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BUDGET 2015

ESTIMATES OF NATIONAL EXPENDITURE

VOTE 7

NATIONAL TREASURY



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2015

National Treasury

Republic of South Africa

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The 2015 Estimates of National Expenditure e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the 2015 ENE, the 2015 ENE e-publications provide more detailed information, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional allocations to provinces and municipalities; departmental public private partnerships; and donor funding. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. In some e-publications more detailed information at the level of site service delivery is included.

Foreword

Some of the tough economic conditions occasioned by the 2008 to 2009 global financial crisis continue to plague most parts of the world: Economic growth remains sluggish, unemployment and inequality levels are elevated, while financial markets tend to reposition themselves substantially at the slightest sign of unsettling news. As an open economy, South Africa is highly susceptible to global economic developments, often disproportionately so. In the face of all of this, the 2015 Medium Term Expenditure Framework (MTEF) response provides for positive real growth in expenditure averaging 2.1 per cent per year. The annual budget reaches R1.6 trillion by 2017/18.

True to the commitment government made in the Medium Term Budget Policy Statement (MTBPS) in October 2014, the budget framework sets out departmental programmes and plans that fit within the broad expenditure envelope published last year. To keep our fiscal accounts firmly on a sustainable path, the MTBPS proposed a fiscal policy package that has trimmed overall spending by R25 billion, which is the combined amount for 2015/16 and 2016/17. Government spending does continue to surpass inflation after these adjustments in both years, but growth is marginally slower. In addition, for 2017/18, R45 billion is placed in an unallocated reserve to cushion our plans against unforeseeable eventualities. Further, to achieve our fiscal objectives, government has had to institute carefully selected tax measures too. These are implemented within the framework of a progressive tax system and have been informed by the work of the Davies Tax Committee. The tax proposals are set out in detail in chapter 4 of the Budget Review.

The process of realigning expenditure in response to the closing of the fiscal space is being actively managed, in the context of government's 2014-2019 medium term strategic framework. Some of our aspirations might take longer to realise. Within government's institutions, more urgent and essential existing programmes are being prioritised above other programmes that are reduced. The implementation of some newly proposed programmes will either be phased in over a longer period or, in some cases, possibly even delayed. Social sector spending and key infrastructure spending, as well as other key areas of spending, continue to grow in real terms.

In addition to the reprioritisation of government programmes, the policy frameworks and implementation methodology of programmes are being re-evaluated, with a focus on service delivery of programmes. In line with the 2013/14 National Treasury instruction on cost containment measures, financing programmes must entail a greater share of goods and services budgets being devoted towards core areas of service delivery. The focus of government programmes is being sharpened, both in terms of spatial distribution, and in terms of their nature and emphasis. Effectiveness and efficiency of expenditure is our guiding mantra.

The spending plans contained in the 2015 Budget do respond to our short term needs for economic growth. However, to achieve our ambition of faster growth, which we unquestionably need for pushing back the frontiers of unemployment, poverty and inequality, we must continue to strive towards shifting the composition of expenditure more towards investment, away from consumption. Institutional spending, as always, is being closely monitored, and the ongoing process of realignment continues. The details of the spending of national government departments and its entities are encompassed in the chapters of this publication.

All the expenditure and service delivery information contained in the chapters of this publication result from a wide ranging intergovernmental consultative process, leading to executive approval of reprioritised and realigned spending allocations. Many people have contributed to making this publication possible, particularly my colleagues in national departments and agencies. Their collaboration and understanding during the budget allocation and document drafting processes has been invaluable. Appreciation is also due to the dedicated team at National Treasury for the publication of this highly valuable resource.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of national Expenditure (ENE) publications provide comprehensive information on how budget resources are generated, how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the MTEF period. Key performance indicators are included for each national government vote and entity showing what the institutions aim to achieve by spending their budget allocations in a particular manner. This information provides Parliament and the public with the necessary tools to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

The 2015 ENE publications largely retain the scope of information presented in previous years' publications. For ease of comprehension, however, in the 2015 publications information is presented in a more succinct and concise manner in data tables and their accompanying explanatory narratives. The reader can thus more readily understand what each institution is planning to spend its budget on and what it aims to achieve. Each chapter in the abridged 2015 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote.

Compared to the abridged version of the 2015 ENE, the 2015 ENE e-publications provide more detailed information, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional allocations to provinces and municipalities; departmental public private partnerships; and donor funding. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. In some e-publications more detailed information at the level of site service delivery is included.

A separate 2015 ENE Overview e-publication is also available, which contains a description at the main budget non-interest spending level, summarising the ENE publication information across votes. The 2015 ENE Overview contains this narrative explanation and summary tables; a description of the budgeting approach; and also has a write-up on how to interpret the information that is contained in each section of the publications.

National Treasury

**National Treasury
Republic of South Africa**



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Vote 7

National Treasury

Budget summary

R million	2015/16					2016/17	2017/18
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	366.7	353.8	3.6	9.2	–	379.5	398.8
Economic Policy, Tax, Financial Regulation and Research	133.9	105.9	27.6	0.5	–	142.6	153.8
Public Finance and Budget Management	257.0	215.1	40.6	1.3	–	275.8	294.8
Asset and Liability Management	3 116.9	92.3	–	0.6	3 024.0	98.1	104.5
Financial Accounting and Supply Chain Management Systems	751.4	664.6	82.0	4.7	–	825.4	883.0
International Financial Relations	1 247.4	48.9	851.8	0.1	346.7	1 314.4	1 380.2
Civil and Military Pensions, Contributions to Funds and Other Benefits	3 962.9	61.2	3 901.8	–	–	4 173.2	4 381.9
Technical Support and Development Finance	3 143.9	406.3	2 737.6	–	–	3 278.2	3 331.7
Revenue Administration	9 434.4	–	9 434.4	–	–	10 433.5	11 415.6
Financial Intelligence and State Security	4 542.8	–	4 542.8	–	–	4 793.0	5 033.7
Subtotal	26 957.3	1 948.1	21 622.1	16.4	3 370.7	25 713.8	27 378.2
Direct charge against the National Revenue Fund							
Provincial equitable share	382 673.5	–	382 673.5	–	–	405 264.6	428 892.5
Debt service costs	126 440.4	126 440.4	–	–	–	140 970.9	153 376.0
General fuel levy sharing with metropolitan municipalities	10 658.9	–	10 658.9	–	–	11 223.8	11 785.0
National Revenue Fund payments	121.0	–	–	–	121.0	–	–
Total expenditure estimates	546 851.1	128 388.5	414 954.5	16.4	3 491.7	583 173.1	621 431.7

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

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

Vote purpose

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

Mandate

National Treasury's legislative mandate is based on chapter 13, section 216(1) of the Constitution, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances. This role is further elaborated in the Public Finance Management Act (1999). The department is mandated to:

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

Selected performance indicators

Table 7.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive economic growth	32.1% (R989.7bn)	35.5% (R1 181.6bn)	38.2% (R1 379.5bn)	40.8% (R1 584.0bn)	42.5% (R1 781.3bn)	43.1% (R1 958.1bn)	43.7% (R2 151.7bn)
Value of government gross annual borrowing	Asset and Liability Management		R163.7bn	R209.4bn	R201.3bn	R229.1bn	R204.5bn	R213.4bn	R246.5bn
Cost to service debt as a percentage of GDP	Asset and Liability Management		2.5% (R76.5bn)	2.6% (R88.1bn)	2.8% (R101.2bn)	3.0% (R115.0bn)	3.0% (R126.4bn)	3.1% (R140.9bn)	3.1% (R153.4bn)
Number of active training providers delivering the municipal regulated minimum competency levels programme per year	Financial Accounting and Supply Chain Management Systems	Outcome 12: An efficient, effective and development oriented public service	46	72	24	40	43	43	43
Percentage of identified transversal contracts with strategic sourcing principles introduced per year	Financial Accounting and Supply Chain Management Systems		59% (19)	70% (14)	90% (18)	100% (15)	100% (19)	100% (14)	100% (23)
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Accounting and Supply Chain Management Systems		3 142	3 547	267	700	760	750	740
Number of neighbourhood development partnership grant projects under construction per year	Technical Support and Development Finance	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	70	86	83	40	40	40	40
Total estimated third party investment leveraged ¹	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	- ¹	R1.458bn	R1.868bn	R2.500bn	R3.000bn	R3.500bn	R4.000bn
Total number of new jobs contracted for approved and active projects in the Jobs Fund	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	- ¹	65 121	143 914	110 000	140 000	150 000	150 000
Number of long term urban regeneration programmes ² registered per year	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	- ²	- ²	18	18	18	18	20
Number of training placements contracted for with active private companies in the Jobs Fund per year ¹	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	- ¹	105 499	160 651	140 000	160 000	160 000	160 000

1. Previous data is not available as investments and projects began in 2012/13.

2. The urban regeneration programme was only launched in 2013/14.

Expenditure analysis

The national development plan charts a growth trajectory to reduce poverty and inequality, and envisages a country in which all citizens have the required capabilities to seize available opportunities. These capabilities include education and skills, decent accommodation, nutrition, safe communities, social security and transport, facilitated by a capable state and a growing, resilient economy. Government's 2014-2019 medium term strategic framework directs government to invest in infrastructure development, create jobs, transform South Africa to a low carbon economy, and bring about social transformation and unity.

National Treasury will contribute to these objectives over the medium term by focusing on the following priorities: managing national budget processes to direct public funds towards inclusive economic growth and long term financial stability; promoting a tax policy and administration that ensures sustainable growth and job creation; facilitating infrastructure development and building economically integrated cities; supporting the creation of sustainable employment; improving, modernising and monitoring procurement across government to improve value for public money; and improving government financial management and financial systems to build capability at all levels of government.

The Treasury is responsible for the main statutory transfers to provincial governments. It provides for servicing government debt and is responsible for the distribution of the general fuel levy to metropolitan municipalities. These are regarded as a direct charge against the National Revenue Fund and collectively account for 95.3 per cent of the department's budget over the MTEF period. Cabinet approved budget reductions of

R4.96 billion in 2015/16, R6.4 billion in 2016/17 and R5.2 billion in 2017/18 will be effected on the main statutory transfers to provincial governments. Cabinet approved additional allocations of R1.8 billion in 2016/17 and R6.6 billion in 2017/18 are for higher debt service costs.

Directing public funds towards inclusive growth and long term economic stability

Over the medium term, the Treasury will assess public expenditure and align the Budget to achieving the outcomes of the 2014-2019 medium term strategic framework. A comprehensive review of public expenditure is in progress and will be finalised over the medium term. The 20-year review of the South African fiscal policy framework has been completed, and its recommendations will be included in the 2015 Budget to ensure sustainable levels of spending. These activities are funded through the *Public Finance and Budget Management* programme. Spending over the medium term is projected at R827.5 million.

Tax policy and administration for sustainable growth and job creation

National Treasury promotes a tax policy framework and tax administration system that ensures sustainable growth and that is able to deliver on government's mandate to address the needs of all South Africans, including tax proposals that support environmental sustainability and youth employment. The department established the Davis Tax Committee in 2013 to enquire into the role of the tax system in the promotion of inclusive economic growth, employment creation, development and fiscal sustainability. The committee will make recommendations on the various tax streams, which may be incorporated into tax policy. Over the medium term, the department will continue to lead the process to develop a carbon tax intended to discourage or penalise environmentally unfriendly practices in the economy. The department will also monitor the implementation of the Employment Tax Incentive Act (2013), which came into effect on 1 January 2014. The act incentivises job creation, including youth employment. Spending on these activities is projected at R78.5 million over the medium term in the *Tax Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

Sustainable employment

Over the medium term, National Treasury will support the creation of sustainable employment through the Jobs Fund. Established by government in 2011, the Jobs Fund supports initiatives that generate employment in innovative ways. The fund offers once-off grants for enterprise development, infrastructure, support for work seekers and institutional capacity building. Project partners are required to share risk and costs by matching the grant. The total budget for the programme is R9 billion, of which R4 billion is allocated to the *Employment Creation Facilitation* subprogramme in the *Technical Support and Development Finance* programme. By 2016/17, the fund is expected to have increased approved projects from 89 to 129, and it is anticipated that the fund will have contracted 150 000 jobs when the projects are concluded. The Jobs Fund will be managed through the Government Technical Advisory Centre.

Infrastructure development and economically integrated cities and communities

To support the development of infrastructure and economically integrated cities and communities, National Treasury provides subsidies, technical assistance, and training for infrastructure planning and development. The support is channelled through the neighbourhood development partnership grant, the integrated cities development grant, and the infrastructure delivery improvement programme in the *Infrastructure Development Support* and the *Urban Development and Support* subprogrammes in the *Technical Support and Development Finance* programme.

To provide catalytic infrastructure that attracts third-party investment and assists metropolitan municipalities to develop more inclusive and productive built environments, spending in the *Urban Development and Support* subprogramme of R2.8 billion over the medium term is projected for neighbourhood development planning and projects. 26 township urban hubs across 18 identified municipalities have been prioritised for strategic integrated development, and 18 spatial transformation zones will be identified for development by 2015/16. 20 integrated city development projects will be implemented over the medium term, and a further estimated R1.5 billion is expected to be leveraged over the medium term through third-party investment in targeted locations by catalytic investments through the neighbourhood development programmes.

Temporary specialist consultants provide technical assistance for planning infrastructure development and supporting implementation across government when it is not efficient for full time Treasury staff to perform

these functions. The department's overall spending on consultants will increase from R550.1 million in 2015/16 to R600.2 million in 2017/18, mainly to provide for these consultants and also for forensic investigations in the Office of the Accountant-General, among others.

The infrastructure delivery improvement programme is a capacity building programme that aims to improve the delivery of public sector infrastructure through institutionalising best practice and building capacity. The programme supports provincial departments that deliver infrastructure. Over the medium term, R452.7 million in the *Infrastructure Development Support* subprogramme is projected to be spent to deploy 36 long term technical assistants to train provincial officials on the infrastructure delivery management toolkit.

Transforming government procurement

Over the medium term, National Treasury will focus on transforming government procurement to make it more cost effective, transparent and equitable, through the Office of the Chief Procurement Officer, established in 2013/14. Wide ranging changes will be made to procurement systems across government, including: developing generic structures for supply chain management functions in budget and treasury offices in municipalities; implementing the supply chain management education, training and development framework; reviewing the bid evaluation and adjudication minutes of key government contracts; visiting government projects to ensure delivery; and implementing a price referencing system on a nationally accessible platform so that strategic goods can be bought at the best price. Expenditure on these activities is projected at R155 million over the medium term in the *Financial Accounting and Supply Chain Management Systems* programme, including R18.6 million reprioritised from within the department.

Strengthening government financial management

The Treasury's medium term focus on improving government financial management and financial systems is reflected in projected spending of R1.5 billion over the medium term period in the *Financial Systems* subprogramme in the *Financial Accounting and Supply Chain Management Systems* programme. Activities include accelerating the deployment of the integrated financial management systems to all government departments. Local government will be supported to build their financial management capacity through the local government financial management grant and the municipal finance improvement programme in the *Local Government Financial Management Support* subprogramme in the *Technical Support and Development Finance* programme. Transfers are projected to grow from R449.1 million in 2014/15 to R502 million in 2017/18. Spending on goods and services is projected to grow from R98.8 million in 2014/15 to R148.9 million in 2017/18. Local governments will use the funds to train interns, and finance experts will be deployed to assist municipalities, including to address issues detected through auditing processes.

Expenditure trends

Table 7.2 Vote expenditure trends by programme and economic classification

Programme	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million														
Programme 1	281.1	281.1	254.5	318.3	321.1	296.7	341.7	356.4	319.6	343.1	372.4	369.1	96.6%	93.2%
Programme 2	120.4	228.4	140.5	149.0	122.5	111.2	145.9	133.9	124.1	138.9	134.4	127.1	90.8%	81.2%
Programme 3	198.9	209.9	205.4	227.5	247.3	232.8	252.3	231.3	227.6	262.8	259.9	252.4	97.5%	96.8%
Programme 4	822.6	825.9	821.9	286.6	282.8	278.2	2 995.2	2 994.0	2 990.9	3 342.1	3 343.4	3 091.4	96.5%	96.5%
Programme 5	658.2	648.2	504.9	686.3	686.3	639.3	724.6	734.7	707.8	761.6	770.0	756.1	92.1%	91.9%

Table 7.2 Vote expenditure trends by programme and economic classification

Programme	2011/12			2012/13			2013/14			2014/15			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million														
Programme 6	812.4	818.7	857.8	1 038.2	1 040.5	1 003.1	1 112.5	1 092.0	1 067.7	1 179.8	1 199.7	1 192.6	99.5%	99.3%
Programme 7	3 139.8	3 776.9	3 313.2	3 348.3	3 345.9	3 343.6	3 497.0	3 497.0	3 523.1	3 717.8	3 717.8	3 717.8	101.4%	96.9%
Programme 8	3 066.5	3 552.2	1 765.6	2 404.8	1 999.6	1 982.6	2 777.8	2 483.9	2 437.3	3 712.2	3 099.8	2 684.8	74.2%	79.7%
Programme 9	8 653.6	8 653.6	8 653.6	9 194.4	9 149.4	9 149.4	9 534.4	9 534.4	9 534.4	9 440.3	9 440.3	9 440.3	99.9%	100.0%
Programme 10	3 755.0	3 755.0	3 755.0	3 897.8	3 982.1	3 982.1	4 174.6	4 174.6	4 174.6	4 366.3	4 366.3	4 366.3	100.5%	100.0%
Subtotal	21 508.5	22 749.8	20 272.4	21 551.1	21 177.6	21 019.0	25 556.0	25 232.3	25 107.1	27 265.0	26 703.9	25 997.8	96.4%	96.4%
Direct charge against the National Revenue Fund	371 536.7	375 064.7	376 049.0	405 210.0	408 574.9	410 488.7	445 415.7	446 793.2	447 809.7	485 012.5	484 907.8	485 439.0	100.7%	100.3%
Provincial equitable share	286 384.9	289 627.6	289 627.6	306 782.3	310 740.7	310 740.7	335 130.9	336 495.3	336 495.3	359 921.8	359 921.8	359 921.8	100.7%	100.0%
Debt-service costs	76 578.7	76 864.0	76 460.0	89 388.1	88 794.5	88 121.1	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	115 016.2	100.0%	100.0%
General fuel levy sharing with metropolitan municipalities	8 573.1	8 573.1	8 573.1	9 039.7	9 039.7	9 039.7	9 613.4	9 613.4	9 613.4	10 190.2	10 190.2	10 190.2	100.0%	100.0%
National revenue fund payments	–	–	1 388.3	–	–	2 587.2	930.0	200.0	516.3	–	310.9	310.9	516.4%	940.1%
Total	393 045.2	397 814.5	396 321.4	426 761.2	429 752.5	431 507.7	470 971.7	472 025.5	472 916.7	512 277.5	511 611.8	511 436.8	100.5%	100.1%
Change to 2014 Budget estimate										(665.7)				
Economic classification	78 215.4	78 606.4	77 903.0	90 942.4	90 494.8	89 721.3	101 551.5	102 283.2	102 885.2	116 832.7	116 304.8	116 807.4	99.9%	99.9%
Current payments	605.9	602.3	537.1	665.9	616.1	589.7	710.5	659.5	631.5	764.9	689.0	676.5	88.6%	94.9%
Compensation of employees														
Goods and services	1 030.8	1 140.1	905.9	888.4	1 084.2	1 010.5	1 099.5	1 139.2	1 069.0	1 167.2	1 130.8	1 114.7	97.9%	91.2%
of which:														
Administrative fees	7.0	117.9	49.3	21.2	6.6	5.0	5.7	6.3	3.9	5.1	3.4	3.3	157.8%	45.8%
Advertising	3.5	3.3	2.1	3.3	3.1	2.4	3.3	4.2	2.2	4.9	3.4	3.3	67.1%	71.4%
Assets less than the capitalisation threshold	3.1	2.6	0.3	2.6	2.5	0.8	3.6	1.9	0.3	1.8	1.2	1.2	24.1%	32.6%
Audit costs: External	11.1	10.3	8.8	11.2	11.6	11.0	11.3	13.4	12.6	15.5	12.8	16.7	100.0%	102.1%
Bursaries: Employees	2.5	2.7	3.0	5.4	5.3	3.6	5.8	5.0	4.2	6.8	6.0	6.1	82.9%	89.3%
Catering: Departmental activities	2.4	2.7	2.1	2.7	2.4	1.8	2.7	2.3	1.9	2.5	1.7	1.7	73.2%	82.6%
Communication	7.4	7.1	7.7	7.7	7.9	8.5	8.9	9.0	7.7	9.8	9.0	8.7	96.4%	98.7%
Computer services	417.9	393.4	288.5	249.5	419.3	380.3	437.3	438.8	432.5	438.2	437.5	423.0	98.8%	90.3%
Consultants and professional services: Business and advisory services	412.0	430.3	396.0	408.0	443.7	433.8	422.6	447.7	431.2	474.3	454.4	450.7	99.7%	96.4%
Consultants and professional services: Legal costs														
Contractors	3.4	3.2	1.6	3.0	3.4	1.5	2.3	4.4	2.5	3.8	3.7	3.2	70.6%	59.9%
Agency and support / outsourced services	10.9	15.3	13.0	12.7	16.1	10.3	17.5	19.4	15.7	28.4	9.6	9.7	69.9%	80.5%
Entertainment	0.5	0.5	0.2	0.5	0.5	0.2	0.5	0.6	0.2	0.5	0.4	0.4	50.2%	51.7%
Fleet services (including government motor transport)	–	–	0.3	0.5	–	0.8	–	2.2	1.6	2.3	2.3	2.3	177.5%	111.1%
Consumable supplies	2.8	2.8	2.6	3.0	3.3	2.5	3.2	5.0	3.4	4.0	3.4	3.3	91.2%	81.0%
Consumables: Stationery, printing and office supplies	14.8	16.0	11.8	15.7	16.2	13.0	16.2	17.7	11.1	15.0	15.2	14.5	81.6%	77.4%
Operating leases	34.2	33.3	38.6	36.2	34.7	41.0	48.7	47.7	41.4	48.8	61.8	61.8	108.9%	103.0%
Property payments	12.1	12.2	11.3	13.0	14.5	11.4	21.6	20.3	12.0	18.6	19.1	19.1	82.4%	81.5%
Travel and subsistence	49.7	49.9	40.1	52.9	50.4	48.1	49.9	56.3	48.7	50.9	48.8	48.4	91.1%	90.3%
Training and development	11.0	11.0	10.9	8.7	12.3	10.5	10.4	9.4	6.0	9.3	9.4	9.3	93.1%	87.0%
Operating payments	4.9	4.8	2.6	7.0	6.5	4.8	5.5	5.4	5.9	4.2	5.6	6.0	89.1%	86.5%
Venues and facilities	9.4	10.8	7.6	11.1	11.7	8.1	10.0	9.5	13.1	9.9	9.4	9.4	94.5%	92.3%
Interest and rent on land	76 578.7	76 864.0	76 460.0	89 388.1	88 794.5	88 121.1	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	115 016.2	100.0%	100.0%
Transfers and subsidies	314 066.1	318 437.5	316 021.9	335 424.4	339 023.4	338 507.6	365 286.5	366 323.5	366 588.1	391 863.0	391 336.9	390 905.3	100.4%	99.8%
Provinces and municipalities	295 053.0	299 374.3	299 362.7	316 878.3	320 836.7	320 836.7	345 905.6	347 270.0	347 257.9	371 511.7	371 511.7	371 511.7	100.7%	100.0%
Departmental agencies and accounts	13 175.4	12 588.0	12 672.7	13 278.3	13 316.8	13 316.8	13 919.6	13 922.2	13 921.9	14 011.1	14 127.7	14 101.7	99.3%	100.1%
Higher education institutions	–	–	–	8.0	9.0	9.0	10.0	10.0	10.0	5.8	5.8	5.8	104.2%	100.0%

Table 7.2 Vote expenditure trends by programme and economic classification

Economic classification	2011/12			2012/13			2013/14			2014/15			2011/12 - 2014/15	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget: Average (%)	Outcome/Adjusted appropriation: Average (%)
R million														
Foreign governments and international organisations	781.9	786.4	585.8	1 004.7	1 012.7	628.2	800.4	771.5	1 026.9	828.3	777.2	771.7	88.2%	90.0%
Public corporations and private enterprises	1 960.0	1 960.0	150.7	953.6	545.5	545.5	1 206.3	903.1	903.1	1 844.5	1 252.2	852.2	41.1%	52.6%
Non-profit institutions	0.1	0.1	0.1	0.1	0.1	–	–	–	–	–	–	–	43.0%	45.5%
Households	3 095.8	3 728.6	3 249.9	3 301.3	3 302.5	3 171.4	3 444.6	3 446.7	3 468.2	3 661.6	3 662.2	3 662.2	100.4%	95.8%
Payments for capital assets	13.7	20.6	9.1	194.4	34.3	19.9	21.6	33.3	21.6	11.4	19.6	26.4	31.9%	71.4%
Buildings and other fixed structures	3.6	3.6	–	5.3	5.0	0.6	5.0	5.0	–	–	–	–	4.4%	4.5%
Machinery and equipment	10.1	17.0	9.1	189.1	29.3	19.3	16.6	28.3	21.6	11.4	19.6	26.4	33.6%	81.0%
Payments for financial assets	750.0	750.0	2 387.5	200.0	200.0	3 258.9	4 112.0	3 385.5	3 421.8	3 570.5	3 950.5	3 697.7	147.9%	154.1%
Total	393 045.2	397 814.5	396 321.4	426 761.2	429 752.5	431 507.7	470 971.7	472 025.5	472 916.7	512 277.5	511 611.8	511 436.8	100.5%	100.1%

