of unlisted collective investment schemes, which are subject to only one level of comparable charges at the collective investment scheme level.

- *Transfer duty upon divorce:* The transfer of real estate upon divorce is subject to transfer duty unless the marriage was in community of property. Transfer duty relief should in principle be extended to transfers arising from all types of unions.
- *Collecting estate duty on property falling outside the formal estate process:* According to a recent court decision, SARS may not collect estate duty from an executor in respect of property subject to estate duty but not directly under the control of the executor. This decision puts SARS at a severe disadvantage in terms of collecting estate duty for property of this kind. Legislation will be enacted to provide SARS with the right to appoint collecting agents for property of this kind.
- *Unemployment insurance contributions:* Government has been working to resolve certain anomalies between the Unemployment Insurance Contributions Act (2002) and the Unemployment Insurance Act (2001) for over two years. Of concern is the fact that certain parties are seemingly required to contribute even though they lack the potential of fully receiving benefits. Given recent progress, this matter should be resolved within the coming fiscal year.

SARS general administration

- *De minimis payments and refunds:* The payment of small amounts of tax or payout of small refunds often costs taxpayers or SARS more in administration costs than the actual amount paid or refunded. The rules for dealing with these *de minimis* payments or refunds vary among the different tax acts. It is proposed that these *de minimis* rules be aligned and that the SARS Commissioner be given authority to set and adjust the numerical *de minimis* thresholds as required.
- *SARS power to collect third party income tax data:* In addition to some general powers, the Income Tax Act contains a variety of specific provisions allowing for certain types of third party data requests. This use of specific provisions is antiquated and the SARS Commissioner should instead be given the freedom of more general powers to request relevant third party data as needed.
- *Reportable arrangements:* Government previously introduced an enhanced reporting regime for transactions that are likely to entail a high-risk of tax avoidance. This regime is intended to act as a supplement to the general anti-avoidance rule highlighted in Chapter 4 but has unfortunately not generated the desired level of reporting. This regime will accordingly be adjusted to achieve its objective.
- *National Treasury access to public entity data:* The National Treasury currently has access to taxpayer data for tax policy design and revenue estimation. This limited access is insufficient in the case of public entities given National Treasury's role in appropriating funds. The National Treasury should accordingly be given access to individual taxpayer data to the extent the taxpayer involved is subject to the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003).

Technical corrections

In addition to the miscellaneous amendments above, the 2006 legislation will contain technical corrections. These technical corrections will address typing and grammatical issues, incorrect or misleading headings or definitions, misplaced cross-references, differences between the English and Afrikaans text, obsolete provisions (e.g., updating tax acts in light of other non-tax legislative

changes), incorporation of regulations into law and problems relating to effective dates. These technical corrections may also occasionally include changes to legislation clearly at odds with legislative intent as well as obvious ambiguities and omissions, especially in terms of legislation promulgated since 2005. These changes are not intended to have any meaningful revenue impact or represent any change in policy. Technical corrections will be made during the upcoming year only as time permits.

Tax expenditures in South Africa

An International Monetary Fund delegation visited South Africa in March 2002 and issued the *Observance of Standards and Codes: Fiscal Transparency Report*. In terms of this review process, South Africa has given an undertaking to introduce a basic tax expenditure statement, with further development towards a comprehensive quantitative statement on revenues foregone, once the information management systems at SARS are fully developed.

This statement covers tax expenditures at the national government level. The detail of the main tax expenditures with the policy rationale and intended beneficiaries is provided in Tables C.6 to C.10.