Expenditure estimates

Table 7.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Economic Policy, Tax, Financial Regulation and Research									
3. Public Finance and Budget Management									
4. Asset and Liability Management									
5. Financial Accounting and Supply Chain Management Systems									
6. International Financial Relations									
7. Civil and Military Pensions, Contributions to Funds and Other Benefits									
8. Technical Support and Development Finance									
9. Revenue Administration									
10. Financial Intelligence and State Security									
Programme	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
R million	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18		
Programme 1	369.1	9.5%	0.1%	366.7	379.5	398.8	2.6%	0.1%	
Programme 2	127.1	-17.8%	0.0%	133.9	142.6	153.8	6.6%	0.0%	
Programme 3	252.4	6.3%	0.1%	257.0	275.8	294.8	5.3%	0.0%	
Programme 4	3 091.4	55.3%	0.4%	3 116.9	98.1	104.5	-67.7%	0.3%	
Programme 5	756.1	5.3%	0.1%	751.4	825.4	883.0	5.3%	0.1%	
Programme 6	1 192.6	13.4%	0.2%	1 247.4	1 314.4	1 380.2	5.0%	0.2%	
Programme 7	3 717.8	-0.5%	0.8%	3 962.9	4 173.2	4 381.9	5.6%	0.7%	
Programme 8	2 684.8	-8.9%	0.5%	3 143.9	3 278.2	3 331.7	7.5%	0.5%	
Programme 9	9 440.3	2.9%	2.0%	9 434.4	10 433.5	11 415.6	6.5%	1.8%	
Programme 10	4 366.3	5.2%	0.9%	4 542.8	4 793.0	5 033.7	4.9%	0.8%	
Subtotal	25 997.8	4.5%	5.1%	26 957.3	25 713.8	27 378.2	1.7%	4.7%	
Direct charge against the National Revenue Fund	485 439.0	9.0%	94.9%	519 893.8	557 459.3	594 053.5	7.0%	95.3%	
Provincial equitable share	359 921.8	7.5%	71.6%	382 673.5	405 264.6	428 892.5	6.0%	69.7%	
Debt-service costs	115 016.2	14.4%	21.0%	126 440.4	140 970.9	153 376.0	10.1%	23.7%	
General fuel levy sharing with metropolitan municipalities	10 190.2	5.9%	2.1%	10 658.9	11 223.8	11 785.0	5.0%	1.9%	
National Revenue Fund payments	310.9	–	0.3%	121.0	–	–	-100.0%	0.0%	
Total	511 436.8	8.7%	100.0%	546 851.1	583 173.1	621 431.7	6.7%	100.0%	
Change to 2014 Budget estimate				(3 279.5)	(2 415.5)	4 877.6			
Economic classification									
Current payments	116 807.4	14.1%	21.4%	128 388.5	143 052.9	155 575.7	10.0%	24.0%	
Compensation of employees	676.5	4.0%	0.1%	725.5	774.8	825.0	6.8%	0.1%	
Goods and services	1 114.7	-0.8%	0.2%	1 222.6	1 307.1	1 374.8	7.2%	0.2%	
of which:									
Administrative fees	3.3	-69.8%	0.0%	3.1	3.2	3.8	4.7%	0.0%	
Advertising	3.3	-0.2%	0.0%	2.4	2.9	3.0	-2.7%	0.0%	
Assets less than the capitalisation threshold	1.2	-23.1%	0.0%	1.0	1.1	1.1	-0.5%	0.0%	
Audit costs: External	16.7	17.4%	0.0%	13.5	14.2	15.1	-3.3%	0.0%	
Bursaries: Employees	6.1	31.8%	0.0%	6.0	5.8	6.0	-0.6%	0.0%	
Catering: Departmental activities	1.7	-14.2%	0.0%	2.4	2.5	2.6	15.1%	0.0%	
Communication	8.7	6.9%	0.0%	8.9	9.2	9.7	3.8%	0.0%	
Computer services	423.0	2.4%	0.1%	445.4	496.7	523.3	7.4%	0.1%	

Table 7.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
				2014/15	2011/12 - 2014/15	2015/16		
R million								
Consultants and professional services: Business and advisory services	450.7	1.6%	0.1%	550.1	571.6	600.2	10.0%	0.1%
Consultants and professional services: Legal costs	12.9	8.5%	0.0%	11.3	11.9	12.6	-0.9%	0.0%
Contractors	3.2	0.8%	0.0%	3.0	3.2	3.3	0.4%	0.0%
Agency and support / outsourced services	9.7	-14.1%	0.0%	9.8	10.4	10.9	4.0%	0.0%
Entertainment	0.4	-9.8%	0.0%	0.5	0.5	0.5	13.2%	0.0%
Fleet services (including government motor transport)	2.3	-	0.0%	2.0	2.1	2.2	-1.3%	0.0%
Consumable supplies	3.3	6.1%	0.0%	3.5	3.6	4.0	6.7%	0.0%
Consumables: Stationery, printing and office supplies	14.5	-3.2%	0.0%	12.7	13.7	14.1	-0.9%	0.0%
Operating leases	61.8	22.8%	0.0%	56.1	57.8	60.9	-0.5%	0.0%
Property payments	19.1	15.9%	0.0%	13.8	15.6	16.7	-4.3%	0.0%
Travel and subsistence	48.4	-1.1%	0.0%	48.0	51.1	53.8	3.6%	0.0%
Training and development	9.3	-5.7%	0.0%	9.1	9.7	10.1	2.9%	0.0%
Operating payments	6.0	7.8%	0.0%	3.3	3.8	4.0	-12.2%	0.0%
Venues and facilities	9.4	-4.6%	0.0%	16.6	16.5	16.9	21.7%	0.0%
Interest and rent on land	115 016.2	14.4%	21.0%	126 440.4	140 970.9	153 376.0	10.1%	23.7%
Transfers and subsidies	390 905.3	7.1%	77.9%	414 954.5	439 761.9	465 477.7	6.0%	75.6%
Provinces and municipalities	371 511.7	7.5%	73.9%	394 767.6	417 975.0	442 275.9	6.0%	71.9%
Departmental agencies and accounts	14 101.7	3.9%	3.0%	15 420.4	16 747.2	17 913.2	8.3%	2.8%
Higher education institutions	5.8	-	0.0%	-	-	-	-100.0%	0.0%
Foreign governments and international organisations	771.7	-0.6%	0.2%	854.1	920.5	964.1	7.7%	0.2%
Public corporations and private enterprises	852.2	-24.2%	0.1%	11.4	12.0	12.6	-75.5%	0.0%
Households	3 662.2	-0.6%	0.7%	3 900.9	4 107.3	4 311.9	5.6%	0.7%
Payments for capital assets	26.4	8.6%	0.0%	16.4	12.8	13.2	-20.7%	0.0%
Machinery and equipment	26.4	15.7%	0.0%	16.4	12.8	13.2	-20.7%	0.0%
Payments for financial assets	3 697.7	70.2%	0.7%	3 491.7	3 45.5	3 65.1	-53.8%	0.3%
Total	511 436.8	8.7%	100.0%	546 851.1	583 173.1	621 431.7	6.7%	100.0%

Personnel information

Table 7.4 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of posts estimated for 31 March 2015		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
Number of funded posts	Number of posts additional to the establishment	2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
National Treasury																			
Salary level	1 252	33	1 161	602.1	0.5	1 301	676.5	0.5	1 153	725.5	0.6	1 153	774.8	0.7	1 153	825.0	0.7	-3.9%	100.0%
1 – 6	66	4	77	13.7	0.2	71	14.8	0.2	69	15.0	0.2	69	16.1	0.2	69	17.2	0.2	-0.9%	5.8%
7 – 10	532	5	510	161.8	0.3	549	176.7	0.3	503	189.4	0.4	503	204.1	0.4	503	219.0	0.4	-2.9%	43.2%
11 – 12	351	6	301	179.2	0.6	347	202.5	0.6	298	209.3	0.7	298	225.5	0.8	298	242.1	0.8	-4.9%	26.1%
13 – 16	301	18	271	244.1	0.9	332	278.5	0.8	281	307.6	1.1	281	324.7	1.2	281	341.9	1.2	-5.4%	24.7%
Other	2	-	2	3.3	1.7	2	4.0	2.0	2	4.2	2.1	2	4.5	2.3	2	4.8	2.4	-	0.2%

Table 7.4 Vote personnel numbers and cost by salary level and programme¹

Number of posts estimated for 31 March 2015			Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
National Treasury																			
Programme	1 252	33	1 161	602.1	0.5	1 301	676.5	0.5	1 153	725.5	0.6	1 153	774.8	0.7	1 153	825.0	0.7	-3.9%	100.0%
Programme 1	391	7	385	144.3	0.4	397	166.5	0.4	366	188.9	0.5	366	197.0	0.5	366	204.8	0.6	-2.7%	31.4%
Programme 2	131	-	96	66.7	0.7	131	69.8	0.5	106	79.1	0.7	106	85.1	0.8	106	91.4	0.9	-6.8%	9.4%
Programme 3	270	13	263	157.0	0.6	300	174.9	0.6	267	185.0	0.7	267	199.2	0.7	267	213.8	0.8	-3.8%	23.1%
Programme 4	116	1	112	62.8	0.6	117	70.6	0.6	111	73.6	0.7	111	79.2	0.7	111	85.0	0.8	-1.7%	9.5%
Programme 5	303	10	265	149.5	0.6	313	167.9	0.5	263	167.7	0.6	263	180.8	0.7	263	194.2	0.7	-5.6%	23.2%
Programme 6	41	2	40	21.8	0.5	43	26.8	0.6	40	31.4	0.8	40	33.5	0.8	40	35.8	0.9	-2.4%	3.4%

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

2. Rand million.

Departmental receipts

Table 7.5 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/total: Average (%)
	2011/12	2012/13	2013/14					2014/15	2015/16	2016/17		
	2011/12 - 2014/15		2015/16 - 2017/18		2014/15 - 2017/18							
Departmental receipts	3 409 060	4 201 708	3 687 531	4 446 637	5 569 517	17.8%	31.1%	4 057 867	4 208 230	4 183 930	-9.1%	48.9%
Sales of goods and services produced by department	71 687	53 840	73 026	40 744	50 449	-11.1%	0.5%	19 834	16 306	10 791	-40.2%	0.3%
Sales by market establishments	91	99	96	99	99	2.8%	-	100	100	110	3.6%	-
of which:												
Rental parking: Covered and open	91	96	96	96	96	1.8%	-	100	100	110	4.6%	-
Access to information	-	3	-	3	3	-	-	-	-	-	-100.0%	-
Administrative fees	5	4	-	5	5	-	-	10	10	10	26.0%	-
of which:												
Required information: Duplicate certificate	5	4	-	5	5	-	-	10	10	10	26.0%	-
Other sales	71 591	53 737	72 930	40 640	50 345	-11.1%	0.5%	19 724	16 196	10 671	-40.4%	0.3%
of which:												
Commission: Insurance	63	68	73	74	74	5.5%	-	60	60	70	-1.8%	-
Directors fees	196	176	307	260	260	9.9%	-	215	228	242	-2.4%	-
Replacement of security cards	2	2	7	10	10	71.0%	-	3	3	4	-26.3%	-
Fees for government guarantee insurance	71 274	53 429	72 467	40 293	49 998	-11.1%	0.5%	19 443	15 902	10 352	-40.8%	0.3%
Sales of assets less than R5 000	56	62	76	3	3	-62.3%	-	3	3	3	-	-
Sales of scrap, waste, arms and other used current goods	26	26	61	12	12	-22.7%	-	13	13	13	2.7%	-
of which:												
Waste paper	14	11	5	12	12	-5.0%	-	12	12	12	-	-
Scrap	-	-	24	-	-	-	-	-	-	-	-	-
Departmental publications	12	15	32	-	-	-100.0%	-	1	1	1	-	-
Interest, dividends and rent on land	2 861 771	3 245 937	2 586 428	3 404 139	4 517 314	16.4%	24.4%	2 958 020	3 111 911	3 083 126	-12.0%	37.1%
Interest	2 735 115	3 089 037	2 479 141	3 284 362	4 311 537	16.4%	23.3%	2 813 670	2 955 802	2 917 934	-12.2%	35.3%
Dividends	126 656	156 900	107 287	119 777	205 777	17.6%	1.1%	144 350	156 109	165 192	-7.1%	1.8%
of which:												
South African Reserve Bank	126 656	156 900	107 287	-	-	-100.0%	0.7%	10 000	10 000	10 000	-	0.1%
South African Special Risks Insurance Association	-	-	-	119 777	205 777	-	0.4%	134 350	146 109	155 192	-9.0%	1.7%
Sales of capital assets	-	261	111	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	475 576	901 644	1 027 905	1 001 742	1 001 742	28.2%	6.3%	1 080 000	1 080 000	1 090 000	2.9%	11.5%

Table 7.5 Departmental receipts by economic classification

Departmental receipts	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ total: Average (%)
	2011/12	2012/13	2013/14					2014/15	2015/16	2016/17		
R thousand	5 200 951	11 533 610	11 663 544	7 972 000	8 942 000	19.8%	68.9%	2 000 000	5 400 000	2 500 000	-34.6%	51.1%
National Revenue												
Fund receipts												
of which:												
Revaluation profits on foreign currency transactions	640 938	939 005	5 670 623	3 930 000	4 250 000	87.9%	21.2%	2 000 000	5 400 000	2 500 000	-16.2%	38.4%
Premiums on loan transactions	3 483 031	10 541 967	5 510 307	4 000 000	4 650 000	10.1%	44.6%	-	-	-	-100.0%	12.6%
Liquidation of South African Special Risks Insurance Association investment	227 987	50 000	75 000	40 000	40 000	-44.0%	0.7%	-	-	-	-100.0%	0.1%
Saambou Bank curatorship	30 000	-	-	-	-	-100.0%	0.1%	-	-	-	-	-
Profits from gold and foreign exchange contingency reserve account: Penalties on retail bonds	794 283	-	-	-	-	-100.0%	1.5%	-	-	-	-	-
Other (Mainly penalties on retail bonds)	24 712	2 638	8 346	2 000	2 000	-56.7%	0.1%	-	-	-	-100.0%	-
Proceeds from foreign exchange amnesty	-	-	399 268	-	-	-	0.7%	-	-	-	-	-
Total	8 610 011	15 735 318	15 351 075	12 418 637	14 511 517	19.0%	100.0%	6 057 867	9 608 230	6 683 930	-22.8%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 7.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Ministry	2 976	3 143	3 301	4 005	10.4%	1.1%	4 225	4 504	4 788	6.1%	1.2%
Departmental Management	31 148	37 823	42 184	46 340	14.2%	12.7%	44 915	45 862	48 920	1.8%	12.3%
Corporate Services	80 327	89 032	90 455	109 828	11.0%	29.7%	104 600	109 455	116 965	2.1%	29.1%
Enterprise Wide Risk Management	17 529	25 637	32 042	27 345	16.0%	8.2%	24 489	25 943	27 803	0.6%	7.0%
Financial Administration	30 089	32 181	35 662	40 911	10.8%	11.2%	56 525	54 136	52 692	8.8%	13.5%
Legal Services	12 437	15 656	16 439	16 719	10.4%	4.9%	16 795	17 894	18 948	4.3%	4.6%
Internal Audit	9 470	15 674	22 014	18 646	25.3%	5.3%	18 417	19 705	20 860	3.8%	5.1%
Communications	7 134	9 586	8 838	10 164	12.5%	2.9%	10 591	11 411	12 142	6.1%	2.9%
Office Accommodation	63 424	68 011	68 661	98 424	15.8%	24.0%	86 108	90 619	95 729	-0.9%	24.4%
Total	254 534	296 743	319 596	372 382	13.5%	100.0%	366 665	379 529	398 847	2.3%	100.0%
Change to 2014 Budget estimate				29 247			6 213	(2 666)	(4 935)		
Economic classification											
Current payments	245 623	279 812	298 582	356 722	13.2%	95.0%	353 844	370 554	389 851	3.0%	96.9%
Compensation of employees	116 546	132 490	144 304	169 300	13.3%	45.3%	188 861	196 968	204 753	6.5%	50.1%
Goods and services	129 077	147 322	154 278	187 422	13.2%	49.7%	164 983	173 586	185 098	-0.4%	46.9%
of which:											
Administrative fees	1 833	1 306	1 841	1 170	-13.9%	0.5%	1 133	1 011	1 249	2.2%	0.3%
Advertising	624	713	618	1 014	17.6%	0.2%	685	762	765	-9.0%	0.2%
Assets less than the capitalisation threshold	178	555	100	589	49.0%	0.1%	407	386	394	-12.5%	0.1%
Audit costs: External	5 463	6 387	8 256	8 170	14.4%	2.3%	7 920	8 422	8 925	3.0%	2.2%
Bursaries: Employees	456	530	690	1 416	45.9%	0.2%	1 369	1 403	1 539	2.8%	0.4%
Catering: Departmental activities	832	562	611	521	-14.4%	0.2%	739	767	808	15.8%	0.2%
Communication	4 806	5 215	4 700	5 479	4.5%	1.6%	5 454	5 582	5 888	2.4%	1.5%
Computer services	21 200	23 087	18 388	26 457	7.7%	7.2%	21 014	21 847	23 476	-3.9%	6.1%
Consultants and professional services: Business and advisory services	7 248	12 011	18 927	13 920	24.3%	4.2%	10 284	11 616	13 411	-1.2%	3.2%
Consultants and professional services: Legal costs	7 324	9 891	10 679	11 407	15.9%	3.2%	11 345	11 949	12 565	3.3%	3.1%
Contractors	1 570	1 404	2 175	3 507	30.7%	0.7%	2 815	2 925	3 023	-4.8%	0.8%
Agency and support / outsourced services	6 808	8 825	10 368	9 487	11.7%	2.9%	9 819	10 353	10 871	4.6%	2.7%

Table 7.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2014/15	2015/16	2016/17	2017/18		
R thousand											
Entertainment	42	66	59	119	41.5%	-	133	142	150	8.0%	-
Fleet services (including government motor transport)	295	356	1 608	2 222	96.0%	0.4%	1 949	2 044	2 138	-1.3%	0.6%
Consumable supplies	2 560	2 429	2 850	2 569	0.1%	0.8%	2 563	2 678	3 033	5.7%	0.7%
Consumables: Stationery, printing and office supplies	3 403	3 113	3 116	4 052	6.0%	1.1%	3 635	3 630	3 764	-2.4%	1.0%
Operating leases	37 454	39 555	39 490	59 675	16.8%	14.2%	53 706	55 270	58 146	-0.9%	14.9%
Property payments	11 306	11 420	12 026	19 055	19.0%	4.3%	13 774	15 566	16 677	-4.3%	4.3%
Travel and subsistence	11 449	15 806	15 189	11 611	0.5%	4.3%	11 906	12 525	13 242	4.5%	3.2%
Training and development	3 222	2 612	2 026	4 026	7.7%	1.0%	3 535	3 776	3 986	-0.3%	1.0%
Operating payments	730	885	431	627	-4.9%	0.2%	479	565	639	0.6%	0.2%
Venues and facilities	274	594	130	329	6.3%	0.1%	319	367	409	7.5%	0.1%
Transfers and subsidies	2 417	2 635	3 541	4 157	19.8%	1.0%	3 590	3 703	3 832	-2.7%	1.0%
Departmental agencies and accounts	482	533	1 866	2 358	69.8%	0.4%	2 090	2 123	2 077	-4.1%	0.6%
Households	1 935	2 102	1 675	1 799	-2.4%	0.6%	1 500	1 580	1 755	-0.8%	0.4%
Payments for capital assets	6 470	14 292	17 199	11 503	21.1%	4.0%	9 231	5 272	5 164	-23.4%	2.1%
Buildings and other fixed structures	-	615	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 470	13 677	17 199	11 503	21.1%	3.9%	9 231	5 272	5 164	-23.4%	2.1%
Payments for financial assets	24	4	274	-	-100.0%	-	-	-	-	-	-
Total	254 534	296 743	319 596	372 382	13.5%	100.0%	366 665	379 529	398 847	2.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.3%	1.4%	1.3%	1.4%	-	-	1.4%	1.5%	1.5%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current											
Employee social benefits	557	320	324	231	-25.4%	0.1%	-	-	-	-100.0%	-
Households											
Other transfers to households											
Current											
Bursaries for non-employees	1 378	1 782	1 351	1 568	4.4%	0.5%	1 500	1 580	1 755	3.8%	0.4%
Advocate Zubeida Barmania	1 378	1 532	1 351	1 568	4.4%	0.5%	1 500	1 580	1 755	3.8%	0.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current											
Communication	482	533	1 866	2 358	69.8%	0.4%	2 090	2 123	2 077	-4.1%	0.6%
Finance and Accounting Services Sector	-	6	9	15	-	-	16	17	18	6.3%	-
Education and Training Authority	482	527	1 857	2 343	69.4%	0.4%	2 074	2 106	2 059	-4.2%	0.6%

Personnel information

Table 7.7 Administration personnel numbers and cost by salary level¹

Administration	Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2013/14	2014/15	2015/16	2016/17	2017/18												
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	391	7	385	144.3	0.4	397	166.5	0.4	366	188.9	0.5	366	197.0	0.5	366	204.8	0.6	-2.7%	100.0%
1 - 6	52	-	57	9.6	0.2	51	10.8	0.2	49	10.7	0.2	49	11.4	0.2	49	12.1	0.2	-1.3%	13.2%
7 - 10	230	2	224	58.6	0.3	231	68.6	0.3	216	72.2	0.3	216	77.8	0.4	216	83.6	0.4	-2.2%	58.8%
11 - 12	63	-	54	31.8	0.6	62	34.5	0.6	54	37.0	0.7	54	39.9	0.7	54	42.9	0.8	-4.5%	15.0%
13 - 16	44	5	48	41.0	0.9	51	48.6	1.0	45	64.8	1.4	45	63.4	1.4	45	61.4	1.4	-4.1%	12.4%
Other	2	-	2	3.3	1.7	2	4.0	2.0	2	4.2	2.1	2	4.5	2.3	2	4.8	2.4	-	0.5%

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

2. Rand million.

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

Programme purpose

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

Objectives

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

Subprogrammes

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

Expenditure trends and estimates

Table 7.8 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
R thousand											
Programme Management for Economic Policy, Tax, Financial Regulation and Research	19 736	19 351	20 220	21 068	2.2%	15.8%	22 778	24 346	25 746	6.9%	16.6%
Research	9 749	7 493	16 657	10 700	3.2%	8.7%	12 648	13 318	13 984	9.3%	9.0%
Financial Sector Policy	61 487	21 393	25 110	33 558	-18.3%	27.7%	30 345	32 619	34 954	1.4%	23.3%
Tax Policy	23 026	24 233	23 401	23 705	1.0%	18.5%	24 309	26 178	28 066	5.8%	18.1%
Economic Policy	17 159	22 764	22 473	28 489	18.4%	17.8%	27 636	29 702	31 822	3.8%	20.8%
Cooperative Banks Development Agency	9 310	16 000	16 236	16 838	21.8%	11.4%	16 176	16 472	19 275	4.6%	12.2%
Total	140 467	111 234	124 097	134 358	-1.5%	100.0%	133 892	142 635	153 847	4.6%	100.0%
Change to 2014 Budget estimate				(4 562)			(12 445)	(13 055)	(10 854)		

Table 7.8 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%) 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
	R thousand										
Current payments	119 550	84 521	97 122	106 152	-3.9%	79.8%	105 881	113 613	121 407	4.6%	79.2%
Compensation of employees	56 188	62 226	66 731	75 327	10.3%	51.1%	79 057	85 132	91 425	6.7%	58.6%
Goods and services	63 362	22 295	30 391	30 825	-21.4%	28.8%	26 824	28 481	29 982	-0.9%	20.6%
of which:											
Administrative fees	43 377	714	134	404	-79.0%	8.7%	228	277	292	-10.3%	0.2%
Advertising	363	384	343	581	17.0%	0.3%	395	382	400	-11.7%	0.3%
Assets less than the capitalisation threshold	18	23	16	63	51.8%	-	68	105	117	22.9%	0.1%
Bursaries: Employees	182	299	819	737	59.4%	0.4%	438	328	341	-22.7%	0.3%
Catering: Departmental activities	154	151	147	167	2.7%	0.1%	200	187	197	5.7%	0.1%
Communication	317	424	351	455	12.8%	0.3%	445	460	490	2.5%	0.3%
Computer services	40	102	37	108	39.2%	0.1%	26	12	32	-33.3%	-
Consultants and professional services: Business and advisory services	11 083	8 330	17 121	15 171	11.0%	10.1%	13 885	14 618	15 375	0.4%	10.5%
Contractors	3	54	8	1	-30.7%	-	-	-	-	-100.0%	-
Entertainment	15	26	18	45	44.2%	-	63	65	66	13.6%	-
Fleet services (including government motor transport)	-	410	3	-	-	0.1%	-	-	-	-	-
Consumable supplies	-	6	71	103	-	-	177	184	207	26.2%	0.1%
Consumables: Stationery, printing and office supplies	687	859	884	1 142	18.5%	0.7%	937	1 012	1 071	-2.1%	0.7%
Operating leases	98	133	202	306	46.2%	0.1%	293	306	322	1.7%	0.2%
Travel and subsistence	5 091	5 652	5 448	6 359	7.7%	4.4%	6 542	7 075	7 456	5.4%	4.9%
Training and development	550	618	562	634	4.9%	0.5%	681	739	760	6.2%	0.5%
Operating payments	1 284	3 117	4 012	3 873	44.5%	2.4%	2 214	2 530	2 663	-11.7%	2.0%
Venues and facilities	100	993	215	676	89.1%	0.4%	232	201	193	-34.2%	0.2%
Transfers and subsidies	20 498	26 191	26 531	27 653	10.5%	19.8%	27 560	28 471	31 861	4.8%	20.5%
Departmental agencies and accounts	9 310	16 000	16 236	16 838	21.8%	11.4%	16 176	16 472	19 275	4.6%	12.2%
Public corporations and private enterprises	11 000	10 000	9 900	10 780	-0.7%	8.2%	11 384	11 999	12 586	5.3%	8.3%
Households	188	191	395	35	-42.9%	0.2%	-	-	-	-100.0%	-
Payments for capital assets	408	522	443	553	10.7%	0.4%	451	551	579	1.5%	0.4%
Machinery and equipment	408	522	443	553	10.7%	0.4%	451	551	579	1.5%	0.4%
Payments for financial assets	11	-	1	-	-100.0%	-	-	-	-	-	-
Total	140 467	111 234	124 097	134 358	-1.5%	100.0%	133 892	142 635	153 847	4.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.5%	0.5%	0.5%	-	-	0.5%	0.6%	0.6%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	188	191	395	35	-42.9%	0.2%	-	-	-	-100.0%	-
Employee social benefits	188	191	395	35	-42.9%	0.2%	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	9 310	16 000	16 236	16 838	21.8%	11.4%	16 176	16 472	19 275	4.6%	12.2%
Cooperative Banks Development Agency	9 310	16 000	16 236	16 838	21.8%	11.4%	16 176	16 472	19 275	4.6%	12.2%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	11 000	10 000	9 900	10 780	-0.7%	8.2%	11 384	11 999	12 586	5.3%	8.3%
Economic Research Southern Africa	11 000	10 000	9 900	10 780	-0.7%	8.2%	11 384	11 999	12 586	5.3%	8.3%

Personnel information

Table 7.9 Economic Policy, Tax, Financial Regulation and Research personnel numbers and cost by salary level¹

Economic Policy, Tax, Financial Regulation and Research	Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2014/15 - 2017/18	Salary level/total: Average (%)			
			2013/14		2014/15		2015/16		2016/17		2017/18								
			Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost							
Salary level	131	-	96	66.7	0.7	131	69.8	0.5	106	79.1	0.7	106	85.1	0.8	106	91.4	0.9	-6.8%	100.0%
1 - 6	1	-	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	-	0.9%
7 - 10	30	-	25	11.0	0.4	35	10.9	0.3	29	12.0	0.4	29	12.9	0.4	29	13.9	0.5	-6.1%	27.2%
11 - 12	47	-	32	21.0	0.7	43	21.3	0.5	35	24.5	0.7	35	26.4	0.8	35	28.4	0.8	-6.6%	33.0%
13 - 16	53	-	38	34.6	0.9	52	37.4	0.7	41	42.3	1.0	41	45.6	1.1	41	48.9	1.2	-7.6%	39.0%

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

2. Rand million.

Programme 3: Public Finance and Budget Management

Programme purpose

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

Objectives

- Give effect to government's economic, fiscal, social and development goals by engaging in an ongoing analytical and consultative process to produce the national budget to be tabled annually in Parliament.
- Promote accountability and transparency by:
 - publishing the Budget Review, Estimates of National Expenditure and Medium Term Budget Policy Statement and appropriation legislation containing relevant financial information and associated indicators of service delivery and performance on an annual basis
 - monitoring and analysing progress on the implementation of the appropriated budget on a monthly, quarterly and annual basis.
- Contribute to public policy and programme development by promoting sound planning, budgeting and project management, and providing increased support to public finance reform in provinces and municipalities on an ongoing basis.
- Provide a mechanism for accessing private sector finance and expertise to support the development and implementation of services infrastructure in all spheres of government by assessing all major infrastructure initiatives and employing the appropriate financing mechanism on an annual basis.
- Ensure the appropriate use of public and private financial resources for social and economic development and infrastructure investment by continuously improving the monitoring and analysis of public expenditure monthly, quarterly and annually.
- Promote and support public private partnerships by improving capacity in capital projects planning and oversight through:
 - providing advisory support to all public private partnership and large capital projects in development and implementation over the medium term
 - facilitating compliance with regulations, to ensure adherence by the state organs to financial management frameworks and infrastructure planning and implementation, as and when requested
 - mobilising public and private sector investment in community and economic infrastructure by supporting 40 projects in the neighbourhood development partnership programme annually.

Subprogrammes

- *Programme Management for Public Finance and Budget Management* provides support to the programme's planning, monitoring and delivery functions. Key activities include oversight, and managing the processes related to the annual publication of the Medium Term Budget Policy Statement, the coordination of the annual Budget, and the production of the Division of Revenue Bill for the three spheres of government.
- *Public Finance* provides financial and budgetary analysis of government programmes, advises on policy and service delivery trends, and manages National Treasury's relations with other national departments.
- *Budget Office and Coordination* is responsible for the provision of fiscal policy advice and the alignment of government's medium term spending and revenue plans with its longer term fiscal policy and strategic priorities. The unit leads the budget reform programme, coordinates international technical assistance and donor finance, provides advice on public service remuneration and pension arrangements, and compiles public finance statistics. It is also responsible for the effective implementation of conditions stipulated for conditional allocations and performing assessments for the grants.
- *Intergovernmental Relations* coordinates fiscal relations between national, provincial and local government; promotes sound provincial and municipal budgetary planning, reporting and financial management; and

provides infrastructure support for government with the aim of promoting the improved planning and management of the service delivery targets for the spheres of government.

- *Financial and Fiscal Commission* facilitates the annual transfer payment to the Financial and Fiscal Commission, which provides independent, objective, impartial and unbiased advice to all three spheres of government regarding the division of revenue, as well as advice on the enactment of legislation pertaining to provincial taxes, municipal fiscal powers and functions, and provincial and municipal loans.

Expenditure trends and estimates

Table 7.10 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2011/12 - 2014/15	Expenditure/ Total: Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Expenditure/ Total: Average (%)
R thousand											
Programme Management for Public Finance and Budget Management	14 626	33 781	17 322	22 092	14.7%	9.5%	19 690	21 152	22 518	0.6%	7.9%
Public Finance	45 092	46 601	47 486	54 760	6.7%	21.0%	56 691	61 120	65 369	6.1%	21.9%
Budget Office and Coordination	43 283	47 593	52 429	59 014	10.9%	21.9%	59 897	64 439	69 093	5.4%	23.2%
Intergovernmental Relations	69 373	67 515	70 763	79 523	4.7%	31.0%	80 131	86 513	92 612	5.2%	31.2%
Financial and Fiscal Commission	33 036	37 268	39 567	44 488	10.4%	16.7%	40 556	42 559	45 204	0.5%	15.9%
Total	205 410	232 758	227 567	259 877	8.2%	100.0%	256 965	275 783	294 796	4.3%	100.0%
Change to 2014 Budget estimate				(2 948)			(19 769)	(19 291)	(17 815)		
Economic classification											
Current payments	171 369	193 157	185 294	213 654	7.6%	82.5%	215 109	231 727	247 990	5.1%	83.5%
Compensation of employees	142 774	152 151	157 011	180 921	8.2%	68.4%	184 987	199 171	213 767	5.7%	71.6%
Goods and services	28 595	41 006	28 283	32 733	4.6%	14.1%	30 122	32 556	34 223	1.5%	11.9%
of which:											
Administrative fees	887	759	485	674	-8.7%	0.3%	532	651	700	1.3%	0.2%
Advertising	346	570	417	603	20.3%	0.2%	544	592	633	1.6%	0.2%
Assets less than the capitalisation threshold	71	56	129	167	33.0%	-	130	198	192	4.8%	0.1%
Bursaries: Employees	409	664	586	965	33.1%	0.3%	1 012	937	792	-6.4%	0.3%
Catering: Departmental activities	431	462	445	460	2.2%	0.2%	652	702	738	17.1%	0.2%
Communication	656	757	828	742	4.2%	0.3%	857	877	896	6.5%	0.3%
Computer services	603	244	662	1 430	33.4%	0.3%	920	961	1 010	-10.9%	0.4%
Consultants and professional services:	7 243	19 702	8 463	8 028	3.5%	4.7%	7 825	8 471	9 176	4.6%	3.1%
Business and advisory services											
Contractors	5	17	8	39	98.3%	-	23	22	23	-16.1%	-
Agency and support / outsourced services	-	-	-	112	-	-	-	-	-	-100.0%	-
Entertainment	46	49	50	95	27.3%	-	148	170	177	23.1%	0.1%
Fleet services (including government motor transport)	-	8	1	11	-	-	8	8	8	-10.1%	-
Consumable supplies	3	9	308	450	431.3%	0.1%	451	456	476	1.9%	0.2%
Consumables: Stationery, printing and office supplies	5 864	7 171	5 714	7 221	7.2%	2.8%	6 073	6 828	6 896	-1.5%	2.5%
Operating leases	250	352	488	561	30.9%	0.2%	800	780	950	19.2%	0.3%
Travel and subsistence	8 771	9 581	8 590	9 527	2.8%	3.9%	9 017	9 616	10 228	2.4%	3.5%
Training and development	2 452	318	331	931	-27.6%	0.4%	465	547	543	-16.4%	0.2%
Operating payments	153	40	194	169	3.4%	0.1%	115	130	137	-6.8%	0.1%
Venues and facilities	405	247	584	548	10.6%	0.2%	599	630	648	5.7%	0.2%
Transfers and subsidies	33 341	38 093	41 366	44 577	10.2%	17.0%	40 556	42 559	45 204	0.5%	15.9%
Departmental agencies and accounts	33 036	37 268	39 567	44 488	10.4%	16.7%	40 556	42 559	45 204	0.5%	15.9%
Households	305	825	1 799	89	-33.7%	0.3%	-	-	-	-100.0%	-
Payments for capital assets	682	1 398	897	1 646	34.1%	0.5%	1 300	1 497	1 602	-0.9%	0.6%
Machinery and equipment	682	1 398	897	1 646	34.1%	0.5%	1 300	1 497	1 602	-0.9%	0.6%
Payments for financial assets	18	110	10	-	-100.0%	-	-	-	-	-	-
Total	205 410	232 758	227 567	259 877	8.2%	100.0%	256 965	275 783	294 796	4.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	1.1%	0.9%	1.0%	-	-	1.0%	1.1%	1.1%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	305	825	1 799	89	-33.7%	0.3%	-	-	-	-100.0%	-
Employee social benefits	305	825	1 799	89	-33.7%	0.3%	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	33 036	37 268	39 567	44 488	10.4%	16.7%	40 556	42 559	45 204	0.5%	15.9%
Financial and Fiscal Commission	33 036	37 268	39 567	44 488	10.4%	16.7%	40 556	42 559	45 204	0.5%	15.9%

Personnel information

Table 7.11 Public Finance and Budget Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost		
Public Finance and Budget Management		270	13	263	157.0	0.6	300	174.9	0.6	267	185.0	0.7	267	199.2	0.7	267	213.8	0.8	-3.8%	100.0%
1 – 6	2	–	2	0.4	0.2	2	0.4	0.2	2	0.5	0.2	2	0.5	0.3	2	0.5	0.3	–	0.7%	
7 – 10	86	1	88	29.6	0.3	98	31.1	0.3	89	34.5	0.4	89	37.1	0.4	89	39.8	0.4	-3.2%	33.2%	
11 – 12	96	5	92	51.5	0.6	107	62.0	0.6	93	64.0	0.7	93	68.9	0.7	93	74.0	0.8	-4.6%	35.1%	
13 – 16	86	7	81	75.4	0.9	93	81.3	0.9	83	86.1	1.0	83	92.6	1.1	83	99.4	1.2	-3.7%	31.1%	

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

2. Rand million.

Programme 4: Asset and Liability Management

Programme purpose

Manage government's annual funding programme in a manner that ensures prudent cash management, an optimal portfolio of debt and other fiscal obligations. Promote and enforce the prudent financial management of state owned entities through financial analysis and oversight.

Objectives

Exercise oversight of state owned enterprises to enable the achievement of government's policy objectives in a financially sustainable manner by:

- reviewing the corporate plans and annual financial statements of state owned enterprises regularly
- coordinating state owned entities' borrowing programmes on an ongoing basis
- tracking progress on capital expenditure programmes on an ongoing basis
- reviewing applications for funding, guarantees and borrowing limits in terms of the Public Finance Management Act (1999), and monitoring progress on an ongoing basis.
- Finance government's gross borrowing requirement of R198.9 billion by sourcing such funds from the domestic and international markets by March 2016.
- Ensure that government's liquidity requirements are consistently met through effective cash management and sound cash forecasts on an ongoing basis.
- Enable government to manage financial risk and attract investment by reviewing credit, debt, country ratings and contingent liability risk benchmarks, and ensuring adherence to set standards on an ongoing basis.

Subprogrammes

- *Programme Management for Asset and Liability Management* provides support for planning, monitoring and delivering the programme's activities.
- *State Owned Entity Financial Management and Governance* is responsible for overseeing and enabling state owned enterprises to meet government's policy objectives in a financially and fiscally sustainable manner, and for promoting sound corporate governance.
- *Government Debt Management* is responsible for government's long term funding needs and manages domestic and foreign debt, contributes to the development of financial markets, and maintains sound investor relations.
- *Financial Operations* provides for government's short term funding needs, manages cash in all spheres of government, invests government surplus cash, supplies reliable systems and provides information relating to the division's operations.

- *Strategy and Risk Management* develops and maintains a risk management framework for the debt and contingent liabilities of government and state owned entities, and implements debt management strategies that minimise government's exposure to adverse risks.
- *Financial Investments* provides for the funding needs of state owned entities, such as the recapitalisation of the Land and Agricultural Development Bank of South Africa, Postbank, and the Development Bank of Southern Africa.

Expenditure trends and estimates

Table 7.12 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/Total: Average (%) 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/Total: Average (%) 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
R thousand											
Programme Management for Asset and Liability Management	12 883	14 882	16 419	11 321	-4.2%	0.7%	10 433	9 465	9 819	-4.6%	0.6%
State Owned Entity Financial Management and Governance	21 815	23 691	26 320	29 769	10.9%	1.4%	32 001	34 524	37 015	7.5%	2.0%
Government Debt Management	14 943	15 708	17 316	19 216	8.7%	0.9%	20 578	22 152	23 538	7.0%	1.3%
Financial Operations	14 770	15 875	17 246	20 780	12.1%	0.9%	20 399	21 760	23 244	3.8%	1.3%
Strategy and Risk Management	7 496	8 049	8 622	10 286	11.1%	0.5%	9 519	10 174	10 893	1.9%	0.6%
Financial Investments	750 000	200 000	2 905 000	3 252 000	63.1%	95.6%	3 024 000	-	-	-100.0%	94.2%
Total	821 907	278 205	2 990 923	3 343 372	59.6%	100.0%	3 116 930	98 075	104 509	-68.5%	100.0%
Change to 2014 Budget estimate				1 272			(959)	(1 563)	(1 131)		
Economic classification											
Current payments	71 515	77 684	85 386	90 992	8.4%	4.4%	92 320	97 433	103 835	4.5%	5.8%
Compensation of employees	53 497	58 183	62 791	70 602	9.7%	3.3%	73 574	79 240	85 040	6.4%	4.6%
Goods and services	18 018	19 501	22 595	20 390	4.2%	1.1%	18 746	18 193	18 795	-2.7%	1.1%
of which:											
Administrative fees	172	79	53	50	-33.8%	-	54	55	60	6.3%	-
Advertising	198	198	124	222	3.9%	-	164	194	194	-4.4%	-
Assets less than the capitalisation threshold	10	15	4	51	72.1%	-	25	27	29	-17.2%	-
Audit costs: External	551	585	674	600	2.9%	-	714	757	802	10.2%	-
Bursaries: Employees	271	309	499	869	47.5%	-	827	797	888	0.7%	0.1%
Catering: Departmental activities	97	100	100	101	1.4%	-	124	125	125	7.4%	-
Communication	371	280	250	494	10.0%	-	318	334	372	-9.0%	-
Computer services	5 166	8 102	10 491	8 088	16.1%	0.4%	8 813	8 643	8 960	3.5%	0.5%
Consultants and professional services: Business and advisory services	8 128	6 463	6 022	4 663	-16.9%	0.3%	2 919	2 000	2 000	-24.6%	0.2%
Contractors	1	2	8	34	224.0%	-	10	11	12	-29.3%	-
Entertainment	28	33	23	28	-	-	34	35	35	7.7%	-
Fleet services (including government motor transport)	3	9	23	20	88.2%	-	23	24	17	-5.3%	-
Consumable supplies	2	3	23	6	44.2%	-	10	10	-	-100.0%	-
Consumables: Stationery, printing and office supplies	418	462	449	571	11.0%	-	540	569	590	1.1%	-
Operating leases	108	267	326	428	58.2%	-	410	433	455	2.1%	-
Travel and subsistence	2 024	1 800	2 766	3 101	15.3%	0.1%	2 940	3 216	3 242	1.5%	0.2%
Training and development	401	463	426	820	26.9%	-	657	790	845	1.0%	-
Operating payments	23	4	16	80	51.5%	-	40	43	45	-17.5%	-
Venues and facilities	46	327	318	164	52.8%	-	124	130	124	-8.9%	-
Transfers and subsidies	95	44	102	155	17.7%	-	-	-	-	-100.0%	-
Households	95	44	102	155	17.7%	-	-	-	-	-100.0%	-
Payments for capital assets	289	474	430	225	-8.0%	-	610	642	674	44.2%	-
Machinery and equipment	289	474	430	225	-8.0%	-	610	642	674	44.2%	-
Payments for financial assets	750 008	200 003	2 905 005	3 252 000	63.1%	95.6%	3 024 000	-	-	-100.0%	94.2%
Total	821 907	278 205	2 990 923	3 343 372	59.6%	100.0%	3 116 930	98 075	104 509	-68.5%	100.0%
Proportion of total programme expenditure to vote expenditure	4.1%	1.3%	11.9%	12.5%	-	-	11.6%	0.4%	0.4%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	95	44	102	155	17.7%	-	-	-	-	-100.0%	-
Employee social benefits	95	44	102	155	17.7%	-	-	-	-	-100.0%	-

Personnel information

Table 7.13 Asset and Liability Management personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015			Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2013/14			2014/15			2015/16			2016/17			2017/18				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Asset and Liability Management			112	62.8	0.6	117	70.6	0.6	111	73.6	0.7	111	79.2	0.7	111	85.0	0.8	-1.7%	100.0%
Salary level	116	1	112	62.8	0.6	117	70.6	0.6	111	73.6	0.7	111	79.2	0.7	111	85.0	0.8	-1.7%	100.0%
1-6	3	-	4	0.8	0.2	4	0.8	0.2	4	0.9	0.2	4	1.0	0.2	4	1.1	0.3	-	3.6%
7-10	50	1	49	18.1	0.4	50	19.5	0.4	48	20.9	0.4	48	22.5	0.5	48	24.1	0.5	-1.4%	43.1%
11-12	39	-	35	23.3	0.7	38	26.8	0.7	35	26.8	0.8	35	28.9	0.8	35	31.0	0.9	-2.7%	31.8%
13-16	24	-	24	20.6	0.9	25	23.5	0.9	24	25.0	1.0	24	26.9	1.1	24	28.9	1.2	-1.4%	21.6%

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

2. Rand million.

Programme 5: Financial Accounting and Supply Chain Management Systems

Programme purpose

Facilitate governance and accountability by promoting and enforcing the transparent, economic and effective management of revenue, expenditure, asset, liabilities, and supply chain processes in the public sector.

Objectives

- Ensure compliance with the implementation of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) across the three spheres of government by facilitating and undertaking special investigations on an ongoing basis.
- Ensure sound financial management systems to meet the requirements of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) by:
 - providing capacity and support to all spheres of government on policies relating to accounting and reporting, internal auditing and risk management on an ongoing basis
 - developing and implementing government transversal accounting and reporting systems over the medium term
 - maintaining government's current financial systems at a level of 98 per cent availability including providing reliable, efficient and effective support and user training over the medium term
 - completing the development of the remaining integrated financial management system's modules on payroll, core financial management and inventory management, and begin the rollout over the medium term.
- Support government's financial management capacity building efforts across the three spheres of government by introducing minimum competency profiles and offering graduate internships in financial management annually.
- Improve financial management in provincial and local government by:
 - developing and implementing financial recovery plans and providing technical assistance in 2015/16
 - supporting municipalities to implement financial management reforms and ensuring their compliance with the Municipal Finance Management Act (2003) as required over the medium term.
- Modernise the supply chain management system for government over the medium term by:
 - developing a centralised supplier database to register all suppliers that render services to government
 - introducing policy reforms to ensure that all procuring government institutions implement a single supply chain management policy
 - providing training solutions to close the skills gaps for existing and future supply chain management practitioners.

Subprogrammes

- *Programme Management for Financial Accounting and Supply Chain Management Systems* supports the planning, monitoring and coordinating deliverables of the programme plan, such as the development and implementation of the integrated financial management system; and facilitates accountability and governance in the public sector, especially in terms of financial management.
- *Office of the Chief Procurement Officer* aims to: modernise the state procurement system to be fair, equitable, transparent, competitive and cost effective; enable the efficient, economic, effective and transparent utilisation of financial and other resources, including state assets, for improved service delivery; and promote, support and enforce the transparent and effective management of state procurement and the sound stewardship of government assets and resources.
- *Financial Systems* maintains and improves existing financial management systems, and develops and implements the new integrated financial management system, which aims to replace financial, supply chain and human resource management systems across national and provincial departments.
- *Financial Reporting for National Accounts* is responsible for accounting for the National Revenue Fund and the Reconstruction and Development Programme Fund, providing banking services to national government, providing support for all spheres of government in implementing financial reporting frameworks, and preparing consolidated financial statements.
- *Financial Management Policy and Compliance Improvement* improves financial management, develops financial management regulatory frameworks with local and international best practice; develops and implements accounting policies; and improves the financial management, risk management and internal audit capacity in government.
- *Audit Statutory Bodies* is a transfer payment that provides for compensation for certain shortfalls of statutory bodies and municipalities in terms of the Auditor-General Act (1995). This subprogramme's total budget is transferred in full to fund municipalities that are unable to pay for audit services.
- *Service Charges: Commercial Banks* is a transfer payment that provides for bank service charges for all government departments' deposit accounts.

Expenditure trends and estimates

Table 7.14 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Programme Management for Financial Accounting and Supply Chain Management Systems	8 312	7 262	18 366	16 128	24.7%	1.9%	14 698	20 631	22 294	11.4%	2.3%
Office of the Chief Procurement Officer	34 078	34 082	33 342	46 915	11.2%	5.7%	48 059	51 547	55 374	5.7%	6.3%
Financial Systems	279 094	369 593	424 111	429 626	15.5%	57.3%	443 574	496 109	522 755	6.8%	58.6%
Financial Reporting for National Accounts	78 069	79 393	85 443	88 096	4.1%	12.6%	85 298	88 005	103 108	5.4%	11.3%
Financial Management Policy and Compliance Improvement	75 394	118 553	105 611	147 755	25.1%	17.1%	117 634	124 748	132 953	-3.5%	16.2%
Audit Statutory Bodies	29 914	30 308	40 812	41 218	11.3%	5.4%	41 856	44 075	46 278	3.9%	5.4%
Service Charges: Commercial Banks	–	155	87	297	–	–	243	257	273	-2.8%	–
Total	504 861	639 346	707 772	770 035	15.1%	100.0%	751 362	825 372	883 035	4.7%	100.0%
Change to 2014 Budget estimate				8 403			(39 156)	(40 402)	(28 731)		
Economic classification											
Current payments	429 701	563 627	621 054	678 289	16.4%	87.4%	664 639	737 094	780 422	4.8%	88.6%
Compensation of employees	125 708	135 606	149 541	165 357	9.6%	22.0%	167 704	180 781	194 210	5.5%	21.9%
Goods and services	303 993	428 021	471 513	512 932	19.1%	65.5%	496 935	556 313	586 212	4.6%	66.6%
of which:											
Administrative fees	1 302	998	640	936	-10.4%	0.1%	1 029	1 106	1 308	11.8%	0.1%
Advertising	292	400	514	937	47.5%	0.1%	541	920	955	0.6%	0.1%
Assets less than the capitalisation threshold	60	165	69	332	76.9%	–	327	375	395	6.0%	–
Audit costs: External	2 812	4 064	3 657	4 003	12.5%	0.6%	4 839	5 064	5 346	10.1%	0.6%
Bursaries: Employees	1 236	1 644	1 411	1 823	13.8%	0.2%	2 177	2 176	2 262	7.5%	0.3%
Catering: Departmental activities	366	363	352	410	3.9%	0.1%	603	611	624	15.0%	0.1%
Communication	868	1 046	963	1 240	12.6%	0.2%	1 315	1 347	1 473	5.9%	0.2%
Computer services	261 449	348 466	402 948	401 326	15.4%	53.9%	414 670	465 211	489 834	6.9%	54.8%

Table 7.14 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
	R thousand										
Consultants and professional services:	18 866	50 560	41 896	75 315	58.6%	7.1%	47 383	53 712	57 038	-8.8%	7.2%
Business and advisory services											
Consultants and professional services:	–	–	–	1 500	–	0.1%	–	–	–	-100.0%	–
Legal costs											
Contractors	14	6	190	69	70.2%	–	186	199	213	45.6%	–
Entertainment	41	41	62	73	21.2%	–	80	98	102	11.8%	–
Fleet services (including government motor transport)	8	–	11	20	35.7%	–	20	21	21	1.6%	–
Consumable supplies	3	10	75	236	328.5%	–	246	271	289	7.0%	–
Consumables: Stationery, printing and office supplies	1 053	1 142	744	2 040	24.7%	0.2%	1 423	1 536	1 620	-7.4%	0.2%
Operating leases	381	422	580	718	23.5%	0.1%	900	966	1 009	12.0%	0.1%
Travel and subsistence	6 304	6 803	6 984	12 014	24.0%	1.2%	10 906	11 745	12 320	0.8%	1.5%
Training and development	3 928	6 099	2 408	2 832	-10.3%	0.6%	3 567	3 642	3 796	10.3%	0.4%
Operating payments	399	376	905	553	11.5%	0.1%	459	510	533	-1.2%	0.1%
Venues and facilities	4 611	5 416	7 104	6 555	12.4%	0.9%	6 264	6 803	7 074	2.6%	0.8%
Transfers and subsidies	73 407	72 881	84 453	86 227	5.5%	12.1%	82 029	83 570	97 635	4.2%	10.8%
Departmental agencies and accounts	73 199	71 985	83 806	86 045	5.5%	12.0%	82 029	83 570	97 635	4.3%	10.8%
Households	208	896	647	182	-4.4%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	807	2 833	2 067	5 519	89.8%	0.4%	4 694	4 708	4 978	-3.4%	0.6%
Machinery and equipment	807	2 833	2 067	5 519	89.8%	0.4%	4 694	4 708	4 978	-3.4%	0.6%
Payments for financial assets	946	5	198	–	-100.0%	–	–	–	–	–	–
Total	504 861	639 346	707 772	770 035	15.1%	100.0%	751 362	825 372	883 035	4.7%	100.0%
Proportion of total programme expenditure to vote expenditure	2.5%	3.0%	2.8%	2.9%	–	–	2.8%	3.2%	3.2%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	208	896	647	182	-4.4%	0.1%	–	–	–	-100.0%	–
Employee social benefits	208	896	647	182	-4.4%	0.1%	–	–	–	-100.0%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	73 199	71 985	83 806	86 045	5.5%	12.0%	82 029	83 570	97 635	4.3%	10.8%
Accounting Standards Board	8 561	9 469	10 061	10 250	6.2%	1.5%	10 174	10 517	11 733	4.6%	1.3%
Independent Regulatory Board for Auditors	34 724	32 208	32 933	34 577	-0.1%	5.1%	29 999	28 978	39 624	4.6%	4.1%
Auditor-General of South Africa	29 914	30 308	40 812	41 218	11.3%	5.4%	41 856	44 075	46 278	3.9%	5.4%

Personnel information

Table 7.15 Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Financial Accounting and Supply Chain Management Systems	10	265	149.5	0.6	313	167.9	0.5	263	167.7	0.6	263	180.8	0.7	263	194.2	0.7	-5.6%	100.0%	
Salary level	303																		
1 – 6	7	4	12	2.6	0.2	12	2.2	0.2	12	2.5	0.2	12	2.7	0.2	12	2.9	0.2	–	4.4%
7 – 10	123	1	113	41.0	0.4	122	42.8	0.4	109	45.2	0.4	109	48.7	0.4	109	52.3	0.5	-3.7%	40.7%
11 – 12	91	1	74	43.6	0.6	84	50.6	0.6	69	48.8	0.7	69	52.6	0.8	69	56.5	0.8	-6.3%	26.4%
13 – 16	82	4	66	62.4	0.9	95	72.3	0.8	73	71.2	1.0	73	76.8	1.1	73	82.6	1.1	-8.4%	28.5%

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

2. Rand million.

Programme 6: International Financial Relations

Programme purpose

Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa.