Table C.6 Tax expenditures – Personal income tax expenditures

| Source | Rationale for tax expenditure and intended beneficiaries |
|--|---|
| Rating formula on lump sum benefits Exemption of R30 000 on certain lump sum payments Exemption of war pensions Exemption of disability pensions Exemption of compensations paid in terms of the Workmen's Compensation Act or the Compensation for Occupational Injuries and Diseases Act Exemption of allowances payable in terms of the Unemployment Insurance Act | Providing relief for retirement Providing relief to taxpayers receiving payments due to detrimental work-related circumstances |
| Exemption on interest income - R16 500 for persons under the age of 65 and R24 500 for persons age 65 and over | Incentivising the propensity to save and to provide tax relief for pensioners receiving fixed-interest income |
| Broad-based employee equity participation | Incentivising initiatives to empower employees |
| Exemption of certain foreign dividends | Encouraging the repatriation of dividends |
| Exemption for employees working abroad Introducing withhold tax on payments to visiting entertainers and sports people Partially relaxing capital gains tax rules for visiting skilled expatriates | Aligning tax treatment of South African nationals working abroad and foreign nationals working temporarily in South Africa |
| Exemption of a bona fide scholarship or bursary | Incentivising education initiatives |
| Deductions for donations to public benefit organisations | Assisting non-profit organisations to obtain funding |
| Deductions for pension fund and retirement annuity fund contributions | Encouraging saving for retirement, thereby reducing the need for state assistance |
| Individual taxpayers pay capital gains tax only at an effective rate of up to 10 per cent | Low effective capital gains tax rate for individuals to prevent lock-in effect |
| Exemption of medical contributions up to certain limits | Encouraging taxpayers to obtain medical scheme cover |

Table C.7 Tax expenditures – Corporate income tax expenditures

| Source | Rationale for tax expenditure and intended beneficiaries |
|--|---|
| Companies declaring a dividend pay a 12,5 per cent secondary tax on companies | Lower tax rate on dividends distributed to mitigate company double tax |
| Exemption for real property body corporates and similar associations | Eliminating the tax burden for entities formed solely for purposes of managing the collective interests common to all its members |
| Additional deduction for certain research and development expenditure Accelerated depreciation for research and development buildings Accelerated depreciation for urban development zones | Incentivising certain research and development undertaken in South Africa Countering urban decay |
| Exemption for certain government grants and infrastructure government grants to public private partnerships | Reducing the circular flow of money between government and the private sector and eliminating the tax burden for corporate expenditure on government property |
| Special rules for small businesses: reduced tax rate and accelerated depreciation on certain assets Business reinvestment deferral | Incentivising the growth and development of the small business sector Providing cash-flow benefit to businesses to encourage re-investment growth |
| Corporates pay capital gains tax only at an effective rate of 15 per cent Additional deduction for learnership agreements | Low effective capital gains tax rate for corporates to prevent lock-in effect Encouraging job creation by lowering the cost of hiring new employees |
| 100% deduction for mining extraction operations Gold mining formula (including STC exemption) | Incentivising mining extraction operations Incentivising gold mining extraction operations |
| Three-year accelerated depreciation write-off for biofuels industries Exemption for specially formed mining rehabilitation trusts Introducing tax relief for rehabilitation reserve funds | Encouraging investments in renewable energy Protecting and rehabilitating South Africa's natural resources |
| Introducing a tonnage tax | Promoting investment in the South African shipping industry |
| Partial taxation for certain public benefit organisations | Assisting entities that help meet government objectives |

Table C.8 Tax expenditures – Estate duty and donation tax

| Source | Rationale for tax expenditure and intended beneficiaries |
|--|---|
| Estate duty: <ul style="list-style-type: none"> Deduction of R2,5 million of the dutiable value of an estate for individuals. | Alleviating the overall tax burden of estate duty. |
| Donation tax: <ul style="list-style-type: none"> An annual tax exemption for individual donations of less than R50 000. | Concession to assist taxpayers when making small donations. |

Table C.9 Tax expenditures – Fuel taxes

| Source | Rationale for tax expenditure and intended beneficiaries |
|--|--|
| Fuel taxes <ul style="list-style-type: none"> 40 per cent rebate of the general fuel levy on bio-diesel Varying rates of refunds of the general fuel levy and/or Road Accident Fund levy on diesel | To promote the bio-diesel industry and account for its environmental and socioeconomic advantages To improve the international competitiveness of those sectors that rely heavily on diesel inputs To exclude certain off-road diesel users from the Road Accident Fund levy |