Objectives

- Advance South Africa and Africa's economic interests by undertaking regular strategic analyses, engagements and negotiations at regional and global financial and economic forums, on an ongoing basis.
- Increase sub-Saharan Africa's voice and South Africa's influence in multilateral international institutions such as the International Monetary Fund, the World Bank Group, the G20 forum, and other influential global financial and economic forums by:
 - advancing the reform of these institutions on an ongoing basis through the lobbying of regional groupings
 - securing the third board chair for the International Monetary Fund for the benefit of sub-Saharan Africa by 2015/16.
- Enhance South Africa's participation in strategic regional, continental and global governance institutions by seconding South Africans into strategic positions of these institutions, informed by government's secondment policy, on an ongoing basis.
- Promote regional economic integration in the Southern African Development Community (SADC) and strengthen economic links within Africa by:
 - developing and implementing a policy of one-stop border posts in 2015/16
 - providing ongoing support to the SADC committees dealing with economic and financial protocols
 - supporting the Southern African Customs Union to meet regional challenges on an ongoing basis.

Subprogrammes

- *Programme Management for International Financial Relations* supports the planning, monitoring and delivering of the programme's activities. The unit oversees South Africa's representation in international and regional financial institutions; manages bilateral and multilateral relationships on behalf of National Treasury; and plans, implements and monitors programmes and activities that advance South Africa's national interests.
- *International Economic Cooperation* focuses on improving South Africa's participation in international and regional economic institutions. This entails working through key economic institutions and forums such as the African Development Bank, the United Nations Economic Commission for Africa, the New Partnership for Africa's Development, the G20, and the Brazil-India-China-South Africa group of countries.
- *African Integration and Support* is mainly for transfers towards National Treasury's participation in African interventions and arrangements that are mainly to bring about support and integration between African states and institutions. This subprogramme facilitates the transfer of funds to Lesotho, Namibia and Swaziland for the common monetary area compensation. In this agreement, South Africa compensates the member countries for the use of the Rand currency within their respective borders.
- *International Development Funding Institutions* provides for subscriptions and contributions to international development funding institutions and banks. This subprogramme transfers funds to the African Development Bank and African Development Fund for the purpose of buying shares and subscriptions, and for accelerated encashment schedules to support African development; and the World Bank Group for providing concessional loans and grants to low income countries and contribution to the general and selective capital increases of the authorised capital of the World Bank.
- *International Projects* transfers funds to international projects and interventions to various causes such as building capacity, and providing medical support to disaster hit and impoverished areas. To this end, National Treasury contributes to the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunisation. The facility transfers funds to the Global Alliance for Vaccines and Immunisation Alliance, a public private global health partnership, to support health care, particularly the provision of vaccines to reduce the number of vaccine preventable deaths among children in low income countries.

Expenditure trends and estimates

Table 7.16 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2014/15	2011/12 - 2014/15	Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18
R thousand											
Programme Management for International Financial Relations	6 586	9 007	19 109	9 203	11.8%	1.1%	17 826	17 636	18 232	25.6%	1.2%
International Economic Cooperation	19 344	20 961	23 812	27 908	13.0%	2.2%	31 165	33 256	35 379	8.2%	2.5%
African Integration and Support	451 527	492 340	558 783	644 393	12.6%	52.0%	717 609	775 934	814 731	8.1%	57.4%
International Development Funding Institutions	369 028	467 516	450 034	501 923	10.8%	43.3%	463 849	470 240	493 752	-0.5%	37.5%
International Projects	11 302	13 227	16 002	16 290	13.0%	1.4%	16 993	17 286	18 150	3.7%	1.3%
Total	857 787	1 003 051	1 067 740	1 199 717	11.8%	100.0%	1 247 442	1 314 352	1 380 244	4.8%	100.0%
Change to 2014 Budget estimate				19 910			12 278	12 100	12 505		
Economic classification											
Current payments	25 763	29 771	42 551	36 957	12.8%	3.3%	48 874	50 723	53 456	13.1%	3.7%
Compensation of employees	17 619	20 824	21 753	27 460	15.9%	2.1%	31 356	33 549	35 802	9.2%	2.5%
Goods and services	8 144	8 947	20 798	9 497	5.3%	1.1%	17 518	17 174	17 654	23.0%	1.2%
of which:											
Administrative fees	219	141	107	124	-17.3%	-	126	133	141	4.4%	-
Advertising	46	71	146	70	15.0%	-	73	85	81	5.0%	-
Assets less than the capitalisation threshold	5	13	15	25	71.0%	-	19	23	22	-4.2%	-
Bursaries: Employees	290	129	117	165	-17.1%	-	163	174	186	4.1%	-
Catering: Departmental activities	48	60	61	60	7.7%	-	63	67	70	5.3%	-
Communication	522	567	467	559	2.3%	0.1%	557	588	621	3.6%	-
Computer services	5	4	-	77	148.8%	-	5	5	5	-59.8%	-
Consultants and professional services: Business and advisory services	170	334	1 933	279	18.0%	0.1%	350	369	390	11.8%	-
Contractors	1	-	87	3	44.2%	-	3	3	3	-	-
Agency and support / outsourced services	-	-	5 233	10	-	0.1%	10	10	11	3.2%	-
Entertainment	6	8	4	14	32.6%	-	17	14	14	-	-
Fleet services (including government motor transport)	-	1	-	-	-	-	-	-	-	-	-
Consumable supplies	-	1	7	63	-	-	30	32	36	-17.0%	-
Consumables: Stationery, printing and office supplies	138	60	98	140	0.5%	-	134	144	149	2.1%	-
Operating leases	44	36	39	120	39.7%	-	-	-	-	-100.0%	-
Travel and subsistence	4 504	6 770	7 590	6 145	10.9%	0.6%	6 696	6 921	7 279	5.8%	0.5%
Training and development	85	63	45	169	25.7%	-	170	175	186	3.2%	-
Operating payments	-	321	343	329	-	-	17	17	20	-60.7%	-
Venues and facilities	2 061	368	4 506	1 145	-17.8%	0.2%	9 085	8 414	8 440	94.6%	0.5%
Transfers and subsidies	583 967	626 704	710 304	774 954	9.9%	65.3%	851 767	918 006	961 539	7.5%	68.2%
Foreign governments and international organisations	583 898	626 636	710 193	774 954	9.9%	65.3%	851 767	918 006	961 539	7.5%	68.2%
Households	69	68	111	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	98	129	259	154	16.3%	-	117	169	155	0.2%	-
Machinery and equipment	98	129	259	154	16.3%	-	117	169	155	0.2%	-
Payments for financial assets	247 959	346 447	314 626	387 652	16.1%	31.4%	346 684	345 454	365 094	-2.0%	28.1%
Total	857 787	1 003 051	1 067 740	1 199 717	11.8%	100.0%	1 247 442	1 314 352	1 380 244	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	4.2%	4.8%	4.3%	4.5%	-	-	4.6%	5.1%	5.0%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	69	68	111	-	-100.0%	-	-	-	-	-	-
Employee social benefits	69	68	111	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	462 829	505 567	574 785	666 675	12.9%	53.5%	734 602	793 220	832 881	7.7%	58.9%
Common Monetary Area Compensation	450 327	490 719	554 445	640 835	12.5%	51.7%	704 970	763 198	801 358	7.7%	56.6%
Collaborative Africa Budget Reform Initiative	1 200	1 260	1 329	1 409	5.5%	0.1%	1 474	1 552	1 630	5.0%	0.1%
Commonwealth Fund for Technical Cooperation	3 838	4 469	5 316	5 290	11.3%	0.5%	5 533	5 826	6 117	5.0%	0.4%
International Finance Facility for Immunisation	7 464	8 758	10 686	11 000	13.8%	0.9%	11 460	11 460	12 033	3.0%	0.9%
African Institute for Economic Development and Planning	-	-	1 659	799	-	0.1%	799	799	839	1.6%	0.1%
Africa Regional Technical Assistance Centre for Southern Africa	-	361	350	350	-	-	366	385	404	4.9%	-
Infrastructure Consortium for Africa	-	-	1 000	1 000	-	-	-	-	-	-100.0%	-
African Export-Import Bank	-	-	-	5 992	-	0.1%	-	-	-	-100.0%	0.1%
African Risk Capacity	-	-	-	-	-	-	10 000	10 000	10 500	-	0.6%
Capital	121 069	121 069	135 408	108 279	-3.7%	11.8%	117 165	124 786	128 658	5.9%	9.3%
African Development Bank and African Development Fund	40 169	40 169	40 169	17 619	-24.0%	3.3%	26 505	34 126	33 465	23.8%	2.2%
World Bank Group	80 900	80 900	95 239	90 660	3.9%	8.4%	90 660	90 660	95 193	1.6%	7.1%

Personnel information

Table 7.17 International Financial Relations personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2013/14			2014/15			2015/16			2016/17			2017/18					
International Financial Relations		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2014/15 - 2017/18		
Salary level	41	2	40	21.8	0.5	43	26.8	0.6	40	31.4	0.8	40	33.5	0.8	40	35.8	0.9	-2.4%	100.0%
1 – 6	1	–	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	–	2.5%
7 – 10	13	–	11	3.5	0.3	13	3.8	0.3	12	4.7	0.4	12	5.0	0.4	12	5.4	0.4	-2.6%	30.1%
11 – 12	15	–	14	7.9	0.6	13	7.3	0.6	12	8.2	0.7	12	8.8	0.7	12	9.4	0.8	-2.6%	30.1%
13 – 16	12	2	14	10.1	0.7	16	15.6	1.0	15	18.2	1.2	15	19.4	1.3	15	20.7	1.4	-2.1%	37.4%

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

2. Rand million.

Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits

Programme purpose

Provide for government's pension and post-retirement medical benefit obligations to former employees of state departments and bodies. Provide for similar benefits to retired members of the military.

Objectives

- Ensure the effective administration of pension, retirement and other policies on an ongoing basis by completing annual reviews and implementing recommendations in accordance with stakeholder agreements reached on pension reforms, post-retirement medical benefits, political office bearers and pension legislation.
- Ensure good service to eligible applicants and recipients by continuing to:
 - process member applications and make payments punctually as required by applicable legislation
 - process post-retirement medical benefit applications within 60 days of receipt and paying all medical subsidies within 7 days of receiving a valid and correct claim
 - accurately processing and paying injury on duty benefits to civil servants within 45 days of receiving complete documentation
 - ensure punctual and accurate payments of military pensions within 45 days of receipt and medical accounts within 30 days of receipt of the claim, while maintaining a zero backlog.

Subprogrammes

- *Government Pensions Administration Agency* provides administrative services in accordance with the Temporary Pension Fund Act (1979), the Associated Institution Pension Fund Act (1963); and post-retirement medical subsidies, as provided for and regulated by resolutions of the Public Service Coordinating Bargaining Council, the Military Pensions Act (1976), military pensions in terms of this act, injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act (1993) and special pensions in terms of the Special Pensions Act (1996) on behalf of National Treasury.
- *Civil Pensions and Contributions to Funds* provides for the processing and payment of pensions and medical subsidies to retired civil servants; and pension payments to the injured, disabled and the dependants of deceased civil servants and to former struggle veterans in terms of various statutes, collective bargaining agreements and other commitments. The *Government Pensions Administration Agency* subprogramme administers all payments related to this subprogramme.
- *Military Pensions and Other Benefits* provides for the processing and payment of military pension benefits and medical claims arising from injuries sustained during various wars, including South Africa's liberation wars. These include payments to former members of the legislative assembly of the former Venda, Transkei, Ciskei and Bophuthatswana governments; judges or their own widows in terms of the Judges' Remuneration and Conditions of Employment Act (1989); and former state presidents, among other benefits.

Expenditure trends and estimates

Table 7.18 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2011/12	2012/13	2013/14		2014/15	2011/12 - 2014/15	Average (%)	2015/16	2016/17	2017/18	2014/15 - 2017/18	Average (%)
R thousand												
Government Pensions Administration Agency	63 937	174 836	57 507	55 633	-4.5%	2.5%	61 181	65 038	69 164	7.5%	1.5%	
Civil Pensions and Contributions to Funds	3 068 301	2 621 679	2 673 495	2 721 868	-3.9%	79.8%	3 079 917	3 254 338	3 425 651	8.0%	76.9%	
Military Pensions and Other Benefits	180 921	547 088	792 096	940 337	73.2%	17.7%	821 843	853 866	887 089	-1.9%	21.6%	
Total	3 313 159	3 343 603	3 523 098	3 717 838	3.9%	100.0%	3 962 941	4 173 242	4 381 904	5.6%	100.0%	
Economic classification												
Current payments	63 937	49 741	57 507	55 633	-4.5%	1.6%	61 181	65 038	69 164	7.5%	1.5%	
Goods and services	63 937	49 741	57 507	55 633	-4.5%	1.6%	61 181	65 038	69 164	7.5%	1.5%	
of which:												
Consultants and professional services:	63 937	49 741	57 507	55 633	-4.5%	1.6%	61 181	65 038	69 164	7.5%	1.5%	
Business and advisory services												
Transfers and subsidies	3 249 072	3 168 767	3 465 577	3 662 205	4.1%	97.5%	3 901 760	4 108 204	4 312 740	5.6%	98.5%	
Foreign governments and international organisations	1 951	1 543	2 109	2 219	4.4%	0.1%	2 322	2 445	2 567	5.0%	0.1%	
Non-profit institutions	71	-	-	-	-100.0%	-	-	-	-	-	-	
Households	3 247 050	3 167 224	3 463 468	3 659 986	4.1%	97.4%	3 899 438	4 105 759	4 310 173	5.6%	98.4%	
Payments for financial assets	150	125 095	14	-	-100.0%	0.9%	-	-	-	-	-	
Total	3 313 159	3 343 603	3 523 098	3 717 838	3.9%	100.0%	3 962 941	4 173 242	4 381 904	5.6%	100.0%	
Proportion of total programme expenditure to vote expenditure	16.3%	15.9%	14.0%	13.9%	-	-	14.7%	16.2%	16.0%	-	-	
Details of transfers and subsidies												
Households												
Social benefits												
Current	3 247 050	3 167 224	3 463 468	3 659 986	4.1%	97.4%	3 899 438	4 105 759	4 310 173	5.6%	98.4%	
Contribution to provident funds for associated institutions	464	425	422	423	-3.0%	-	323	323	323	-8.6%	-	
Parliamentary awards	18	18	20	21	5.3%	-	23	23	23	3.1%	-	
Other benefits	69 844	74 999	77 775	79 070	4.2%	2.2%	89 070	89 070	89 070	4.0%	2.1%	
Injury on duty	498 856	478 650	500 677	532 950	2.2%	14.5%	560 172	591 664	621 247	5.2%	14.2%	
Post-retirement medical scheme	1 785 677	1 412 987	1 441 406	1 562 659	-4.3%	44.6%	1 599 139	1 697 991	1 795 941	4.7%	41.0%	
Special pensions	480 705	434 834	435 433	460 460	-1.4%	13.0%	550 582	579 763	608 751	9.8%	13.5%	
Political Office-Bearers Pension Fund	224 710	211 105	208 162	71 998	-31.6%	5.2%	268 821	283 069	297 222	60.4%	5.7%	
Pension benefits: President of South Africa	5 926	7 118	7 477	12 068	26.8%	0.2%	9 465	9 990	10 507	-4.5%	0.3%	
Military pensions: Ex-servicemen	31 440	28 563	26 542	27 597	-4.3%	0.8%	29 255	30 870	32 420	5.5%	0.7%	
South African citizen force	122 779	126 754	138 958	146 790	6.1%	3.9%	155 697	169 154	177 612	6.6%	4.0%	
Civil protection	19	19	19	20	1.7%	-	19	19	19	-1.7%	-	
Other benefits: Ex-servicemen	26 612	21 752	26 577	28 630	2.5%	0.7%	31 100	34 310	37 800	9.7%	0.8%	
Non-statutory forces	-	370 000	600 000	737 300	-	12.3%	605 772	619 513	639 238	-4.6%	16.0%	
Foreign governments and international organisations												
Current	1 951	1 543	2 109	2 219	4.4%	0.1%	2 322	2 445	2 567	5.0%	0.1%	
United Kingdom tax	1 951	1 543	2 109	2 219	4.4%	0.1%	2 322	2 445	2 567	5.0%	0.1%	
Non-profit institutions												
Current	71	-	-	-	-100.0%	-	-	-	-	-	-	
South African Legion	71	-	-	-	-100.0%	-	-	-	-	-	-	

Programme 8: Technical Support and Development Finance

Programme purpose

Provide advisory services, programme management and development finance support to improve public finance management, support high-impact government initiatives, facilitate employment creation and strengthen infrastructure planning and delivery.

Objectives

- Build public sector capacity through diagnostic and advisory services and support for organisational development, specialised procurement, improved public finance management and programme and project implementation.
- Strengthen public finance management capacity in municipalities and support provincial treasury oversight of local government financial management.

- Promote public and private investment in city development, integrated urban networks and neighbourhood development initiatives.
- Promote innovative and partnership-based approaches to employment creation, work seeker support and enterprise development.
- Support infrastructure planning and implementation in provinces and infrastructure skills development in municipalities.

Subprogrammes

- *The Government Technical Advisory Centre* provides management support for programme 8 and technical consulting services, specialised procurement and project management support, infrastructure advice and knowledge management in support of efficient, effective and transparent public finance management.
- *Local Government Financial Management Support* provides for transfers to municipalities to support implementation of the Municipal Finance Management Act (2003) and technical assistance to provincial treasuries and municipalities through the municipal finance improvement programme.
- *Urban Development and Support* comprises the neighbourhood development partnership grant and the integrated cities development grant, aimed at strengthening public and private investment in improved living and working conditions in townships and more spatially resilient, efficient and integrated towns and cities.
- *Employment Creation Facilitation* supports innovative and partnership-based approaches to sustainable employment creation, work seeker support and enterprise development through the Jobs Fund, and supports research into employment, income distribution and inclusive growth.
- *Infrastructure Development Support* provides technical support on infrastructure development planning and implementation to municipalities and provinces by providing technical expertise, advisory services and skills training, including the placement of graduate interns in local government.

Expenditure trends and estimates

Table 7.19 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand												
Local Government Financial Management Support	523 667	512 715	546 296	547 926	1.5%	22.9%	587 203	607 116	650 951	5.9%	18.6%	
Urban Development and Support	808 393	658 132	680 935	904 479	3.8%	32.9%	884 195	913 014	983 253	2.8%	28.7%	
Employment Creation Facilitation	272 493	589 868	952 883	1 338 913	70.0%	34.0%	1 318 000	1 387 883	1 312 255	-0.7%	41.7%	
Government Technical Advisory Centre	62 093	61 410	69 738	79 752	8.7%	2.9%	83 609	88 006	89 878	4.1%	2.7%	
Infrastructure Development Support	99 000	160 460	187 465	228 703	32.2%	7.3%	270 856	282 205	295 357	8.9%	8.4%	
Total	1 765 646	1 982 585	2 437 317	3 099 773	20.6%	100.0%	3 143 863	3 278 224	3 331 694	2.4%	100.0%	
Change to 2014 Budget estimate				(612 409)			(63 082)	(105 813)	(72 397)			
Economic classification												
Current payments	275 233	283 290	275 241	307 359	3.7%	12.3%	406 267	415 806	433 647	12.2%	12.2%	
Goods and services	275 233	283 290	275 241	307 359	3.7%	12.3%	406 267	415 806	433 647	12.2%	12.2%	
of which:												
Consultants and professional services:	275 233	283 290	275 241	307 359	3.7%	12.3%	406 267	415 806	433 647	12.2%	12.2%	
Business and advisory services												
Transfers and subsidies	1 490 413	1 699 295	2 162 076	2 792 414	23.3%	87.7%	2 737 596	2 862 418	2 898 047	1.2%	87.8%	
Provinces and municipalities	1 162 034	1 056 345	1 149 233	1 399 742	6.4%	51.3%	1 435 256	1 486 540	1 598 289	4.5%	46.1%	
Departmental agencies and accounts	188 693	98 410	109 638	145 441	-8.3%	5.8%	1 302 340	1 375 878	1 299 758	107.5%	32.1%	
Higher education institutions	–	9 000	10 000	5 800	–	0.3%	–	–	–	-100.0%	–	
Public corporations and private enterprises	139 686	535 540	893 205	1 241 431	107.1%	30.3%	–	–	–	-100.0%	9.7%	
Total	1 765 646	1 982 585	2 437 317	3 099 773	20.6%	100.0%	3 143 863	3 278 224	3 331 694	2.4%	100.0%	
Proportion of total programme expenditure to vote expenditure	8.7%	9.4%	9.7%	11.6%	–	–	11.7%	12.7%	12.2%	–	–	
Details of transfers and subsidies												
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current	423 641	478 213	523 298	553 563	9.3%	21.3%	576 956	595 735	642 780	5.1%	18.4%	
Local government financial management grant	423 641	402 753	424 798	449 138	2.0%	18.3%	452 491	465 264	502 006	3.8%	14.5%	
Infrastructure skills development grant	–	75 460	98 500	104 425	–	3.0%	124 465	130 471	140 774	10.5%	3.9%	

Table 7.19 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Capital	738 393	578 132	625 935	846 179	4.6%	30.0%	858 300	890 805	955 509	4.1%	27.6%
Integrated city development grant	–	–	40 000	255 000	–	3.2%	251 300	266 805	292 119	4.6%	8.3%
Neighbourhood development partnership grant	738 393	578 132	585 935	591 179	-7.1%	26.9%	607 000	624 000	663 390	3.9%	19.3%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	188 386	98 222	109 310	138 358	-9.8%	5.8%	1 301 793	1 375 171	1 299 016	111.0%	32.0%
Government Technical Advisory Centre	188 386	98 222	109 310	138 358	-9.8%	5.8%	1 301 793	1 375 171	1 299 016	111.0%	32.0%
Capital	307	188	328	7 083	184.7%	0.1%	547	707	742	-52.9%	0.1%
Government Technical Advisory Centre	307	188	328	7 083	184.7%	0.1%	547	707	742	-52.9%	0.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	139 686	535 540	893 205	1 241 431	107.1%	30.3%	–	–	–	-100.0%	9.7%
Development Bank of Southern Africa	139 686	535 540	893 205	1 241 431	107.1%	30.3%	–	–	–	-100.0%	9.7%
Higher education institutions											
Current	–	9 000	10 000	5 800	–	0.3%	–	–	–	-100.0%	–
University of Cape Town	–	9 000	10 000	5 800	–	0.3%	–	–	–	-100.0%	–

Programme 9: Revenue Administration

Programme purpose

Administer an efficient tax system, provide tax education to the public, ensure maximum compliance with tax and customs legislation, and provide a customs service to maximise revenue collection and facilitate trade.