Table C.10 Tax expenditures – Value-added tax expenditures

| Source | Rationale for tax expenditure and intended beneficiaries |
|---|---|
| VAT registration threshold of R300 000 of taxable supplies per annum | Incentivising the growth and development of the small business sector |
| <p>Exempt supplies includes:</p> <ul style="list-style-type: none"> • The supply of financial services • The supply of residential accommodation • The supply of road transport • The supply of rail transport • Trade union subscriptions • The sale or letting of land outside the republic scheme for the aged • The supply of services to members in the course of management of a sectional title body corporate, a share block company and any housing development scheme for the aged • The supply of educational services by approved educational institutions • The supply of crèche or after-school for children • The supply by an association not for gain or certain donated goods • The letting of land for the purpose of constructing a residential dwelling | <p>No input credit can be claimed on exempt supplies</p> <p>Persons delivering only exempt supplies are deemed not to be carrying on an enterprise and cannot register as a vendor for VAT purposes</p> <p>Exemptions from VAT are generally applied to non-fee based financial services as it is difficult to determine the value-added</p> <p>Educational services and public transport are exempted to provide some relief, as well as for administrative considerations</p> <p>The exclusion of the vendor from the VAT regime (although costs including VAT are passed on to the consumer), is a solution in balancing the needs of the under-privileged (by not charging VAT on the service) against revenue considerations</p> |
| <p>Zero-rated supplies of services include:</p> <ul style="list-style-type: none"> • The transport of passengers and goods to and from an export country • Certain services rendered to non-residents who are outside the country • The insuring of passengers and goods • The arranging of international transport • Services rendered outside the republic to a user in the republic – excluding telecommunication services • Welfare activities, such as the provision of food, meals, board, lodging, clothing, or other necessities, comforts or amenities to aged or indigent persons, children, or physically or mentally handicapped persons | <p>An enterprise that makes only zero-rate supplies may register as a VAT vendor and may reclaim VAT on input costs (supplies received)</p> |
| <p>Zero-rated supplies of goods:</p> <ul style="list-style-type: none"> • The supply of animal feed, animal remedy, fertilizer, pesticide, plants and seed for farming purposes • The supply of basic foodstuffs: brown bread, maize meal, samp, mealie rice, dried mealies, dried beans, lentils, pilchards or sardinella, milk powder, rice, vegetables, fruit, vegetable oil, cultured milk, brown wheaten meal, eggs, edible legumes • The supply of illuminating paraffin • The supply of petrol and diesel fuel • The supply of goods that are exported | <p>The zero-rating of primary agriculture supply is to assist farmers</p> <p>The zero-rating of basic foodstuffs and illuminating paraffin is intended to provide relief to the poor</p> <p>Petrol and diesel fuel are subject to fuel levies</p> <p>The zero-rating of exports is in line with international practice of the “destination principle” – where VAT is intended to be levied in the jurisdiction where consumption occurs</p> |

Table 8
Total debt of government 1)

| 2002/03 | 2003/04 | 2004/05 | 2005/06 ²⁾ | 2006/07 | 2007/08 | 2008/09 | R million |
|----------------|----------------|----------------|-----------------------|----------------|----------------|----------------|--|
| 350 047 | 388 538 | 428 886 | 458 601 | 473 603 | 496 560 | 524 745 | 3) Marketable domestic debt Government bonds Treasury bills Bridging bonds Non-marketable domestic debt |
| 327 997 | 359 938 | 394 436 | 418 151 | 427 153 | 444 110 | 466 295 | |
| 22 050 | 28 600 | 34 450 | 40 450 | 46 450 | 52 450 | 58 450 | |
| – | – | – | – | – | – | – | |
| 1 910 | 1 999 | 3 498 | 3 746 | 4 227 | 5 468 | 7 444 | |
| 351 957 | 390 537 | 432 384 | 462 347 | 477 830 | 502 028 | 532 189 | 4) Total domestic debt Total foreign debt |
| 74 286 | 64 670 | 69 405 | 71 552 | 75 983 | 91 065 | 107 371 | |
| 426 243 | 455 207 | 501 789 | 533 899 | 553 813 | 593 093 | 639 560 | Total loan debt gross |
| 9 730 | 12 669 | 30 870 | 52 911 | 46 657 | 48 353 | 58 234 | Cash balances |
| 416 513 | 442 538 | 470 919 | 480 988 | 507 156 | 544 740 | 581 326 | Total loan debt net |
| 36 577 | 18 036 | 5 292 | 557 | 557 | 557 | 557 | 5) Gold and Foreign Exchange Contingency Reserve Account |
| 82,1% | 85,4% | 85,5% | 85,9% | 85,5% | 83,7% | 82,0% | 3) Composition of debt (excluding cash balances): Marketable domestic debt Government bonds Treasury bills Bridging bonds Non-marketable domestic debt |
| 77,0% | 79,1% | 78,6% | 78,3% | 77,1% | 74,9% | 72,9% | |
| 5,2% | 6,3% | 6,9% | 7,6% | 8,4% | 8,8% | 9,1% | |
| 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| 0,4% | 0,4% | 0,7% | 0,7% | 0,8% | 0,9% | 1,2% | |
| 82,6% | 85,8% | 86,2% | 86,6% | 86,3% | 84,6% | 83,2% | 4) Total domestic debt Total foreign debt |
| 17,4% | 14,2% | 13,8% | 13,4% | 13,7% | 15,4% | 16,8% | |
| 29,4% | 30,5% | 30,4% | 29,6% | 27,9% | 26,6% | 25,4% | Percentages of GDP: Total domestic debt Total foreign debt Total loan debt gross Total loan debt net |
| 6,2% | 5,0% | 4,9% | 4,6% | 4,4% | 4,8% | 5,1% | |
| 35,6% | 35,5% | 35,3% | 34,2% | 32,3% | 31,5% | 30,5% | |
| 34,8% | 34,5% | 33,2% | 30,8% | 29,6% | 28,9% | 27,7% | |

Sources: National Treasury and South African Reserve Bank.

- 4) Valued at appropriate foreign exchange rates up to 31 March 2005 as at the end of each period. Forward estimates are based on exchange rates prevailing at 31 December 2005, projected to depreciate in line with inflation differentials.
- 5) Forward cover losses on the Gold and Foreign Exchange Contingency Reserve Account on 31 March 2006 represents an estimated balance on the account. No provision for any profits or losses on this account has been made for subsequent years.

Table 9
Financial guarantees:
Amounts drawn on government guarantees

| R million | 2001/02 | | | 2002/03 | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | Domestic | Foreign | Total | Domestic | Foreign | Total |
| General Government Sector | 7 910 | – | 7 910 | 7 762 | – | 7 762 |
| National Government | 7 910 | – | 7 910 | 7 762 | – | 7 762 |
| <i>Former Regional Authorities</i> | 562 | – | 562 | 459 | – | 459 |
| <i>Guarantee scheme for housing loans to employees</i> | 705 | – | 705 | 720 | – | 720 |
| <i>Guarantee scheme for motor vehicles - senior officials</i> | 21 | – | 21 | 22 | – | 22 |
| <i>SA National Roads Agency Ltd.</i> | 5 608 | – | 5 608 | 5 623 | – | 5 623 |
| <i>Universities and Technikons</i> | 1 014 | – | 1 014 | 938 | – | 938 |
| Public Enterprises | 45 487 | 30 658 | 76 145 | 38 777 | 22 187 | 60 964 |
| Non-financial | 33 522 | 14 238 | 47 760 | 32 764 | 8 609 | 41 373 |
| <i>Aventura</i> | 38 | – | 38 | – | – | – |
| <i>Bank Note Company</i> | 12 | – | 12 | 14 | – | 14 |
| <i>Central Energy Fund</i> | – | 3 491 | 3 491 | – | 2 071 | 2 071 |
| <i>Eskom</i> | – | 2 406 | 2 406 | – | 206 | 206 |
| <i>Irrigation Board</i> | 305 | – | 305 | 313 | – | 313 |
| <i>Kalahari East Water Board</i> | 53 | – | 53 | 53 | – | 53 |
| <i>Komati Basin Water Authority</i> | 1 067 | – | 1 067 | 1 676 | – | 1 676 |
| <i>Lesotho Highlands Development Authority</i> | 74 | 3 420 | 3 494 | 84 | 521 | 605 |
| <i>SA Nuclear Energy Corporation</i> | 277 | – | 277 | 31 | – | 31 |
| <i>Telkom South Africa</i> | 4 615 | 65 | 4 680 | 4 592 | 26 | 4 618 |
| <i>Trans-Caledon Tunnel Authority</i> | 13 525 | 478 | 14 003 | 14 700 | 469 | 15 169 |
| <i>Transnet</i> | 13 556 | 4 378 | 17 934 | 11 301 | 5 316 | 16 617 |
| Financial | 11 965 | 16 420 | 28 385 | 6 013 | 13 578 | 19 591 |
| <i>Development Bank of Southern Africa</i> | – | 12 010 | 12 010 | – | 11 293 | 11 293 |
| <i>Industrial Development Corporation of South Africa</i> | – | 4 410 | 4 410 | – | 2 285 | 2 285 |
| <i>Land Bank</i> | 43 | – | 43 | 58 | – | 58 |
| <i>National Housing Board</i> | 283 | – | 283 | 283 | – | 283 |
| <i>South African Housing Trust Ltd</i> | 539 | – | 539 | – | – | – |
| <i>South African Reserve Bank</i> | 11 100 | – | 11 100 | 5 672 | – | 5 672 |
| Private Sector | 516 | – | 516 | 398 | – | 398 |
| Agricultural Co-operatives | 147 | – | 147 | 105 | – | 105 |
| Servcon Housing Solutions (Pty) Ltd | 369 | – | 369 | 293 | – | 293 |
| Foreign Sector | 91 | – | 91 | 232 | – | 232 |
| Foreign central banks and governments | 91 | – | 91 | 232 | – | 232 |
| Total | 54 004 | 30 658 | 84 662 | 47 169 | 22 187 | 69 356 |