Objectives

- Centralise registration, accreditation and licensing capabilities over the medium term by:
 - improving the South African Revenue Service's registration database
 - moving the customs service into the unified trader and traveller master database, using online registration and entity level risk assessment.
- Contribute to revenue generation and improved compliance over the medium term by:
 - ensuring that 90 per cent of all annual import declarations are submitted by 10 per cent of traders as per the South African Revenue Service's targets
 - increasing annual trader declarations by 50 per cent
 - achieving an uptake in electronic declarations (Southern African Customs Union) of 95 per cent.
- Manage migration, customs and land borderline control services and efficiently coordinate other departments in the ports of entry by:
 - establishing a border management agency over the medium term
 - achieving a 100 per cent success rate in investigative audits, seizures of counterfeit cigarettes, counterfeit CDs and DVDs, clothing, drug cases, and medicament continually.
- Manage the South African Revenue Service's R60 billion plus debtors book efficiently by establishing and employing an integrated debt management solution.

Subprogrammes

- *South African Revenue Service* transfers funds to the South African Revenue Service to provide core tax administration services and maintain the ICT services that support its operations.

Expenditure trends and estimates

Table 7.20 Revenue Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand					2011/12 - 2014/15					2014/15 - 2017/18	
South African Revenue Service	8 653 573	9 149 374	9 534 393	9 440 321	2.9%	100.0%	9 434 439	10 433 547	11 415 611	6.5%	100.0%
Total	8 653 573	9 149 374	9 534 393	9 440 321	2.9%	100.0%	9 434 439	10 433 547	11 415 611	6.5%	100.0%
Change to 2014 Budget estimate							(464 269)	(75 364)	381 254		
Economic classification											
Transfers and subsidies	8 653 573	9 149 374	9 534 393	9 440 321	2.9%	100.0%	9 434 439	10 433 547	11 415 611	6.5%	100.0%
Departmental agencies and accounts	8 653 573	9 149 374	9 534 393	9 440 321	2.9%	100.0%	9 434 439	10 433 547	11 415 611	6.5%	100.0%
Total	8 653 573	9 149 374	9 534 393	9 440 321	2.9%	100.0%	9 434 439	10 433 547	11 415 611	6.5%	100.0%
Proportion of total programme expenditure to vote expenditure	42.7%	43.5%	38.0%	35.4%	-	-	35.0%	40.6%	41.7%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7 855 011	8 299 708	8 676 298	8 596 216	3.1%	90.9%	8 490 995	9 390 192	10 274 050	6.1%	90.2%
South African Revenue Service	7 855 011	8 299 708	8 676 298	8 596 216	3.1%	90.9%	8 490 995	9 390 192	10 274 050	6.1%	90.2%
Capital	798 562	849 666	858 095	844 105	1.9%	9.1%	943 444	1 043 355	1 141 561	10.6%	9.8%
South African Revenue Service	798 562	849 666	858 095	844 105	1.9%	9.1%	943 444	1 043 355	1 141 561	10.6%	9.8%

Programme 10: Financial Intelligence and State Security

Programme purpose

Combat financial crime, including money laundering and terror financing activities. Gather intelligence for the purpose of national security, defence and combating crime.

Objectives

- Combat money laundering and the financing of terrorism by continuously monitoring and ensuring compliance with the Financial Intelligence Centre Act (2001) and imposing certain duties on institutions and other persons who might be used for money laundering and financing terrorism.
- Combat crime and financial terrorism by:
 - providing services and products to law enforcement authorities such as the South African Revenue Service and the State Security Agency on an ongoing basis
 - collaborating closely with counterparts in African countries and in international organisations as part of a web of nodal points for information exchange on an ongoing basis
 - collaborating with the financial action task force, which reports to the G20 summit processes and several standard setting bodies, on an ongoing basis
 - processing requests from national and international law enforcement authorities over the medium term.

Subprogrammes

- *Financial Intelligence Centre* facilitates the transfer payment to the Financial Intelligence Centre, which enhances the integrity of the South African financial system while creating new means for investigating authorities to combat criminal activity.
- *Secret Services* facilitates the transfer payment to the South African Secret Services account, which provides government with accurate, topical, policy relevant and timeous foreign intelligence to promote, enhance and protect national security and the interests of South Africa and its citizens.

Expenditure trends and estimates

Table 7.21 Financial Intelligence and State Security expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14		2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18		
R thousand											
Financial Intelligence Centre	136 500	197 314	241 000	198 080	13.2%	4.7%	234 488	256 372	270 191	10.9%	5.1%
Secret Services	3 618 521	3 784 807	3 933 554	4 168 170	4.8%	95.3%	4 308 317	4 536 658	4 763 491	4.6%	94.9%
Total	3 755 021	3 982 121	4 174 554	4 366 250	5.2%	100.0%	4 542 805	4 793 030	5 033 682	4.9%	100.0%
Change to 2014 Budget estimate							18 000	20 000	22 000		
Economic classification											
Transfers and subsidies	3 755 021	3 982 121	4 174 554	4 366 250	5.2%	100.0%	4 542 805	4 793 030	5 033 682	4.9%	100.0%
Departmental agencies and accounts	3 755 021	3 982 121	4 174 554	4 366 250	5.2%	100.0%	4 542 805	4 793 030	5 033 682	4.9%	100.0%
Total	3 755 021	3 982 121	4 174 554	4 366 250	5.2%	100.0%	4 542 805	4 793 030	5 033 682	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	18.5%	18.9%	16.6%	16.4%	-	-	16.9%	18.6%	18.4%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3 401 051	3 709 958	3 660 309	4 068 085	6.2%	91.2%	4 199 821	4 428 640	4 653 391	4.6%	92.6%
Financial Intelligence Centre	85 700	124 814	175 041	186 651	29.6%	3.5%	221 664	239 641	254 941	11.0%	4.8%
Secret Services	3 315 351	3 585 144	3 485 268	3 881 434	5.4%	87.6%	3 978 157	4 188 999	4 398 450	4.3%	87.8%
Capital	353 970	272 163	514 245	298 165	-5.6%	8.8%	342 984	364 390	380 291	8.4%	7.4%
Financial Intelligence Centre	50 800	72 500	65 959	11 429	-39.2%	1.2%	12 824	16 731	15 250	10.1%	0.3%
Secret Services	303 170	199 663	448 286	286 736	-1.8%	7.6%	330 160	347 659	365 041	8.4%	7.1%

Public entities and other agencies

Development Bank of Southern Africa

Mandate

The Development Bank of Southern Africa was reconstituted in terms of the Development Bank of Southern Africa Act (1997) as a development finance institution with the primary purpose of promoting economic development and growth. The bank also promotes human resource development and institutional capacity building by mobilising financial and other resources from the national and international private and public sectors for sustainable development projects and programmes in South Africa and regions in the rest of southern Africa.

Selected performance indicators¹

Table 7.22 Development Bank of Southern Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Cost to income ratio (bank wide)	Administration		39.9%	48.9%	28.4%	42.5%	37.7%	33.1%	28.9%
Total value of disbursements to infrastructure related projects per year	Development finance	Outcome 12: An efficient, effective and development oriented public service	R8bn	R9.2bn	R12.7bn	R15.4bn	R17.8bn	R22bn	R22.6bn
Value of bank wide net profit/(loss) per year	Development finance		R370.8m	R825.9m	R787m ²	R833m	R1.1bn	R1.5bn	R2bn
Number of schools completed for which the bank has provided financial support (accelerated schools infrastructure delivery initiative) per year	Non-financing development activities	Outcome 1: Quality basic education	- ³	17	20	71	71	71	71
Number of houses completed for which the bank has provided financial support (Elliotdale housing scheme) per year	Non-financing development activities	Outcome 8: Sustainable human settlements and improved quality of household life	200	110	770	1 000	1 000	1 000	1 000

1. As the responsibility for the Employment Creation Facilitation Fund has moved from the bank, the related outputs have been removed and will be reflected in the National Treasury table.

2. The 2013/14 number was restated to reflect the actual outcome. Projections are subject to revision.

3. Historical data is not available, as the project started in 2012/13.

Expenditure analysis

The Development Bank of Southern Africa's focus is on social and economic infrastructure development, with an emphasis on driving financial and non-financial investments in the primary sectors of energy, transport,

water and communications, while also providing support to various social sectors such as health, education, and housing, to a lesser extent. The bank aims to accelerate infrastructure financing in South Africa that targets municipalities, state owned companies, independent power producers, and public private partnerships. Infrastructure support for the rest of Africa targets clients supporting state owned enterprises and public private partnerships. This is in line with the national development plan's vision of strengthened financial services, and outcome 12 of government's 2014-2019 medium term strategic framework (an efficient, effective and development oriented public service).

In line with the plan's vision, the bank will aim to address backlogs and expedite the delivery of essential social services, in pursuit of the framework's outcome 8 (sustainable human settlements and improved quality of household life), by actively supporting infrastructure development in municipalities. As such, the bank will seek to increase its annual infrastructure lending support over the medium term. Through providing planning and implementation support for the initiation of infrastructure projects in selected under-capacitated municipalities, the bank will complement these funding activities by setting aside between R80 million and R100 million per year over the medium term. The bank will also work with National Treasury and other government departments to improve key infrastructure assets (such as schools, health institutions, roads and railways) as part of the cities support programme, and will focus on improving infrastructure in rural districts. 3 000 houses and 213 schools are projected to be completed over the medium term as a result of financial support provided by the bank.

The bank generated an average of 94.8 per cent of its total revenue between 2011/12 and 2014/15 from interest income from loans and borrowing. Due to the nature of dividend income and income from foreign exchange gains, the revenue trend between 2011/12 and 2013/14 fluctuated significantly. It is due to the uncertainty of income that revenue is projected to increase for the period between 2014/15 and 2017/18, as interest income is directly related to the value of disbursements. Revenue is expected to increase from R5.7 billion in 2014/15 to R9.1 billion in 2017/18. This growth will be driven by an expected increase in the repayments of developmental loan disbursements and the planned effective management of the non-performing loan book, which is expected to affect net loan impairments. Expenditure on interest is projected to increase to R4.7 billion over the medium term. The bank was recapitalised with R7.9 billion from 2013/14 to 2015/16.

Expenditure on compensation of employees decreased between 2011/12 and 2014/15, mainly as a result of the strategy and organisational reviews undertaken by the bank in that period. The outcome of the reviews was a reduction in the approved headcount from 839 posts in 2011/12 to 497 in 2014/15, as well as a reduction of 129 contract posts. The number of personnel is projected to remain stable over the medium term.

Programmes/objectives/activities

Table 7.23 Development Bank of Southern Africa expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand											
Administration	1 319 976	1 691 147	1 433 451	951 095	-10.3%	27.1%	802 153	839 793	882 418	-2.5%	15.8%
Development finance	3 463 177	3 861 854	3 126 322	3 804 938	3.2%	71.7%	3 857 663	4 805 559	6 037 217	16.6%	81.6%
Non-financing development activities	-	-	88 043	139 359	-	1.2%	144 488	150 113	155 963	3.8%	2.7%
Total	4 783 153	5 553 001	4 647 816	4 895 392	0.8%	100.0%	4 804 304	5 795 465	7 075 598	13.1%	100.0%

Statements of historical financial performance and position

Table 7.24 Development Bank of Southern Africa statements of historical financial performance and position

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15	2011/12 - 2014/15				
R thousand											
Revenue											
Non-tax revenue	4 829 982	4 412 330	4 517 160	4 727 087	4 604 964	5 434 858	5 261 335	5 729 211			105.7%
Sale of goods and services other than capital assets	111 642	41 237	198 953	188 010	154 043	334 630	163 470	326 511			141.8%
of which:											
Sales by market establishment	111 642	41 237	198 953	188 010	154 043	334 630	163 470	326 511			141.8%
Other non-tax revenue	4 718 340	4 371 093	4 318 207	4 539 077	4 450 921	5 100 228	5 097 865	5 402 700			104.5%
Transfers received	-	-	300 000	-	-	-	-	-			-
Total revenue	4 829 982	4 412 330	4 817 160	4 727 087	4 604 964	5 434 858	5 261 335	5 729 211			104.0%

Table 7.24 Development Bank of Southern Africa statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Expenses									
Current expenses	3 965 626	4 458 846	3 814 736	5 398 393	4 005 988	4 609 947	4 700 576	4 761 699	116.6%
Compensation of employees	569 666	580 863	608 493	654 307	564 334	561 597	628 241	656 272	103.5%
Goods and services	818 790	1 572 773	645 479	2 282 800	688 292	1 541 964	1 132 943	1 109 812	198.1%
Depreciation	21 898	19 647	23 963	19 378	19 647	18 627	23 847	27 019	94.8%
Interest, dividends and rent on land	2 555 272	2 285 563	2 536 801	2 441 908	2 733 715	2 487 759	2 915 545	2 968 596	94.8%
Transfers and subsidies	93 900	324 307	292 010	154 608	79 562	37 869	117 289	133 693	111.6%
Total expenses	4 059 526	4 783 153	4 106 746	5 553 001	4 085 550	4 647 816	4 817 865	4 895 392	116.5%
Surplus/(Deficit)	770 456	(370 823)	710 414	(825 914)	519 414	787 042	443 470	833 819	-
Statement of financial position									
Carrying value of assets	649 221	567 719	792 851	556 797	567 719	544 733	578 352	610 055	88.1%
<i>of which:</i>									
<i>Acquisition of assets</i>	127 225	-	762 227	10 057	19 647	-	23 847	85 554	10.2%
Investments	10 361 363	8 932 389	9 132 475	9 388 142	9 155 809	8 150 867	8 190 298	7 360 777	91.8%
Loans	-	40 418 255	44 256 421	42 619 769	52 538 200	50 848 978	56 862 588	61 390 728	127.1%
Receivables and prepayments	246 171	305 731	108 007	148 386	314 857	145 296	305 731	139 595	75.8%
Cash and cash equivalents	2 884 637	2 113 154	436 945	1 252 142	5 413 899	4 135 667	796 884	4 640 709	127.4%
Total assets	14 141 392	52 337 248	54 726 700	53 965 236	67 990 484	63 825 541	66 733 853	74 141 864	120.0%
Accumulated surplus/(deficit)	-	11 967 245	766 350	11 031 631	10 867 757	11 496 416	11 681 090	12 211 509	200.3%
Capital and reserves	19 173 498	5 560 327	17 913 022	5 674 094	5 360 327	6 004 157	5 360 327	2 341 085	41.0%
Capital reserve fund	-	-	-	-	7 752 186	2 400 000	5 100 000	8 893 344	87.9%
Borrowings	43 952 342	33 611 799	31 156 120	36 159 187	43 015 217	42 887 154	43 597 439	49 787 322	100.4%
Deferred income	-	-	4 000 000	-	-	-	-	-	-
Trade and other payables	1 022 018	837 836	628 420	796 594	994 997	813 665	837 836	719 663	90.9%
Provisions	271 660	354 880	262 788	299 430	-	221 049	152 000	185 841	154.6%
Derivatives financial instruments	-	5 161	-	4 300	-	3 100	5 161	3 100	303.4%
Total equity and liabilities	64 419 518	52 337 248	54 726 700	53 965 236	67 990 484	63 825 541	66 733 853	74 141 864	96.2%

Statements of estimates of financial performance and position

Table 7.25 Development Bank of Southern Africa statements of estimates of financial performance and position

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	5 729 211	9.1%	100.0%	5 895 021	7 295 369	9 073 793	16.6%	100.0%
Sale of goods and services other than capital assets	326 511	99.3%	4.2%	199 423	196 113	224 116	-11.8%	3.6%
<i>of which:</i>								
<i>Sales by market establishment</i>	326 511	99.3%	4.2%	199 423	196 113	224 116	-11.8%	3.6%
Other non-tax revenue	5 402 700	7.3%	95.8%	5 695 598	7 099 256	8 849 677	17.9%	96.4%
Total revenue	5 729 211	9.1%	100.0%	5 895 021	7 295 369	9 073 793	16.6%	100.0%
Expenses								
Current expenses	4 761 699	2.2%	96.7%	4 628 304	5 609 465	6 879 598	13.0%	96.9%
Compensation of employees	656 272	4.2%	12.4%	682 522	709 823	738 216	4.0%	12.6%
Goods and services	1 109 812	-11.0%	32.5%	1 117 501	1 265 032	1 424 466	8.7%	22.0%
Depreciation	27 019	11.2%	0.4%	26 923	26 923	26 923	-0.1%	0.5%
Interest, dividends and rent on land	2 968 596	9.1%	51.5%	2 801 358	3 607 687	4 689 993	16.5%	61.9%
Transfers and subsidies	133 693	-25.6%	3.3%	176 000	186 000	196 000	13.6%	3.1%
Total expenses	4 895 392	0.8%	100.0%	4 804 304	5 795 465	7 075 598	13.1%	100.0%
Surplus/(Deficit)	833 819	-231.0%	-	1 090 717	1 499 904	1 998 195	33.8%	-
Statement of financial position								
Carrying value of assets	610 055	2.4%	0.9%	521 594	513 185	504 777	-6.1%	0.6%
<i>of which:</i>								
<i>Acquisition of assets</i>	85 554	-	0.0%	18 515	18 515	18 515	-40.0%	0.0%
Investments	7 360 777	-6.2%	14.3%	9 032 401	10 475 071	11 937 738	17.5%	10.6%
Loans	61 390 728	14.9%	79.7%	72 036 423	84 709 259	96 567 738	16.3%	86.1%
Receivables and prepayments	139 595	-23.0%	0.3%	120 000	120 000	120 000	-4.9%	0.1%
Cash and cash equivalents	4 640 709	30.0%	4.8%	1 195 296	1 286 224	1 402 497	-32.9%	2.6%
Total assets	74 141 864	12.3%	100.0%	82 905 714	97 103 739	110 532 750	14.2%	100.0%
Accumulated surplus/(deficit)	12 211 509	0.7%	19.4%	13 690 881	15 137 289	17 137 564	12.0%	16.0%
Capital and reserves	2 341 085	-25.0%	8.4%	6 000 368	6 000 369	5 758 924	35.0%	5.4%
Capital reserve fund	8 893 344	-	3.9%	8 100 000	8 100 000	8 100 000	-3.1%	9.4%
Borrowings	49 787 322	14.0%	66.4%	54 063 110	66 814 726	78 484 907	16.4%	68.0%
Trade and other payables	719 663	-4.9%	1.3%	900 000	900 000	900 000	7.7%	0.9%
Provisions	185 841	-19.4%	0.5%	147 055	147 055	147 055	-7.5%	0.2%
Derivatives financial instruments	3 100	-15.6%	0.0%	4 300	4 300	4 300	11.5%	0.0%
Total equity and liabilities	74 141 864	12.3%	100.0%	82 905 714	97 103 739	110 532 750	14.2%	100.0%

Personnel information

Table 7.26 Development Bank of Southern Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual 2013/14			Revised estimate 2014/15			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14		Unit Cost	2014/15		Unit Cost	2015/16		2016/17		2017/18				2014/15 - 2017/18			
Development Bank of Southern Africa		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	497	497	423	561.6	1.3	497	656.3	1.3	497	682.5	1.4	497	709.8	1.4	497	738.2	1.5	4.0%	100.0%
1 – 6	20	20	20	3.0	0.2	20	3.5	0.2	20	3.7	0.2	20	3.8	0.2	20	4.0	0.2	4.0%	4.0%
7 – 10	131	131	131	294.5	2.2	131	344.2	2.6	131	358.0	2.7	131	372.3	2.8	131	387.2	3.0	4.0%	26.4%
11 – 12	30	30	30	17.8	0.6	30	20.8	0.7	30	21.6	0.7	30	22.4	0.7	30	23.3	0.8	4.0%	6.0%
13 – 16	307	307	233	225.5	1.0	307	263.5	0.9	307	274.0	0.9	307	285.0	0.9	307	296.4	1.0	4.0%	61.8%
17 – 22	9	9	9	20.8	2.3	9	24.3	2.7	9	25.3	2.8	9	26.3	2.9	9	27.4	3.0	4.0%	1.8%

1. Rand million.

Land and Agricultural Development Bank of South Africa

Mandate

The mandate of the Land and Agricultural Development Bank of South Africa, as a development finance institution, is to address agricultural and rural development in South Africa. The bank operates in the agricultural and agribusiness sectors, and is regulated by the Land and Agricultural Development Bank Act (2002) and the Public Finance Management Act (1999). Its broader mandate, as expressed in the act, is to promote: the equitable ownership of agricultural land, particularly by historically disadvantaged people; agrarian reform, land redistribution or development programmes for historically disadvantaged people; land access for agricultural purposes; productivity, profitability, investment and innovation in agriculture; growth of the agricultural sectors and better use of land; rural development and job creation; and commercial agriculture and food security.

Selected performance indicators

Table 7.27 Land and Agricultural Development Bank of South Africa performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Cost to income ratio	Administration	Outcome 7: Comprehensive rural development and land reform	77.1%	67.7%	59.5%	67.4%	67.7%	68.8%	67.5%
Capital adequacy ratio	Administration		30.1%	24.4%	26.0%	24.6%	23.7%	21.7%	20.3%
Value of development loan book disbursements	Administration		R752.2m	R654.6m	R819.3m	R898.8m	R770m	R924m	R1.1bn
Value of business and corporate banking loans	Financing of agri-related businesses		R17.8m	R22.6m	R24.6m	R31.5m	R34.7m	R37.3m	R40.2m
Value of development loan book disbursements	Financing of agri-related businesses		R528.1m	R373.7m	R595.9m	R415.8m	R356.2m	R427.4m	R510.7m
Value of retail commercial banking loans	Retail commercial banking		R4.5m	R4.5m	R4.9m	R6.1m	R6.7m	R7.3m	R7.8m
Value of development loan book disbursements	Retail commercial banking		R122.4m	R373.7m	R134.4m	R273m	R233.9m	R280.7m	R335.3m
Value of retail emerging markets loans	Retail emerging markets		R101.7m	R247.5m	R391.2m	R508m	R653m	R798m	R860.9m

Expenditure analysis

The Land and Agricultural Development Bank of South Africa has increased its appetite for the development component of its mandate, as supported by the growth in its development loan book, and is expected to play a pivotal role in advancing agriculture and rural development. This is in line with the national development plan's vision of creating more jobs through agricultural development, and outcome 7 of government's 2014-2019 medium term strategic framework (comprehensive rural development and land reform).

The bank's focus over the medium term will be on consolidating its market share to have more influence in the agricultural sector, and thereby influence agricultural production and ensure a meaningful contribution towards food security, national development and employment creation. In line with the plan's vision, the bank is further expected to play a vital role in advancing agriculture and rural development through lending to emerging farmers and providing subsidised interest rates through the wholesale financing facility in the retail emerging markets division.

Due to an expected increase in revenue to R3.7 billion in 2017/18, the bank will be enabled to deliver on its development projects through disbursing short, medium and long term loans to the agricultural sector in support of farmers, especially emerging farmers. Total expenses are set to grow to R3.6 billion in 2017/18, driven mainly by expected increases in funding liabilities. Other operating expenses are projected to increase in line with inflationary adjustments. The bank is expected to have disbursed R6 billion by 2017/18. The bank was recapitalised with R1.8 billion from 2011/12 to 2014/15.

The bank has built internal capacity and reduced its dependence on external consultants, leading to an expected reduction of R29.3 million in spending on consultants over the medium term. Before the completion of the turnaround strategy to improve the bank's balance sheet, spending on consultants was directed towards complementing the efforts of staff, and this helped the bank to create a conducive environment to attract skilled personnel. Currently, spending on consultants is only in specialised areas in which the bank does not have expertise, such as for ICT projects and activities for loan book acquisitions. Despite the reductions in the budget allocated for consultant services, expenditure on these items is expected to increase to R41.5 million over the medium term due to more due diligence fees for strategic acquired books, fees related to raising bonds to fund loan book growth, and in areas in which the bank does not have sufficient internal capacity to address any identified operational issues.

At the end of November 2014, the bank had 569 funded posts, all of which were filled. The number of personnel is expected to remain constant over the medium term.

Programmes/objectives/activities

Table 7.28 Land and Agricultural Development Bank of South Africa expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2011/12 - 2014/15	2015/16		
R thousand											
Administration	467 953	508 731	415 142	363 338	-8.1%	22.2%	381 521	404 412	428 677	5.7%	12.4%
Business and Corporate Banking	686 356	1 055 365	1 336 555	1 922 861	41.0%	57.2%	2 087 182	2 267 414	2 473 750	8.8%	68.3%
Retail commercial banking	333 906	394 210	425 763	493 472	13.9%	19.8%	609 094	597 172	631 543	8.6%	18.2%
Retail emerging markets	2 890	18 000	20 806	24 677	104.4%	0.7%	35 258	38 018	40 123	17.6%	1.1%
Total	1 491 105	1 976 306	2 198 266	2 804 347	23.4%	100.0%	3 113 054	3 307 016	3 574 093	8.4%	100.0%

Statements of historical financial performance and position

Table 7.29 Land and Agricultural Development Bank of South Africa statements of historical financial performance and position

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
	Budget	2011/12	Budget	2012/13	Budget	2013/14			
R thousand									
Revenue									
Non-tax revenue	1 701 179	1 652 460	1 798 992	2 280 896	2 247 525	2 592 608	2 641 788	2 989 181	113.4%
Sale of goods and services other than capital assets	37 687	54 455	68 157	21 753	37 344	24 377	38 236	(96 092)	2.5%
<i>of which:</i>									
Administrative fees	37 687	21 957	54 590	-	26 563	-	26 867	(106 747)	-58.2%
Sales by market establishment	-	32 498	13 567	21 753	10 781	24 377	11 370	10 655	250.0%
Other non-tax revenue	1 663 492	1 598 006	1 730 835	2 259 143	2 210 181	2 568 231	2 603 551	3 085 274	115.9%
Total revenue	1 701 179	1 652 460	1 798 992	2 280 896	2 247 525	2 592 608	2 641 788	2 989 181	113.4%
Expenses									
Current expenses	1 496 888	1 470 047	1 729 123	1 952 948	1 967 226	2 170 808	2 454 783	2 779 012	109.5%
Compensation of employees	292 599	346 603	388 948	359 834	393 715	381 349	399 021	376 315	99.3%
Goods and services	186 916	277 008	218 374	325 509	205 931	213 185	201 935	181 638	122.7%
Depreciation	8 319	23 650	22 347	25 042	25 271	16 108	26 847	23 793	107.0%
Interest, dividends and rent on land	1 009 054	822 786	1 099 454	1 242 564	1 342 309	1 560 166	1 826 979	2 197 265	110.3%
Total expenses	1 519 712	1 491 105	1 757 480	1 976 306	1 994 684	2 198 266	2 482 919	2 804 347	109.2%
Surplus/(Deficit)	181 467	161 355	41 511	304 590	252 841	394 342	158 869	184 834	-

Table 7.29 Land and Agricultural Development Bank of South Africa statements of historical financial performance and position

Statement of financial position									Outcome/ Budget Average (%)
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	2011/12 - 2014/15
	2011/12		2012/13		2013/14		2014/15		
Carrying value of assets	265 216	237 497	326 918	227 494	144 632	238 016	227 363	205 483	94.2%
<i>of which:</i>									
Acquisition of assets	12 772	13 309	94 885	11 820	(256 737)	12 777	(1 748)	13 456	-34.1%
Investments	327 796	1 140 694	1 239 991	1 326 163	332 139	1 354 963	1 428 131	684 576	135.4%
Inventory	-	144 239	276 086	143 873	181 409	174 109	183 511	-	72.1%
Loans	-	83 139	-	6 265	-	-	-	-	-
Receivables and prepayments	14 582 484	21 782 934	19 036 027	27 129 258	28 355 412	30 448 931	33 147 816	36 074 257	121.4%
Cash and cash equivalents	2 726 294	1 941 406	1 300 000	1 891 383	2 000 000	2 500 000	2 898 793	2 500 000	99.0%
Non-current assets held for sale	-	15 465	129 900	52 332	136 076	26 166	-	51 818	54.8%
Derivatives financial instruments	-	6 032	-	5 238	-	-	-	9 029	-
Total assets	17 901 790	25 351 406	22 308 921	30 782 006	31 149 668	34 742 186	37 885 614	39 525 163	119.4%
Accumulated surplus/(deficit)	4 743 592	5 514 231	4 797 908	5 995 615	6 155 974	6 426 147	6 879 144	5 862 875	105.4%
Capital and reserves	131 450	112 243	122 930	135 449	112 242	135 449	135 449	137 135	103.6%
Borrowings	11 694 083	18 014 693	15 957 958	23 003 501	24 000 886	27 194 444	29 824 542	-	83.7%
Finance lease	-	-	619 437	-	-	-	-	-	-
Trade and other payables	75 397	1 018 232	205 747	935 280	185 783	196 471	207 080	131 550	338.5%
Provisions	511 293	676 586	604 941	712 161	685 825	740 722	791 662	776 068	112.0%
Managed funds (e.g. poverty alleviation fund)	720 221	-	-	-	-	-	-	-	-
Derivatives financial instruments	25 754	15 421	-	-	8 957	48 952	47 737	32 617 534	39 639.5%
Total equity and liabilities	17 901 790	25 351 406	22 308 921	30 782 006	31 149 667	34 742 186	37 885 614	39 525 163	119.4%

Statements of estimates of financial performance and position**Table 7.30 Land and Agricultural Development Bank of South Africa statements of estimates of financial performance and position**

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Expen- diture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expen- diture/ Total: Average (%)
	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	2 989 181	21.8%	100.0%	3 296 086	3 469 006	3 718 771	7.6%	100.0%
Sale of goods and services other than capital assets	(96 092)	-220.8%	0.5%	(142 405)	(153 208)	(160 534)	18.7%	-4.1%
<i>of which:</i>								
Administrative fees	(106 747)	-269.4%	-0.6%	(158 169)	(169 917)	(178 246)	18.6%	-4.5%
Sales by market establishment	10 655	-31.0%	1.1%	15 764	16 710	17 712	18.5%	0.4%
Other non-tax revenue	3 085 274	24.5%	99.5%	3 438 491	3 622 213	3 879 305	7.9%	104.1%
Total revenue	2 989 181	21.8%	100.0%	3 296 086	3 469 006	3 718 771	7.6%	100.0%
Expenses								
Current expenses	2 779 012	23.6%	98.8%	3 080 020	3 269 704	3 534 541	8.3%	99.0%
Compensation of employees	376 315	2.8%	18.1%	385 387	405 899	426 194	4.2%	12.5%
Goods and services	181 638	-13.1%	12.8%	196 854	221 320	238 817	9.6%	6.5%
Depreciation	23 793	0.2%	1.1%	14 495	13 205	13 945	-16.3%	0.5%
Interest, dividends and rent on land	2 197 265	38.7%	66.8%	2 483 283	2 629 279	2 855 585	9.1%	79.4%
Total expenses	2 804 347	23.4%	100.0%	3 113 054	3 307 016	3 574 092	8.4%	100.0%
Surplus/(Deficit)	184 834	4.6%	-	183 032	161 990	144 679	-7.8%	-
Statement of financial position								
Carrying value of assets	205 483	-4.7%	0.7%	207 161	212 796	218 842	2.1%	0.5%
<i>of which:</i>								
Acquisition of assets	13 456	0.4%	0.0%	8 514	3 959	4 354	-31.3%	0.0%
Investments	684 576	-15.7%	3.6%	806 050	863 698	922 585	10.5%	2.0%
Receivables and prepayments	36 074 257	18.3%	88.2%	36 716 602	38 545 343	40 273 504	3.7%	93.2%
Cash and cash equivalents	2 500 000	8.8%	6.8%	1 365 134	1 433 391	1 497 894	-15.7%	4.2%
Non-current assets held for sale	51 818	49.6%	0.1%	41 581	37 422	33 680	-13.4%	0.1%
Derivatives financial instruments	9 029	14.4%	0.0%	-	-	-	-100.0%	0.0%
Total assets	39 525 163	16.0%	100.0%	39 136 528	41 092 650	42 946 505	2.8%	100.0%
Accumulated surplus/(deficit)	5 862 875	2.1%	18.6%	6 641 453	6 803 444	6 948 123	5.8%	16.1%
Capital and reserves	137 135	6.9%	0.4%	137 135	137 135	137 135	-	0.3%
Trade and other payables	131 550	-49.4%	2.0%	227 093	239 782	251 873	24.2%	0.5%
Provisions	776 068	4.7%	2.3%	606 372	631 299	657 527	-5.4%	1.6%
Derivatives financial instruments	32 617 534	1 183.6%	20.7%	31 524 475	33 280 991	34 951 848	2.3%	81.4%
Total equity and liabilities	39 525 163	16.0%	100.0%	39 136 528	41 092 651	42 946 505	27.0%	100.0%

Personnel information

Table 7.31 Land and Agricultural Development Bank of South Africa personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual 2013/14			Revised estimate 2014/15			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2015/16			2016/17			2017/18			2014/15 - 2017/18								
Land and Agricultural Development Bank of South Africa		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	569	569	490	381.3	0.8	569	376.3	0.7	569	385.4	0.7	569	405.9	0.7	569	426.2	0.7	4.2%	100.0%
1 – 6	46	46	41	102.2	2.5	46	98.9	2.2	46	90.4	2.0	46	93.3	2.0	46	89.9	2.0	-3.2%	8.1%
7 – 10	404	404	342	181.0	0.5	404	170.3	0.4	404	183.7	0.5	404	194.7	0.5	404	206.4	0.5	6.6%	71.0%
11 – 12	89	89	76	55.6	0.7	89	58.4	0.7	89	64.8	0.7	89	68.7	0.8	89	72.8	0.8	7.6%	15.6%
13 – 16	24	24	26	30.2	1.2	24	31.8	1.3	24	28.7	1.2	24	30.4	1.3	24	37.4	1.6	5.5%	4.2%
17 – 22	6	6	5	12.4	2.5	6	16.8	2.8	6	17.8	3.0	6	18.8	3.1	6	19.7	3.3	5.4%	1.1%

1. Rand million.

South African Revenue Service

Mandate

The South African Revenue Service's mandate in terms of the South African Revenue Service Act (1997) is to collect all revenue due to the state and administer trade to support government in meeting its key growth developmental objectives. This involves facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion. The organisation's purpose is to contribute to the economic and social development of the country through collecting the resources needed by government to meet its policy and delivery priorities.

Selected performance indicators

Table 7.32 South African Revenue Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Customs revenue collected	Operations	Outcome 12: An efficient, effective and development-oriented public service	R136bn	R151.1bn	R180.2bn	R202.2bn	- ¹	- ¹	- ¹
Percentage of trade audited to obtain preferred trader status (number of preferred trader declarations versus the total number of declarations) per year	Operations		21.3% (2.8 million)	23.8% (20.7 million)	20% (20.7 million)	21% (20.7 million)	30% (20.7 million)	35% (20.7 m million)	35% (20.7 million)
Revenue collected excluding customs revenue	Operations		R604.7bn	R672bn	R714.8bn	R791.5bn	- ¹	- ¹	- ¹
Percentage compliance of personal income tax filing (number of personal income tax returns submitted in tax year due, versus the total number of personal income tax returns required in tax year) per year	Large business centre		83.2% (4.2 million)	86.15% (4.89 million)	84% (4.89 million)	91.6% (4.89 million)	92% (4.89 million)	92.3% (4.89 million)	92.5% (4.89 million)

1. As the amount of revenue collected over the medium term is subject to the fiscal framework, projections cannot be provided.

Expenditure analysis

The South African Revenue Service's focus over the MTEF period will be on contributing more than 90 per cent of the revenue required by government to meet its objectives. This is in line with the national development plan's vision of ensuring high quality public services as a result of tax contributions, as well as outcome 12 of government's 2014-2019 medium term strategic framework (an efficient, effective and development oriented public service). Further objectives include raising employment through faster economic growth; building the capability of the state to play a developmental and transformative role; building partnerships between the public sector, business and labour to facilitate and promote investment in labour intensive areas; raising competitiveness and export earnings through improved trade facilitation, better infrastructure and public services; lowering the cost of doing business; improving skills and innovation; and targeting state support to specific sectors.

Total revenue is expected to increase to R11.8 billion in 2017/18. A significant portion of spending over the medium term is expected to be on finalising the mainstream modernisation programmes, which mainly include the design, development, testing and implementation of tax related ICT systems, as well as updates and

upgrades. Spending will further concentrate on recruiting 400 graduate trainees in 2014/15 (growing to 500 over the medium term) to create a pipeline to ensure that the organisation is adequately resourced to deliver an effective and efficient service, recruiting personnel to fill critical vacant posts, and refurbishing and relocating branches as part of the organisation's strategy to expand its footprint. Total expenditure is expected to mirror the increase in revenue, rising to R11.5 billion over the same period.

At the end of November 2014, the organisation had 14 542 funded posts, of which 675 were vacant. Vacancies are mainly due to delays in acquiring key specialised skills in the large business centre and the legal, ICT and audit divisions. The organisation expects to have filled all vacant posts by the end of 2015/16. The South African Revenue Service is focusing on an organisational strategic review and the outcome will be assessed over the medium term.

Programmes/objectives/activities

Table 7.33 South African Revenue Service expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	3 750 452	2 693 370	2 708 980	3 210 628	-5.0%	33.8%	3 399 309	3 598 454	3 808 599	5.9%	33.2%
Tax and customs enforcement investigations	314 609	333 402	390 276	809 100	37.0%	5.0%	865 653	925 886	989 707	6.9%	8.5%
Operations	4 925 074	5 210 628	5 107 528	5 035 242	0.7%	55.7%	5 377 564	5 740 792	6 124 491	6.7%	52.7%
Large business centre	305 409	323 652	340 367	351 631	4.8%	3.6%	376 403	402 856	430 978	7.0%	3.7%
Modernisation and Impactful initiatives	128 539	136 217	141 243	217 002	19.1%	1.7%	186 060	121 118	114 377	-19.2%	1.5%
African Tax Administration Forum	-	-	8 019	22 810	-	0.1%	24 121	25 486	26 813	5.5%	0.2%
Tax Ombud	-	-	2 353	14 663	-	0.0%	15 609	16 596	17 603	6.3%	0.2%
Tax Committee	-	-	2 475	8 499	-	0.0%	8 976	9 471	9 946	5.4%	0.1%
Total	9 424 083	8 697 269	8 701 242	9 669 575	0.9%	100.0%	10 253 694	10 840 657	11 522 514	6.0%	100.0%

Statements of historical financial performance and position

Table 7.34 South African Revenue Service statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2014/15	2011/12 - 2014/15
Revenue									
Non-tax revenue	257 000	427 963	298 000	434 988	310 000	454 174	310 000	437 137	149.3%
Sale of goods and services other than capital assets	227 000	265 805	238 000	234 014	250 000	272 888	250 000	263 224	107.4%
of which:									
Administrative fees	227 000	265 805	238 000	234 014	250 000	272 888	250 000	263 224	107.4%
Other non-tax revenue	30 000	162 158	60 000	200 974	60 000	181 286	60 000	173 913	342.1%
Transfers received	8 653 573	8 653 573	9 194 374	9 149 374	9 534 393	9 534 393	9 440 321	9 440 321	99.9%
Total revenue	8 910 573	9 081 536	9 492 374	9 584 362	9 844 393	9 988 567	9 750 321	9 877 458	101.4%
Expenses									
Current expenses	8 658 335	8 222 148	9 351 583	8 697 202	9 568 929	8 701 242	9 693 113	9 669 575	94.7%
Compensation of employees	5 368 799	5 502 519	6 002 823	5 821 216	6 253 806	5 841 936	6 442 508	6 357 398	97.7%
Goods and services	2 776 897	2 251 436	2 732 799	2 354 319	2 775 753	2 290 396	2 685 305	2 723 314	87.7%
Depreciation	496 323	446 828	599 186	506 180	526 591	562 354	558 324	588 781	96.5%
Interest, dividends and rent on land	16 316	21 366	16 775	15 487	12 779	6 556	6 976	82	82.3%
Transfers and subsidies	-	1 201 934	-	66	-	-	-	-	-
Total expenses	8 658 335	9 424 083	9 351 583	8 697 268	9 568 929	8 701 242	9 693 113	9 669 575	97.9%
Surplus/(Deficit)	252 238	(342 547)	140 791	887 094	275 464	1 287 325	57 208	207 883	
Statement of financial position									
Carrying value of assets	1 938 976	1 889 048	2 207 917	2 612 584	2 641 313	2 719 401	3 751 803	3 124 512	98.2%
of which:									
Acquisition of assets	798 562	701 693	733 914	1 284 818	740 485	647 629	756 827	981 444	119.3%
Loans	-	75 218	-	66 559	75 218	74 699	56 559	72 387	219.2%
Receivables and prepayments	89 573	131 984	212 037	149 788	142 071	116 359	155 478	127 995	87.8%
Cash and cash equivalents	1 356 086	2 470 377	1 839 999	1 732 375	1 509 519	2 901 681	1 684 019	2 716 901	153.7%
Total assets	3 384 635	4 566 627	4 259 953	4 561 306	4 368 121	5 812 140	5 647 859	6 041 795	118.8%
Accumulated surplus/(deficit)	1 817 555	1 977 540	2 593 573	2 864 634	2 564 444	4 151 959	3 790 154	4 359 841	124.0%
Capital and reserves	61 768	61 679	102 598	92 618	77 142	124 482	93 468	136 930	124.1%
Finance lease	-	152 046	394 641	28 795	132 616	23 312	7 279	21 000	42.1%
Deferred income	1 471	390	481	606	244	110	606	110	43.4%
Trade and other payables	744 689	921 074	708 417	874 414	926 105	841 446	953 476	876 446	105.4%
Provisions	392 601	1 171 207	460 243	399 000	466 166	670 831	802 876	647 467	136.1%
Derivatives financial instruments	404 551	282 691	-	301 239	201 405	-	-	-	96.4%
Total equity and liabilities	3 422 635	4 566 627	4 259 953	4 561 306	4 368 121	5 812 140	5 647 859	6 041 795	118.6%

Statements of estimates of financial performance and position

Table 7.35 South African Revenue Service statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
					2014/15	2011/12 - 2014/15	2015/16		
R thousand									
Revenue									
Non-tax revenue		437 137	0.7%	4.6%	360 308	353 511	356 747	-6.5%	3.6%
Sale of goods and services other than capital assets		263 224	-0.3%	2.7%	265 856	268 514	271 200	1.0%	2.5%
<i>of which:</i>									
Administrative fees		263 224	-0.3%	2.7%	265 856	268 514	271 200	1.0%	2.5%
Other non-tax revenue		173 913	2.4%	1.9%	94 452	84 997	85 547	-21.1%	1.1%
Transfers received		9 440 321	2.9%	95.4%	9 434 439	10 433 547	11 415 611	6.5%	96.4%
Total revenue		9 877 458	2.8%	100.0%	9 794 747	10 787 058	11 772 358	6.0%	100.0%
Expenses									
Current expenses		9 669 575	5.6%	96.8%	10 253 694	10 840 657	11 522 514	6.0%	100.0%
Compensation of employees		6 357 398	4.9%	64.6%	6 813 565	7 301 116	7 825 767	7.2%	66.9%
Goods and services		2 723 314	6.5%	26.4%	2 839 486	2 926 882	3 071 832	4.1%	27.4%
Depreciation		588 781	9.6%	5.8%	600 557	612 568	624 820	2.0%	5.8%
Interest, dividends and rent on land		82	-84.4%	0.1%	86	91	96	5.4%	0.0%
Total expenses		9 669 575	0.9%	100.0%	10 253 694	10 840 657	11 522 514	6.0%	100.0%
Surplus/(Deficit)		207 883	-184.7%	-	(458 947)	(53 599)	249 844	6.3%	-
Statement of financial position									
Carrying value of assets		3 124 512	18.3%	49.3%	3 413 921	3 543 971	3 651 971	5.3%	59.6%
<i>of which:</i>									
Acquisition of assets		981 444	11.8%	17.7%	874 904	722 859	717 362	-9.9%	14.3%
Loans		72 387	-1.3%	1.4%	71 554	70 906	71 437	-0.4%	1.2%
Receivables and prepayments		127 995	-1.0%	2.6%	140 212	144 124	143 593	3.9%	2.4%
Cash and cash equivalents		2 716 901	3.2%	46.7%	1 983 607	1 819 718	1 977 020	-10.1%	36.7%
Total assets		6 041 795	9.8%	100.0%	5 609 294	5 578 719	5 844 021	-1.1%	100.0%
Accumulated surplus/(deficit)		4 359 841	30.2%	62.4%	3 900 895	3 847 296	4 097 141	-2.1%	70.2%
Capital and reserves		136 930	30.5%	1.9%	151 993	171 752	187 209	11.0%	2.8%
Finance lease		21 000	-48.3%	1.2%	20 277	18 680	17 904	-5.2%	0.3%
Deferred income		110	-34.4%	0.0%	127	247	300	39.7%	0.0%
Trade and other payables		876 446	-1.6%	17.1%	927 663	955 015	988 882	4.1%	16.3%
Provisions		647 467	-17.9%	14.2%	608 340	585 729	552 585	-5.1%	10.4%
Total equity and liabilities		6 041 795	9.8%	100.0%	5 609 294	5 578 719	5 844 021	42.4%	100.0%

Personnel information

Table 7.36 South African Revenue Service personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
Number of funded posts	Number of posts on approved establishment	2013/14			2014/15			2015/16		2016/17		2017/18		2014/15 - 2017/18					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
South African Revenue Service																			
Salary level	14 542	14 542	14 167	5 841.9	0.4	13 867	6 357.4	0.5	14 541	6 813.6	0.5	14 541	7 301.1	0.5	14 541	7 825.8	0.5	7.2%	100.0%
1 – 6	583	583	338	96.2	0.3	232	119.7	0.5	583	128.3	0.2	583	137.5	0.2	583	147.3	0.3	7.2%	3.4%
7 – 10	9 932	9 932	10 092	2 951.9	0.3	9 855	2 846.9	0.3	9 932	3 051.2	0.3	9 932	3 269.5	0.3	9 932	3 504.5	0.4	7.2%	69.0%
11 – 12	2 229	2 229	2 084	1 115.9	0.5	2 082	1 520.2	0.7	2 229	1 629.3	0.7	2 229	1 745.9	0.8	2 229	1 871.4	0.8	7.2%	15.3%
13 – 16	1 788	1 788	1 644	1 645.4	1.0	1 689	1 846.7	1.1	1 788	1 979.2	1.1	1 788	2 120.8	1.2	1 788	2 273.2	1.3	7.2%	12.3%
17 – 22	10	10	9	32.5	3.6	9	23.9	2.7	9	25.6	2.8	9	27.4	3.0	9	29.4	3.3	7.2%	0.1%

1. Rand million.

Accounting Standards Board

Mandate

The Accounting Standards Board's legislative mandate is to develop uniform standards of generally recognised accounting practice for all spheres of government in terms of section 216(1)(a) of the Constitution and the Public Finance Management Act (1999). A further function of the board is to promote transparency in and the effective management of revenue, expenditure, assets and liabilities of the entities to which the standards apply.

Selected performance indicators

Table 7.37 Accounting Standards Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of employees working on setting standards for generally recognised accounting practice per year	Administration	Outcome 12: An efficient, effective and development-oriented public service	7	7	7	7	7	7	7
Number of documents issued relevant to the setting of standards for generally recognised accounting practice per year ¹	Administration	Outcome 9: A responsive, accountable, effective and efficient developmental local government system	25	20	27	12	12	12	12

1. The targets were restated to reflect the actual number of documents issued over and above the standards.

Expenditure analysis

The Accounting Standards Board contributes directly to outcome 9 (a responsive, accountable, effective and efficient developmental local government system) and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium term strategic framework. The board's focus will be on improved financial decision making, the informed allocation of financial resources, and improved accountability in all spheres of government through the development of standards of generally recognised accounting practice. It also aims to ensure that the financial statements of all types of institutions across all spheres of government are comparable when standards of generally recognised accounting practice are implemented. This is in line with the national development plan's vision of strengthened financial services to ensure prudent financial reporting for the monitoring of service delivery.

Developing a consistent reporting framework with a standard of generally recognised accounting practice for each material item of revenue, expenses, assets and liabilities through exposure drafts (draft standards circulated for comments) for comments by stakeholders is expected to account for the bulk of the board's spending over the medium term. A consistent reporting framework will contribute to improved decision making in all spheres of government and improved accountability for the financial resources assigned to each reporting entity. The board plans to issue 12 documents relating to the setting of standards for generally recognised accounting practice for all spheres of government issued in each year over the medium term.

Spending on goods and services is expected to decrease at an average annual rate of 3.4 per cent as a result of Cabinet approved budget reductions of R1.1 million over the medium term, to be effected mainly on travel and accommodation.

The board's main source of revenue is a transfer from National Treasury, which is expected to increase by 4.6 per cent, to reach R11.7 million in 2017/18. Compensation of employees, the board's biggest cost driver, is expected to account for an average of 79.7 per cent of expenditure over the MTEF period. Spending on compensation of employees is projected to increase to R9.3 million in 2017/18, mainly due to inflationary adjustments. The board will retain its current number of 7 personnel over the medium term to maintain its ability to meet its core objectives.