Table 9
Financial guarantees:
Amounts drawn on government guarantees

| 2003/04 | | | 2004/05 | | | R million |
|---------------|---------------|---------------|---------------|---------------|---------------|---|
| Domestic | Foreign | Total | Domestic | Foreign | Total | |
| 6 099 | – | 6 099 | 8 288 | – | 8 288 | General Government Sector |
| 6 099 | – | 6 099 | 8 288 | – | 8 288 | National Government |
| 268 | – | 268 | 322 | – | 322 | <i>Former Regional Authorities</i> |
| 716 | – | 716 | 638 | – | 638 | <i>Guarantee scheme for housing loans to employees</i> |
| 15 | – | 15 | 18 | – | 18 | <i>Guarantee scheme for motor vehicles - senior officials</i> |
| 5 100 | – | 5 100 | 6 655 | – | 6 655 | <i>SA National Roads Agency Ltd.</i> |
| – | – | – | 655 | – | 655 | <i>Universities and Technikons</i> |
| 52 372 | 19 283 | 71 655 | 48 685 | 18 774 | 67 459 | Public Enterprises |
| 47 702 | 6 054 | 53 756 | 44 046 | 5 611 | 49 657 | Non-financial |
| – | – | – | – | – | – | <i>Aventura</i> |
| – | – | – | – | – | – | <i>Bank Note Company</i> |
| – | 1 404 | 1 404 | – | 667 | 667 | <i>Central Energy Fund</i> |
| – | 155 | 155 | – | 156 | 156 | <i>Eskom</i> |
| 198 | – | 198 | 65 | – | 65 | <i>Irrigation Board</i> |
| 54 | – | 54 | 16 | – | 16 | <i>Kalahari East Water Board</i> |
| 1 675 | – | 1 675 | 1 641 | – | 1 641 | <i>Komati Basin Water Authority</i> |
| 62 | 412 | 474 | 33 | 464 | 497 | <i>Lesotho Highlands Development Authority</i> |
| 30 | – | 30 | 20 | – | 20 | <i>SA Nuclear Energy Corporation</i> |
| 4 608 | 94 | 4 702 | 4 655 | 94 | 4 749 | <i>Telkom South Africa</i> |
| 19 090 | – | 19 090 | 18 913 | 322 | 19 235 | <i>Trans-Caledon Tunnel Authority</i> |
| 21 985 | 3 989 | 25 974 | 18 703 | 3 908 | 22 611 | <i>Transnet</i> |
| 4 670 | 13 229 | 17 899 | 4 639 | 13 163 | 17 802 | Financial |
| – | 11 569 | 11 569 | – | 11 726 | 11 726 | <i>Development Bank of Southern Africa</i> |
| – | 1 660 | 1 660 | – | 1 437 | 1 437 | <i>Industrial Development Corporation of South Africa</i> |
| 198 | – | 198 | 81 | – | 81 | <i>Land Bank</i> |
| – | – | – | – | – | – | <i>National Housing Board</i> |
| – | – | – | – | – | – | <i>South African Housing Trust Ltd</i> |
| 4 472 | – | 4 472 | 4 558 | – | 4 558 | <i>South African Reserve Bank</i> |
| 304 | – | 304 | 205 | – | 205 | Private Sector |
| 100 | – | 100 | – | – | – | <i>Agricultural Co-operatives</i> |
| 204 | – | 204 | 205 | – | 205 | <i>Servcon Housing Solutions (Pty) Ltd</i> |
| – | – | – | – | – | – | Foreign Sector |
| – | – | – | – | – | – | <i>Foreign central banks and governments</i> |
| 58 775 | 19 283 | 78 058 | 57 178 | 18 774 | 75 952 | Total |

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