Programmes/objectives/activities

Table 7.38 Accounting Standards Board expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	8 206	9 265	10 019	10 486	8.5%	100.0%	10 290	10 664	11 787	4.0%	100.0%	
Total	8 206	9 265	10 019	10 486	8.5%	100.0%	10 290	10 664	11 787	4.0%	100.0%	

Statements of historical financial performance and position

Table 7.39 Accounting Standards Board statements of historical financial performance and position

Statement of financial performance									
R thousand	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	85	116	63	143	110	219	110	150	170.7%
Other non-tax revenue	85	116	63	143	110	219	110	150	170.7%
Transfers received	7 970	7 795	9 469	9 096	9 830	9 951	10 250	10 250	98.9%
Total revenue	8 055	7 911	9 532	9 239	9 940	10 170	10 360	10 400	99.6%
Expenses									
Current expenses	8 055	8 206	9 598	9 265	10 040	10 019	10 414	10 486	99.7%
Compensation of employees	5 627	5 473	7 063	6 275	7 164	6 675	7 470	7 725	95.7%
Goods and services	2 324	2 630	2 469	2 906	2 850	3 278	2 890	2 707	109.4%
Depreciation	104	103	66	84	26	66	54	54	122.9%
Total expenses	8 055	8 206	9 598	9 265	10 040	10 019	10 414	10 486	99.7%
Surplus/(Deficit)	-	(295)	(66)	(26)	(100)	151	(54)	(86)	-
Statement of financial position									
Carrying value of assets	222	233	50	207	14	282	96	196	240.3%
of which:									
Acquisition of assets	90	-	-	58	-	141	(70)	-	995.0%
Receivables and prepayments	51	97	51	98	62	99	99	97	148.7%
Cash and cash equivalents	188	1 012	369	1 819	-	2 736	-	-	999.5%
Total assets	461	1 342	470	2 124	76	3 117	195	293	572.0%
Accumulated surplus/(deficit)	507	233	243	207	-	358	96	196	117.5%
Capital reserve fund	-	766	-	1 139	-	1 250	-	-	-
Trade and other payables	239	158	112	520	76	1 259	-	97	476.3%
Provisions	110	184	115	258	-	250	-	-	307.7%
Total equity and liabilities	856	1 342	470	2 124	76	3 117	96	293	459.0%

Statements of estimates of financial performance and position

Table 7.40 Accounting Standards Board statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2014/15	2011/12 - 2014/15	2015/16			2016/17
Revenue									
Non-tax revenue	150	8.9%	1.7%	150	150	150	-	1.4%	
Other non-tax revenue	150	8.9%	1.7%	150	150	150	-	1.4%	
Transfers received	10 250	9.6%	98.3%	10 174	10 517	11 733	4.6%	98.6%	
Total revenue	10 400	9.5%	100.0%	10 324	10 667	11 883	4.5%	100.0%	
Expenses									
Current expenses	10 486	8.5%	100.0%	10 290	10 664	11 787	4.0%	100.0%	
Compensation of employees	7 725	12.2%	68.7%	8 458	8 923	9 328	6.5%	79.7%	
Goods and services	2 707	1.0%	30.5%	1 775	1 695	2 437	-3.4%	19.9%	
Depreciation	54	-19.4%	0.8%	57	46	22	-25.9%	0.4%	
Total expenses	10 486	8.5%	100.0%	10 290	10 664	11 787	4.0%	100.0%	
Surplus/(Deficit)	(86)	-33.7%	-	34	3	96	-203.7%	-	
Statement of financial position									
Carrying value of assets	196	-5.6%	25.8%	120	74	52	-35.7%	50.1%	
Receivables and prepayments	97	-	12.0%	97	97	97	-	49.9%	
Total assets	293	-39.8%	100.0%	217	171	149	-20.2%	100.0%	
Accumulated surplus/(deficit)	196	-5.6%	26.4%	120	74	52	-35.7%	50.1%	
Trade and other payables	97	-15.0%	27.4%	97	97	97	-	49.9%	
Total equity and liabilities	293	-39.8%	100.0%	217	171	149	-35.7%	100.0%	

Personnel information

Table 7.41 Accounting Standards Board personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Accounting Standards Board																			
Salary level	7	7	8	6.7	0.8	7	7.7	1.1	7	8.5	1.2	7	8.9	1.3	7	9.3	1.3	6.5%	100.0%
1 – 6	1	1	2	0.1	0.1	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	1	0.2	0.2	5.5%	14.3%
7 – 10	1	1	1	0.4	0.4	1	0.5	0.5	1	0.5	0.5	1	0.5	0.5	1	0.5	0.5	5.4%	14.3%
11 – 12	2	2	2	1.0	0.5	2	1.6	0.8	2	2.0	1.0	2	2.1	1.1	2	2.2	1.1	10.5%	28.6%
13 – 16	2	2	2	3.0	1.5	2	3.2	1.6	2	3.4	1.7	2	3.6	1.8	2	3.8	1.9	5.4%	28.6%
17 – 22	1	1	1	2.1	2.1	1	2.3	2.3	1	2.4	2.4	1	2.5	2.5	1	2.7	2.7	5.4%	14.3%

1. Rand million.

Cooperative Banks Development Agency

Mandate

The Cooperative Banks Development Agency was established in terms of the Cooperative Banks Act (2007), as amended, with the South African Reserve Bank as the sole supervisor of cooperative banks. The agency is mandated to provide for the registration and supervision of deposit taking financial services cooperatives and savings and credit cooperatives, collectively referred to as cooperative financial institutions. The agency also facilitates, promotes and funds the education and training of these institutions.

Selected performance indicators

Table 7.42 Cooperative Banks Development Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Number of on-site inspections conducted on cooperative financial institutions per year ¹	Supervision unit	Outcome 4: Decent employment through inclusive economic growth	-1	-1	18	20	20	20	20
Number of off-site reports of cooperative financial institutions processed per year ¹	Supervision unit		-1	-1	70	60	60	60	60
Number of cooperative financial institutions using banking platforms per year ²	Capacity building and information		-2	1	5	5	10	15	20
Number of cooperative financial institution managers and board members trained per year	Capacity building and information	Outcome 5: A skilled and capable workforce to support an inclusive growth path	20	29	376 ³	80	100	120	120
Number of cooperative financial institutions provided with direct technical assistance per year ²	Capacity building and information		-2	-2	-2	6	6	8	10
Number of organised groups assisted with the establishment of a cooperative financial institutions per year ²	Capacity building and information		-2	-2	-2	2	2	2	2

1. On-site and off-site inspections were only carried out from 2013/14.

2. New indicators starting in respective years.

3. The grant received from the Banking Sector Education and Training Authority in 2013/14 to train more board members and managers is the reason for the spike.

Expenditure analysis

The Cooperative Banks Development Agency supports the vision of the national development plan by promoting a sustainable cooperative banking environment that will contribute towards providing South Africans with access to affordable financial services. This is in line with outcome 5 of government's 2014-2019 medium term strategic framework (a skilled and capable workforce to support an inclusive growth path). The agency's focus will be on ensuring a safe, vibrant and growing member driven sector through the regulation and strengthening of individual cooperative financial institutions by capacitating board members, staff and ordinary members alike. These capacity building initiatives aim to address the issue of failing institutions to ensure improved compliance with regulations, and to assist with improved compliance with regulations by banks.

The agency's main source of revenue is a transfer from National Treasury, and this is expected to increase from R16.9 million in 2015/16 to R19.3 million in 2017/18. The agency's spending over the medium term will

prioritise operationalising the stabilisation fund to support cooperative financial institutions that need short term and long term liquidity assistance; conducting 60 on-site visits to registered cooperative financial institutions to examine their operations as part of the supervisory process; facilitating the implementation of a banking platform for cooperative financial institutions that will enable them to link to the national payment system; assisting representative bodies to improve their leadership, management and operational capabilities; and establishing sector specific learning programmes with universities, colleges and support organisations.

These activities will drive expenditure in travel and subsistence, consultants, and computer services over the MTEF period. Expenditure on compensation of employees is expected to increase from R10.9 million in 2015/16 to R12.5 million in 2017/18.

Programmes/objectives/activities

Table 7.43 Cooperative Banks Development Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	2 856	4 466	5 839	6 019	28.2%	32.5%	5 439	5 531	6 090	0.4%	31.8%
Supervision unit	2 067	2 855	3 843	4 555	30.1%	22.5%	5 006	5 190	5 827	8.6%	28.4%
Capacity building and information	3 660	5 038	10 007	8 952	34.7%	45.0%	6 816	5 977	7 365	-6.3%	39.8%
Total	8 583	12 359	19 689	19 526	31.5%	100.0%	17 261	16 698	19 282	-0.4%	100.0%

Statements of historical financial performance and position

Table 7.44 Cooperative Banks Development Agency statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2011/12 - 2014/15	
Revenue									
Non-tax revenue	-	162	-	256	-	492	-	162	-
Sale of goods and services other than capital assets	-	9	-	21	-	12	-	4	-
Other non-tax revenue	-	153	-	235	-	480	-	158	-
Transfers received	9 310	9 516	16 000	16 894	16 236	19 540	16 838	19 364	111.9%
Total revenue	9 310	9 678	16 000	17 150	16 236	20 032	16 838	19 526	113.7%
Expenses									
Current expenses	9 310	8 377	15 850	11 465	16 156	16 385	16 787	17 000	91.6%
Compensation of employees	4 443	4 042	6 826	5 716	7 583	9 080	8 783	9 950	104.2%
Goods and services	4 867	4 272	9 024	5 683	8 573	7 225	8 004	6 962	79.2%
Depreciation	-	63	-	66	-	80	-	88	-
Transfers and subsidies	-	206	-	894	-	3 304	-	2 526	-
Total expenses	9 310	8 583	15 850	12 359	16 156	19 689	16 787	19 526	103.5%
Surplus/(Deficit)	-	1 095	150	4 791	80	343	51	-	-
Statement of financial position									
Carrying value of assets	-	73	256	142	489	250	244	226	69.9%
of which:									
Acquisition of assets	-	30	150	135	80	155	50	70	139.3%
Receivables and prepayments	-	44	19	742	20	337	22	5	1 849.2%
Cash and cash equivalents	-	1 870	31	6 051	800	7 855	2 043	2 016	619.1%
Total assets	-	1 987	306	6 935	1 309	8 442	2 309	2 247	499.8%
Accumulated surplus/(deficit)	-	314	(631)	305	159	586	164	-	-390.9%
Capital and reserves	-	-	-	1 151	-	1 212	1 242	1 343	298.4%
Deferred income	-	294	-	580	-	636	-	-	-
Trade and other payables	-	822	804	4 515	550	5 419	578	578	586.6%
Provisions	-	557	133	384	600	589	326	326	175.3%
Total equity and liabilities	-	1 987	306	6 935	1 309	8 442	2 309	2 247	499.7%

Statements of estimates of financial performance and position

Table 7.45 Cooperative Banks Development Agency statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2014/15				2011/12 - 2014/15	2015/16	2016/17		
Revenue									
Non-tax revenue	162	–	1.6%	385	226	7	-64.9%	1.1%	
Sale of goods and services other than capital assets	4	-23.7%	0.1%	4	5	7	20.5%	0.0%	
<i>of which:</i>									
<i>Sales by market establishment</i>	4	–	0.0%	4	5	7	20.5%	0.0%	
Other non-tax revenue	158	1.1%	1.5%	381	221	–	-100.0%	1.1%	
Transfers received	19 364	26.7%	98.4%	16 876	16 472	19 275	-0.2%	98.9%	
Total revenue	19 526	26.4%	100.0%	17 261	16 698	19 282	-0.4%	100.0%	
Expenses									
Current expenses	17 000	26.6%	90.2%	16 561	16 698	19 282	4.3%	95.8%	
Compensation of employees	9 950	35.0%	47.6%	10 930	11 696	12 482	7.9%	62.3%	
Goods and services	6 962	17.7%	42.0%	5 581	4 952	6 747	-1.0%	33.2%	
Depreciation	88	11.8%	0.5%	50	50	53	-15.6%	0.3%	
Transfers and subsidies	2 526	130.6%	9.8%	700	–	–	-100.0%	4.2%	
Total expenses	19 526	31.5%	100.0%	17 261	16 698	19 282	-0.4%	100.0%	
Statement of financial position									
Carrying value of assets	226	45.7%	4.7%	170	99	23	-53.3%	6.5%	
<i>of which:</i>									
<i>Acquisition of assets</i>	70	32.6%	2.1%	70	30	70	–	3.4%	
Receivables and prepayments	5	-51.6%	4.3%	5	5	5	–	0.3%	
Cash and cash equivalents	2 016	2.5%	91.0%	1 742	1 824	1 286	-13.9%	93.3%	
Total assets	2 247	4.2%	100.0%	1 917	1 928	1 314	-16.4%	100.0%	
Accumulated surplus/(deficit)	–	-100.0%	6.8%	148	156	(50)	–	3.0%	
Capital and reserves	1 343	–	22.7%	706	745	785	-16.4%	48.7%	
Trade and other payables	578	-11.1%	49.1%	606	540	50	-55.8%	22.3%	
Provisions	326	-16.4%	13.8%	457	487	529	17.6%	26.0%	
Total equity and liabilities	2 247	4.2%	100.0%	1 917	1 928	1 314	-54.6%	100.0%	

Personnel information

Table 7.46 Cooperative Banks Development Agency personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost			2017/18		Unit Cost	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2014/15 - 2017/18		
Cooperative Banks Development Agency	16	16	29	9.1	0.3	16	10.0	0.6	16	10.9	0.7	16	11.7	0.7	16	12.5	0.8	7.9%	100.0%
Salary level	16	16	29	9.1	0.3	16	10.0	0.6	16	10.9	0.7	16	11.7	0.7	16	12.5	0.8	7.9%	100.0%
1 – 6	–	–	10	0.0	0.0	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	4	4	6	1.7	0.3	4	1.4	0.4	4	1.6	0.4	4	1.8	0.4	4	1.9	0.5	9.6%	25.0%
11 – 12	9	9	11	5.3	0.5	9	5.4	0.6	9	6.0	0.7	9	6.5	0.7	9	6.9	0.8	8.4%	56.3%
13 – 16	3	3	2	2.1	1.1	3	3.1	1.0	3	3.2	1.1	3	3.5	1.2	3	3.7	1.2	6.1%	18.8%

¹ Rand million.

Financial and Fiscal Commission

Mandate

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

Act (2007), the Borrowing Powers of Provincial Government Act (1995), the Municipal Finance Management Act (2003) and the Municipal Systems Act (2003).

Selected performance indicators

Table 7.47 Financial and Fiscal Commission performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of briefings on the Division of Revenue Bill submitted per year	Administration	Outcome 11: Create a better South Africa, a better Africa and a better world	16	16	16	16	16	16	16
Number of peer reviewed book chapters and publications per year	Research		11	12	11	11	11	11	11
Number of departments' annual reports commented on per year	Research		4	4	4	1	1	1	1
Number of public hearings on local government per year	Research		3	3	3	3	3	3	3

Expenditure analysis

The Financial and Fiscal Commission sees its primary focus for the medium term as generating and disseminating influential policy recommendations to strengthen the intergovernmental system in order to realise the policy impacts necessary for national development, including the progressive realisation of the visions of the Constitution and the national development plan. The commission's contribution to the plan encompasses policy research and briefings on a wide range of topics, such as understanding housing demand, delivery and funding options in South Africa; the impact of government spending on food security; the identification of fiscal levers for national development; and the sustainability of the country's fiscal policy. This is in line with outcome 11 of government's 2014-2019 medium term strategic framework (create a better South Africa, a better Africa and a better world).

The bulk of the commission's spending over the medium term is expected to be on the establishment of a pool of specialised technical advisers to work with a focused research team on multiple research projects that will provide sound financial and fiscal information for parliamentary reports. This is reflected in the commission's increase in expenditure on the research programme, which is expected to grow at an average annual rate of 6.3 per cent over the medium term.

Although research projects have intensified, spending on goods and services is expected to decrease as a result of Cabinet approved budget reductions of R820 000 over the medium term. Spending on consultants is expected to remain stable over the MTEF period at approximately R2.2 million per year as the commission uses technical advisers where necessary to deal with stakeholder requests, strategic planning, and organisational development and implementation.

The commission's main source of revenue is a transfer from National Treasury, which is expected to increase from R40.6 million in 2015/16 to R45.2 million by 2017/18.

The commission had 34 funded posts at the end of November 2014, of which 30 were filled. Expenditure on compensation of employees is expected to increase over the medium term as a result of vacant positions being filled. The commission is in the process of reviewing its structure to align with requirements emanating from its mandate, and this includes plans to have a fully fledged internship programme.

Programmes/objectives/activities

Table 7.48 Financial and Fiscal Commission expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%) 2011/12 - 2014/15	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%) 2014/15 - 2017/18
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	19 022	18 904	20 398	26 203	11.3%	55.5%	21 124	22 053	23 236	-3.9%	53.4%
Research	14 042	16 447	18 515	18 391	9.4%	44.5%	19 538	20 612	22 074	6.3%	46.6%
Total	33 064	35 351	38 913	44 594	10.5%	100.0%	40 662	42 665	45 310	0.5%	100.0%

Statements of historical financial performance and position

Table 7.49 Financial and Fiscal Commission statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Budget		Audited outcome		Budget estimate		Outcome/ Budget Average (%) 2011/12 - 2014/15
	Budget	2011/12	Budget	2012/13	Budget	2013/14	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	120	136	125	226	258	130	106	106	98.1%
Other non-tax revenue	120	136	125	226	258	130	106	106	98.1%
Transfers received	33 036	33 036	37 268	37 268	38 767	40 195	39 488	44 488	104.3%
Total revenue	33 156	33 172	37 393	37 494	39 025	40 325	39 594	44 594	104.3%
Expenses									
Current expenses	33 156	33 064	34 393	35 351	39 025	38 913	39 594	44 594	103.9%
Compensation of employees	19 378	19 203	19 618	20 383	19 496	20 809	24 100	21 948	99.7%
Goods and services	13 193	13 454	14 461	14 655	19 199	17 773	15 202	22 367	110.0%
Depreciation	585	403	314	313	331	331	292	279	87.1%
Interest, dividends and rent on land	-	4	-	-	-	-	-	-	-
Total expenses	33 156	33 064	34 393	35 351	39 025	38 913	39 594	44 594	103.9%
Statement of financial position									
Carrying value of assets	938	710	718	1 023	790	736	754	430	90.6%
of which:									
Acquisition of assets	625	273	305	365	354	250	136	380	89.3%
Receivables and prepayments	52	140	52	156	40	450	57	1 434	1 084.6%
Cash and cash equivalents	294	127	(25)	1 263	200	2 048	21	2 757	1 264.3%
Total assets	1 284	977	745	2 442	1 030	3 234	832	4 621	289.7%
Accumulated surplus/(deficit)	-	(3 736)	(974)	(1 593)	(1 736)	(181)	(5 368)	(394)	73.1%
Capital and reserves	919	919	919	919	919	919	919	919	100.0%
Trade and other payables	-	3 245	400	2 213	1 447	1 534	4 617	3 391	160.6%
Provisions	277	550	400	903	400	962	663	705	179.3%
Derivatives financial instruments	88	-	-	-	-	-	-	-	-
Total equity and liabilities	1 284	978	745	2 442	1 030	3 234	832	4 621	289.8%

Statements of estimates of financial performance and position

Table 7.50 Financial and Fiscal Commission statements of estimates of financial performance and position

Statement of financial performance								
R thousand	Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%) 2011/12 - 2014/15	Medium-term estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%) 2014/15 - 2017/18
				2015/16	2016/17	2017/18		
Revenue								
Non-tax revenue	106	-8.0%	0.4%	106	106	106	-	0.2%
Other non-tax revenue	106	-8.0%	0.4%	106	106	106	-	0.2%
Transfers received	44 488	10.4%	99.6%	40 556	42 559	45 204	0.5%	99.8%
Total revenue	44 594	10.4%	100.0%	40 662	42 665	45 310	0.5%	100.0%
Expenses								
Current expenses	44 594	10.5%	100.0%	40 662	42 665	45 310	0.5%	100.0%
Compensation of employees	21 948	4.6%	54.6%	25 813	27 365	29 006	9.7%	60.2%
Goods and services	22 367	18.5%	44.5%	14 541	15 300	16 304	-10.0%	39.4%
Depreciation	279	-11.5%	0.9%	308	-	-	-100.0%	0.3%
Total expenses	44 594	10.5%	100.0%	40 662	42 665	45 310	0.5%	100.0%
Surplus/(Deficit)	-	-100.0%	-	-	-	-	-	-

Table 7.50 Financial and Fiscal Commission statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2014/15	2011/12 - 2014/15	2015/16		
R thousand								
Carrying value of assets	430	-15.4%	36.7%	385	310	250	-16.5%	7.3%
of which:								
Acquisition of assets	380	11.7%	14.7%	250	-	-	-100.0%	3.5%
Receivables and prepayments	1 434	117.2%	16.4%	144	144	144	-53.5%	10.0%
Cash and cash equivalents	2 757	179.0%	46.9%	3 656	4 520	5 171	23.3%	82.7%
Total assets	4 621	67.9%	100.0%	4 185	4 974	5 565	6.4%	100.0%
Accumulated surplus/(deficit)	(394)	-52.8%	-115.3%	(394)	(394)	(394)	-	-8.2%
Capital and reserves	919	-	45.0%	919	919	919	-	19.2%
Trade and other payables	3 391	1.5%	135.8%	2 781	3 663	4 215	7.5%	72.3%
Provisions	705	8.6%	34.6%	879	786	825	5.4%	16.7%
Total equity and liabilities	4 621	67.8%	100.0%	4 185	4 974	5 565	12.9%	100.0%

Personnel information

Table 7.51 Financial and Fiscal Commission personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18							
Financial and Fiscal Commission		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	34	34	34	20.8	0.6	33	21.9	0.7	33	25.8	0.8	35	27.4	0.8	35	29.0	0.8	9.7%	100.0%
1 – 6	3	3	3	0.1	0.0	2	0.3	0.1	2	0.3	0.2	2	0.3	0.2	2	0.3	0.2	10.4%	5.9%
7 – 10	14	14	14	6.3	0.4	14	6.6	0.5	14	7.7	0.5	14	8.1	0.6	14	8.5	0.6	8.7%	41.2%
11 – 12	5	5	5	2.6	0.5	5	2.8	0.6	5	3.1	0.6	5	3.3	0.7	5	3.5	0.7	7.9%	14.7%
13 – 16	12	12	12	11.8	1.0	12	12.3	1.0	12	14.7	1.2	14	15.7	1.1	14	16.7	1.2	10.7%	38.2%

1. Rand million.

Financial Intelligence Centre

Mandate

The Financial Intelligence Centre was established by the Financial Intelligence Centre Act (2001) and began operations in 2003. The act mandates the centre to identify the proceeds of unlawful activities, combat money laundering activities, combat the financing of terrorist and related activities, exchange information with law enforcement and other local and international agencies, supervise and enforce compliance with the act, and facilitate effective supervision and enforcement by supervisory bodies. To deliver on this mandate and protect the integrity of South Africa's financial system, the act works in conjunction with other legislation, which includes the Prevention of Organised Crime Act (1998), the Protection of Constitutional Democracy Against Terrorist and Related Activities Act (2004) and the South African Police Service Act (1995).

Selected performance indicators

Table 7.52 Financial Intelligence Centre performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of cases disseminated for investigation per year	Delivery of intelligence on financial crimes and Financial Intelligence Centre Act (2001) related regulatory services	Outcome 3: All people in South Africa are and feel safe	761	761	837	837	921	1 013	1 114
Number of national and international law enforcement investigations contributed to upon request per year	Delivery of intelligence on financial crimes and Financial Intelligence Centre Act (2001) related regulatory services		980	980	1 078	1 078	1 186	1 304	1 434
Value of funds blocked as suspected proceeds of crime in the financial system per year	Delivery of intelligence on financial crimes and Financial Intelligence Centre Act (2001) related regulatory services		R7.4m	R12m	R13.2m	R13.2m	R234m	R250m	R250m
Number of accountable/reporting institutions registered in terms of the Financial Intelligence Centre Act (2001) per year ¹	Delivery of intelligence on financial crimes and Financial Intelligence Centre Act (2001) related regulatory services		14 054	21 866	22 959	24 107	- ¹	- ¹	- ¹
Number of Financial Intelligence Centre inspection reports issued per year	Delivery of intelligence on financial crimes and Financial Intelligence Centre Act (2001) related regulatory services		220	220	150	120	132	138	138
Total number of requests from international counterparts ¹	Enablement of financial intelligence regulatory capabilities		112	131	- ¹				

¹The centre will not be reporting on these indicators from the respective years.

Expenditure analysis

The Financial Intelligence Centre expects to play a critical role in ensuring the protection of the integrity of the country's financial system, as well as providing support and assistance to countries in the region for implementing their own frameworks to combat money laundering and the financing of terrorist activities. This is in line with the national development plan's vision of building a resilient anti-corruption system, and outcome 3 of government's 2014-2019 medium term strategic framework (all people in South Africa are and feel safe).

The bulk of the centre's spending over the medium term will be on pursuing activities that strengthen its cooperation with partner agencies nationally and internationally, and continuing the improvement of compliance with the Financial Intelligence Centre Act (2001) by conducting supervisory inspections to identify the proceeds of crime, and combat money laundering and the financing of terrorism. This is evident in the anticipated 8.8 per cent increase in total expenditure over the MTEF period, mostly on compensation of employees and equipment. Further priorities include working with and leading the Eastern and Southern Africa Anti-Money Laundering Group and the South African Police Service in the prevention of financial crimes. As a result, an additional R60 million is allocated to the centre over the medium term, mainly to increase human capital and replace or upgrade identified ICT hardware and software assets.

To fund these activities, the transfer from National Treasury is expected to increase by 10.9 per cent to reach R270.2 million in 2017/18. The centre will continue to implement cost containment measures such as the reduction of expenditure on various budget items, ranging from costs associated with consultants, communication, international and domestic travel, and accommodation.

The work of the centre is labour intensive, involving high volumes of research and research reports. The expected increase in the number of posts from 178 to 203 over the medium term is for greater capacity as the centre will be required to meet tighter regulatory and investigative requirements in enforcing institutional compliance with the Financial Intelligence Centre Act (2001). This is expected to lead to an increase in compensation of employees from R125.8 million in 2014/15 to R162.1 million by 2017/18.

Programmes/objectives/activities

Table 7.53 Financial Intelligence Centre expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	30 338	47 824	58 003	35 274	5.2%	21.5%	39 537	42 743	45 472	8.8%	17.8%	
Delivery of intelligence on financial crimes and Financial Intelligence Centre Act-related regulatory services	98 907	99 850	114 895	114 255	4.9%	54.5%	128 063	138 449	147 289	8.8%	57.8%	
Enablement of financial intelligence regulatory capabilities	41 861	49 039	49 405	48 235	4.8%	24.0%	54 064	58 448	62 180	8.8%	24.4%	
Total	171 107	196 713	222 303	197 764	4.9%	100.0%	221 664	239 641	254 941	8.8%	100.0%	

Statements of historical financial performance and position

Table 7.54 Financial Intelligence Centre statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2011/12	Budget	2012/13	Budget	2013/14			
Revenue									
Non-tax revenue	1 272	1 521	1 340	1 305	1 399	1 367	830	830	103.8%
Other non-tax revenue	1 272	1 521	1 340	1 305	1 399	1 367	830	830	103.8%
Transfers received	136 500	136 500	142 325	197 314	201 000	243 424	198 080	198 080	114.4%
Total revenue	137 772	138 021	143 665	198 619	202 399	244 791	198 910	198 910	114.3%
Expenses									
Current expenses	136 500	171 107	143 665	196 713	202 399	222 303	198 910	197 763	115.6%
Compensation of employees	68 254	93 476	83 368	117 335	128 537	130 590	130 181	125 774	113.9%
Goods and services	50 548	65 085	45 563	63 687	67 924	72 214	68 639	71 929	117.3%
Depreciation	17 559	12 372	14 587	15 583	5 938	19 350	-	-	124.2%
Interest, dividends and rent on land	139	174	148	108	-	149	90	60	130.2%
Total expenses	136 500	171 107	143 665	196 713	202 399	222 303	198 910	197 763	115.6%
Surplus/(Deficit)	1 272	(33 086)	-	1 906	-	22 488	-	1 147	-
Statement of financial position									
Carrying value of assets	111 467	38 119	60 964	36 206	74 732	95 246	52 985	95 277	88.2%
of which:									
Acquisition of assets	50 800	8 475	16 309	13 741	58 383	79 342	-	9 388	88.4%
Inventory	169	230	242	200	242	217	200	217	101.3%
Receivables and prepayments	1 700	1 780	2 675	29 571	2 675	5 671	22 676	5 594	143.4%
Cash and cash equivalents	25 914	47 982	45 965	19 651	-	40 577	-	10 000	164.5%
Total assets	139 250	88 111	109 846	85 628	77 649	141 711	75 861	111 088	105.9%
Accumulated surplus/(deficit)	127 314	63 065	94 872	65 110	53 505	87 598	64 827	94 173	91.0%
Capital and reserves	23	21	21	-	-	-	-	-	47.7%
Finance lease	-	1 280	1 281	877	370	218	-	57	147.3%
Trade and other payables	11 014	17 848	13 673	14 011	23 006	42 235	11 034	7 190	138.4%
Provisions	156	5 897	-	5 630	-	11 660	-	9 669	21 061.3%
Derivatives financial instruments	743	-	-	-	768	-	-	-	-
Total equity and liabilities	139 250	88 111	109 847	85 628	77 649	141 711	75 861	111 088	105.9%

Statements of estimates of financial performance and position

Table 7.55 Financial Intelligence Centre statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)	
				2014/15	2011/12 - 2014/15	2015/16			2016/17
Revenue									
Non-tax revenue	830	-18.3%	0.7%	830	830	830	-	0.3%	
Other non-tax revenue	830	-18.3%	0.7%	830	830	830	-	0.3%	
Transfers received	198 080	13.2%	99.3%	234 488	256 372	270 191	10.9%	99.7%	
Total revenue	198 910	13.0%	100.0%	235 318	257 202	271 021	10.9%	100.0%	
Expenses									
Current expenses	197 763	4.9%	100.0%	221 664	239 641	254 941	8.8%	100.0%	
Compensation of employees	125 774	10.4%	59.2%	140 975	152 409	162 139	8.8%	63.6%	
Goods and services	71 929	3.4%	34.8%	80 621	87 159	92 724	8.8%	36.4%	
Interest, dividends and rent on land	60	-29.9%	0.1%	68	73	78	9.1%	0.0%	
Total expenses	197 763	4.9%	100.0%	221 664	239 641	254 941	8.8%	100.0%	
Surplus/(Deficit)	1 147	-132.6%	-	13 654	17 561	16 080	141.1%	-	

Table 7.55 Financial Intelligence Centre statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R thousand	2014/15				2011/12 - 2014/15	2015/16	2016/17		
Statement of financial position									
Carrying value of assets	95 277	35.7%	59.6%	108 101	124 832	140 082	13.7%	87.9%	
of which:									
Acquisition of assets	9 388	3.5%	22.5%	22 620	27 311	26 676	41.6%	15.8%	
Inventory	217	-1.9%	0.2%	217	217	217	-	0.2%	
Receivables and prepayments	5 594	46.5%	11.4%	5 594	5 594	5 594	-	4.3%	
Cash and cash equivalents	10 000	-40.7%	28.8%	10 000	10 000	10 000	-	7.6%	
Total assets	111 088	8.0%	100.0%	123 912	140 643	155 893	12.0%	100.0%	
Accumulated surplus/(deficit)	94 173	14.3%	73.6%	107 827	125 387	141 467	14.5%	87.9%	
Finance lease	57	-64.6%	0.7%	-	-	-	-100.0%	0.0%	
Trade and other payables	7 190	-26.1%	18.2%	6 417	5 587	4 757	-12.9%	4.7%	
Provisions	9 669	17.9%	7.5%	9 669	9 669	9 669	-	7.4%	
Total equity and liabilities	111 088	8.0%	100.0%	123 912	140 643	155 893	-98.3%	100.0%	

Personnel information

Table 7.56 Financial Intelligence Centre personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Financial Intelligence Centre																			
Salary level	178	178	200	130.6	0.7	178	125.8	0.7	203	141.0	0.7	203	152.4	0.8	203	162.1	0.8	8.8%	100.0%
1 – 6	7	7	10	1.5	0.2	7	1.0	0.1	11	1.8	0.2	10	1.7	0.2	10	1.8	0.2	22.3%	4.8%
7 – 10	65	65	85	32.8	0.4	65	25.9	0.4	81	33.6	0.4	75	32.6	0.4	73	33.4	0.5	8.9%	37.3%
11 – 12	47	47	60	43.3	0.7	47	32.3	0.7	54	37.8	0.7	58	43.3	0.7	60	47.6	0.8	13.8%	27.8%
13 – 16	59	59	45	52.9	1.2	59	66.6	1.1	57	67.8	1.2	60	74.9	1.2	60	79.3	1.3	6.0%	30.1%

1. Rand million.

Financial Services Board

Mandate

The Financial Services Board is an independent institution established by statute to oversee the South African non-banking financial services industry in the public interest. The board's legislative mandate is primarily derived from the Financial Services Board Act (1990), which requires the board to:

- supervise and enforce compliance with laws regulating financial institutions and the provision of financial services
- advise the Minister of Finance on matters concerning financial institutions and financial services
- promote the programmes and initiatives of financial institutions and financial services
- inform and educate users and potential users about financial products and services.

Selected performance indicators

Table 7.57 Financial Services Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Revenue collected from companies in the financial services sector per year	Administration	Outcome 6: An efficient, competitive and responsive economic infrastructure network	R476.7m	R521.4m	R576.8m	R595.4m	R642.1m	R677.9m	R715.8m
Number of financial advisory and intermediary industries supervised per year	Supervise the financial advisory and intermediary activities in the financial services sector in terms of the Financial Advisory and Intermediary Act (2002)	Outcome 11: Create a better South Africa, a better Africa and a better world	11 082	10 958	10 158	10 170	10 200	10 220	10 230
Number of long term and short term insurance industries supervised per year	Supervise the long term and short term insurance industries in terms of the Long Term Insurance Act (1998)		189	186	186	180	178	179	179

Table 7.57 Financial Services Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of retirement funds and friendly societies supervised per year	Supervise retirement funds and friendly societies	Outcome 11: Create a better South Africa, a better Africa and a better world	9 092	6 056	5 132	5 337	5 337	5 348	5 338
Number of collective investment schemes supervised per year	Supervise the collective investment schemes in securities in terms of Collective Investment Schemes Control Act (2002)	Outcome 12: An efficient, effective and development oriented public service	96	103	120	123	125	127	129
Number of credit rating agencies supervised per year	Regulate credit rating agencies		-1	-1	2	4	7	9	11

1. Output started in 2013/14.

Expenditure analysis

The national development plan envisages the establishment of sound infrastructure, human resources and regulatory frameworks. In line with this and outcome 6 of government's 2014-2019 medium strategic framework (an efficient, competitive and responsive infrastructure network), the focus of the Financial Services Board over the medium term will be on the preparation and implementation of the twin peaks regulation model.

This model will provide a comprehensive framework for regulating the financial sector. It involves the establishment of two regulatory authorities: a prudential authority responsible for the oversight of the safety and soundness of banks, insurers and financial conglomerates; and a new market conduct authority responsible for ensuring the integrity and efficiency of financial markets, and promoting effective financial consumer education.

Expenditure on compensation of employees is set to increase moderately due to the growth in personnel from 537 filled posts at the end of November 2014 to 538 posts over the MTEF period, as a result of the restructuring of the insurance department, in line with the implementation of the twin peaks model, as well as annual salary increases. This restructuring will see the implementation of the new risk based solvency assessment and management regime for South Africa's long term and short term insurance industries. Expenditure on goods and services is expected to increase, with the main cost drivers being lease payments, consultants, contractors, computer related costs, and travel costs. This is mainly due to preparatory consultations and ICT related upgrades for the implementation of the twin peaks model to ensure the proper oversight of financial institutions.

The board generates its revenue from levies raised from financial institutions and fees charged for any services relating to the licensing of the financial institution. Revenue is expected to increase over the medium term to R715.9 million in 2017/18.

Programmes/objectives/activities

Table 7.58 Financial Services Board expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2014/15	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14		2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18			
Administration	166 449	178 870	190 629	209 060	7.9%	34.1%	220 219	231 515	243 701	5.2%	34.2%	
Supervise the financial advisory and intermediary activities in the financial services sector in terms of the Financial Advisory and Intermediary Act (2002)	112 908	121 785	123 074	133 312	5.7%	22.5%	141 678	149 706	158 083	5.8%	22.0%	

Table 7.58 Financial Services Board expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2011/12	2012/13	2013/14		2014/15	2011/12 - 2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18	2014/15 - 2017/18
Supervise the long term and short term insurance industries in terms of the Long Term Insurance Act (1998)	67 911	76 188	85 913	94 180	11.5%	14.8%	99 459	104 757	110 264	5.4%	15.5%
Supervise retirement funds and friendly societies	93 915	106 843	106 356	115 534	7.1%	19.4%	122 814	130 872	139 907	6.6%	19.2%
Supervise the collective investment schemes in securities in terms of Collective Investment Schemes Control Act (2002)	18 772	18 267	22 729	22 637	6.4%	3.8%	23 908	25 197	26 543	5.4%	3.7%
Supervise the South African licensed exchanges, central securities depositories and clearing houses in terms of the Securities Act (2004)	20 685	10 554	10 759	13 521	-13.2%	2.6%	14 266	15 055	15 821	5.4%	2.2%
Combating market abuse in terms of Securities Act (2004)	14 235	10 482	12 679	13 588	-1.5%	2.3%	14 338	15 057	15 811	5.2%	2.2%
Regulating credit rating agencies	-	-	3 254	4 237	-	0.3%	4 481	4 727	4 964	5.4%	0.7%
Regulating hedge funds	-	-	1 195	984	-	0.1%	1 043	1 104	1 168	5.9%	0.2%
Total	494 875	522 989	556 588	607 053	7.0%	100.0%	642 206	677 990	716 262	5.7%	100.0%

Statements of historical financial performance and position

Table 7.59 Financial Services Board statements of historical financial performance and position

Statement of financial performance										
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate		Revised estimate	Outcome/Budget Average (%)
	Budget	2011/12	Budget	2012/13	Budget	2013/14	Budget estimate	2014/15		
Revenue										
Non-tax revenue	490 956	479 724	506 157	539 340	531 654	585 750	588 681	595 376	103.9%	
Sale of goods and services other than capital assets	457 202	420 387	469 322	458 511	492 788	511 405	543 637	550 736	98.9%	
<i>of which:</i>										
<i>Sales by market establishment</i>	457 202	420 387	469 322	458 511	492 788	511 405	543 637	550 736	98.9%	
Other non-tax revenue	33 754	59 337	36 835	80 830	38 866	74 345	45 044	44 640	167.7%	
Total revenue	490 956	479 724	506 157	539 340	531 654	585 750	588 681	595 376	103.9%	
Expenses										
Current expenses	488 456	430 841	503 382	455 112	456 034	485 681	512 601	527 487	96.9%	
Compensation of employees	261 189	268 872	289 787	284 844	299 848	288 201	339 314	325 818	98.1%	
Goods and services	209 160	153 361	202 637	161 630	144 300	188 178	162 967	188 191	96.1%	
Depreciation	18 106	8 608	10 958	8 638	11 886	9 302	10 320	13 478	78.1%	
Interest, dividends and rent on land	1	-	-	-	-	-	-	-	-	
Transfers and subsidies	-	64 034	-	67 877	68 389	70 907	76 079	79 566	195.5%	
Total expenses	488 456	494 875	503 382	522 989	524 423	556 588	588 680	607 053	103.6%	
Surplus/(Deficit)	2 500	(15 151)	2 775	16 351	7 231	29 162	-	(11 677)	-	
Statement of financial position										
Carrying value of assets	27 911	34 890	34 208	29 626	31 474	37 758	27 881	43 735	120.2%	
<i>of which:</i>										
<i>Acquisition of assets</i>	7 728	6 531	5 506	3 459	9 318	17 488	9 800	7 572	108.3%	
Investments	52 099	36 527	38 383	47 596	38 883	54 249	33 433	59 674	121.7%	
Inventory	85	69	65	65	30	-	-	-	74.4%	
Accrued investment interest	-	15	-	541	-	101	450	200	190.4%	
Receivables and prepayments	31 814	19 869	34 543	19 869	36 442	16 190	17 650	14 750	58.7%	
Cash and cash equivalents	96 521	157 515	160 224	167 203	143 545	180 254	193 300	175 026	114.6%	
Total assets	208 430	248 885	267 423	264 900	250 374	288 552	272 714	293 385	109.7%	
Accumulated surplus/(deficit)	67 493	78 675	107 281	93 705	100 049	115 058	92 000	103 196	106.5%	
Capital and reserves	75 049	60 131	78 534	61 451	65 588	69 260	79 231	79 231	90.5%	
Trade and other payables	30 858	51 105	56 493	57 156	59 601	49 535	38 499	52 099	113.2%	
Provisions	27 200	58 975	25 114	52 588	25 137	54 699	62 984	58 859	160.3%	
Derivatives financial instruments	7 830	-	-	-	-	-	-	-	-	
Total equity and liabilities	208 430	248 886	267 422	264 900	250 374	288 552	272 714	293 385	109.7%	

Statements of estimates of financial performance and position

Table 7.60 Financial Services Board statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2014/15	2011/12 - 2014/15	2015/16		
R thousand									
Revenue									
Non-tax revenue		595 376	7.5%	100.0%	642 006	677 989	715 861	6.3%	100.0%
Sale of goods and services other than capital assets		550 736	9.4%	88.1%	583 780	615 888	646 682	5.5%	91.2%
of which:									
Sales by market establishment		550 736	9.4%	88.1%	583 780	615 888	646 682	5.5%	91.2%
Other non-tax revenue		44 640	-9.1%	11.9%	58 226	62 101	69 178	15.7%	8.8%
Total revenue		595 376	7.5%	100.0%	642 006	677 989	715 861	6.3%	100.0%
Expenses									
Current expenses		527 487	7.0%	87.1%	556 362	585 658	616 658	5.3%	86.5%
Compensation of employees		325 818	6.6%	53.6%	343 737	362 576	382 395	5.5%	53.5%
Goods and services		188 191	7.1%	31.7%	198 720	208 679	219 113	5.2%	30.8%
Depreciation		13 478	16.1%	1.8%	13 905	14 403	15 150	4.0%	2.2%
Transfers and subsidies		79 566	7.5%	12.9%	85 844	92 332	99 604	7.8%	13.5%
Total expenses		607 053	7.0%	100.0%	642 206	677 990	716 262	5.7%	100.0%
Surplus/(Deficit)		(11 677)	-8.3%	-	(200)	(1)	(401)	-67.5%	-
Statement of financial position									
Carrying value of assets		43 735	7.8%	13.3%	45 922	47 299	48 718	3.7%	14.9%
of which:									
Acquisition of assets		7 572	5.1%	3.1%	10 709	9 044	12 181	17.2%	3.2%
Investments		59 674	17.8%	17.9%	62 658	64 537	66 474	3.7%	20.3%
Accrued investment interest		200	137.1%	0.1%	210	216	223	3.7%	0.1%
Receivables and prepayments		14 750	-9.5%	6.5%	15 488	15 952	16 431	3.7%	5.0%
Cash and cash equivalents		175 026	3.6%	62.1%	183 777	189 291	194 969	3.7%	59.7%
Total assets		293 385	5.6%	100.0%	308 054	317 296	326 815	3.7%	100.0%
Accumulated surplus/(deficit)		103 196	9.5%	35.5%	108 356	111 606	114 955	3.7%	35.2%
Capital and reserves		79 231	9.6%	24.6%	83 193	85 688	88 259	3.7%	27.0%
Trade and other payables		52 099	0.6%	19.3%	54 704	56 345	58 035	3.7%	17.8%
Provisions		58 859	-0.1%	20.6%	61 802	63 656	65 566	3.7%	20.1%
Total equity and liabilities		293 385	5.6%	100.0%	308 054	317 296	326 815	14.6%	100.0%

Personnel information

Table 7.61 Financial Services Board personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Financial Services Board																			
Salary level	615	615	537	288.2	0.5	538	325.8	0.6	538	343.7	0.6	538	362.6	0.7	538	382.4	0.7	5.5%	100.0%
1 – 6	27	27	17	1.4	0.1	14	1.9	0.1	14	2.0	0.1	14	2.1	0.2	14	2.3	0.2	5.5%	2.6%
7 – 10	350	350	258	69.9	0.3	311	106.9	0.3	311	112.7	0.4	311	118.9	0.4	311	125.5	0.4	5.5%	57.8%
11 – 12	144	144	126	66.1	0.5	128	89.2	0.7	128	94.1	0.7	128	99.2	0.8	128	104.6	0.8	5.4%	23.8%
13 – 16	54	54	94	80.1	0.9	48	59.7	1.2	48	63.0	1.3	48	66.4	1.4	48	70.1	1.5	5.5%	8.9%
17 – 22	40	40	42	70.7	1.7	37	68.1	1.8	37	71.9	1.9	37	75.8	2.0	37	80.0	2.2	5.5%	6.9%

1. Rand million.

Government Pensions Administration Agency

Mandate

The Government Pensions Administration Agency provides pensions administration services to the Government Employees Pension Fund in terms of the Government Employees Pension Fund Act (1979) and the Associated Institutions Pension Fund Act (1963). Post-retirement medical subsidies are administered as provided for and regulated by the Public Services Bargaining Council resolutions, military pensions are administered in terms of the Military Pensions Act (1976), injury on duty payments are administered in terms of the Compensation for

Occupational Injuries and Diseases Act (1993), and special pensions are administered in terms of the Special Pensions Act (1996).

Selected performance indicators

Table 7.62 Government Pensions Administration Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Amounts of contributions to medical aid scheme paid on behalf of members per year	Civil and military pensions	Outcome 12: An efficient, effective and development oriented public service	R1.8bn	R1.4bn	R1.6bn	R1.7bn	R1.9bn	R2bn	R2.2bn
Amounts of military pension benefits paid to beneficiaries per year	Civil and military pensions		R188m	R547m	R563m	R597m	R633m	R671m	R690m
Number of beneficiaries paid funeral benefits per year	Employee benefits		17 260	18 417	23 500	24 500	26 000	27 000	27 500
Value of benefits paid due to withdrawal from fund per year	Employee benefits		R39.1m	R44.5m	R50m	R57m	R65m	R75m	R83m

Expenditure analysis

In line with the national development plan's vision of building a capable and developmental state, the Government Pensions Administration Agency's focus over the medium term will be on ensuring a zero tolerance approach towards fraud and corruption in the administration of pension benefits by building an efficient, effective and strong administration culture and ethics. In this way, the agency supports outcome 12 of government's 2014-2019 medium term strategic framework (an efficient, effective and development oriented public service).

Total revenue comprises 99.1 per cent funding from the Government Employee Pension Fund and 0.9 per cent from a transfer from National Treasury. Revenue is expected to decline slightly to R1.3 billion in 2017/18, while total expenditure is expected to match total revenue.

The agency's focus over the medium term will continue to be on the modernisation project in the business enablement programme until its final stages in 2017/18. The project aims to improve service delivery by enhancing the agency's IT infrastructure, optimising its office space, and employing new personnel as client service agents. The agency aims to replace outdated and obsolete systems and applications in order to enhance staff productivity, speed up the processing of claims, and effectively manage pension queries.

To support the modernisation project, 52.6 per cent of the total budget over the medium term will be spent on goods and services for items such as computer services, which include data lines, software licences, computer maintenance, and ICT consultants.

The agency budgeted for 1 497 positions in 2014/15 and 1 128 positions were filled at the end of November 2014. The 369 vacant posts are expected to be filled over the medium term to improve efficiency and turnaround times in the operations of the agency.

Programmes/objectives/activities

Table 7.63 Government Pensions Administration Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
Administration	271 564	286 875	216 810	367 674	10.6%	43.0%	424 111	429 273	450 646	7.0%	31.7%
Civil and military pension	39 336	44 237	51 858	57 878	13.7%	7.2%	61 181	65 038	69 164	6.1%	4.8%
Employee benefit	60 264	62 394	74 161	81 319	10.5%	10.5%	86 409	90 987	95 379	5.5%	6.7%
Client relationship management	108 062	120 924	138 529	168 503	16.0%	19.9%	199 404	210 016	220 214	9.3%	15.1%
Business enablement	6 764	13 694	166 490	614 227	349.5%	19.3%	566 603	586 463	439 087	-10.6%	41.7%
Total	485 990	528 124	647 848	1 289 601	38.4%	100.0%	1 337 708	1 381 777	1 274 490	-0.4%	100.0%

Statements of historical financial performance and position

Table 7.64 Government Pensions Administration Agency statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	604 002	481 609	666 670	522 445	741 126	793 493	1 289 602	1 289 602	93.5%
Sale of goods and services other than capital assets	604 002	481 348	666 670	521 566	741 126	793 210	1 289 602	1 289 602	93.5%
<i>of which:</i>									
Administrative fees	604 002	481 348	666 670	521 566	741 126	793 210	1 289 602	1 289 602	93.5%
Other non-tax revenue	-	261	-	879	-	283	-	-	-
Total revenue	604 002	481 609	666 670	522 445	741 126	793 493	1 289 602	1 289 602	93.5%
Expenses									
Current expenses	604 002	485 990	666 670	528 124	741 126	647 848	1 289 602	1 289 601	89.4%
Compensation of employees	279 259	272 334	343 445	295 547	399 158	330 304	465 684	465 685	91.7%
Goods and services	308 583	200 347	302 650	217 994	310 498	305 160	730 770	730 768	88.0%
Depreciation	16 160	13 309	20 575	14 583	31 470	12 384	93 148	93 148	82.7%
Total expenses	604 002	485 990	666 670	528 124	741 126	647 848	1 289 602	1 289 601	89.4%
Surplus/(Deficit)	-	(4 381)	-	(5 679)	-	145 645	-	1	-
Statement of financial position									
Carrying value of assets	66 966	33 088	42 989	27 597	45 952	164 560	93 148	93 147	127.8%
<i>of which:</i>									
Acquisition of assets	31 300	9 392	20 077	9 170	18 513	150 183	93 147	93 147	160.6%
Inventory	1 109	494	830	388	500	817	1 168	1 168	79.5%
Receivables and prepayments	-	15 960	26 000	13 078	16 500	137 061	15 300	15 300	313.8%
Cash and cash equivalents	-	28 824	-	48 199	23 200	29 012	12 352	12 352	333.0%
Total assets	68 075	78 366	69 819	89 262	86 152	331 450	121 968	121 967	179.5%
Accumulated surplus/(deficit)	-	26 968	31 349	21 289	26 968	166 934	26 968	26 967	283.9%
Capital and reserves	68 075	-	1 696	-	-	-	-	-	-
Trade and other payables	-	31 324	18 750	45 651	32 500	141 422	70 000	70 000	237.9%
Provisions	-	20 074	18 024	22 322	26 684	23 094	25 000	25 000	129.8%
Total equity and liabilities	68 075	78 366	69 819	89 262	86 152	331 450	121 968	121 967	179.5%

Statements of estimates of financial performance and position

Table 7.65 Government Pensions Administration Agency statements of estimates of financial performance and position

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	1 289 602	38.9%	100.0%	1 337 708	1 381 777	1 274 490	-0.4%	100.0%
Sale of goods and services other than capital assets	1 289 602	38.9%	99.9%	1 337 708	1 381 777	1 274 490	-0.4%	100.0%
<i>of which:</i>								
Administrative fees	1 289 602	38.9%	99.9%	1 337 708	1 381 777	1 274 490	-0.4%	100.0%
Total revenue	1 289 602	38.9%	100.0%	1 337 708	1 381 777	1 274 490	-0.4%	100.0%
Expenses								
Current expenses	1 289 601	38.4%	100.0%	1 337 708	1 381 777	1 274 490	-0.4%	100.0%
Compensation of employees	465 685	19.6%	49.8%	551 273	571 668	599 382	8.8%	41.4%
Goods and services	730 768	53.9%	46.6%	716 860	738 483	596 473	-6.5%	52.6%
Depreciation	93 148	91.3%	3.7%	69 575	71 626	78 635	-5.5%	5.9%
Total expenses	1 289 601	38.4%	100.0%	1 337 708	1 381 777	1 274 490	-0.4%	100.0%
Surplus/(Deficit)	1	-106.1%	-	-	-	-	-100.0%	-
Statement of financial position								
Carrying value of assets	93 147	41.2%	49.8%	69 575	71 626	78 636	-5.5%	73.1%
<i>of which:</i>								
Acquisition of assets	93 147	114.9%	36.0%	69 575	71 626	78 636	-5.5%	73.1%
Inventory	1 168	33.2%	0.6%	1 368	1 100	1 370	5.5%	1.2%
Receivables and prepayments	15 300	-1.4%	22.2%	15 800	14 791	15 300	-	14.4%
Cash and cash equivalents	12 352	-24.6%	27.4%	12 622	12 000	11 100	-3.5%	11.3%
Total assets	121 967	15.9%	100.0%	99 365	99 517	106 406	-4.4%	100.0%
Accumulated surplus/(deficit)	26 967	-0.0%	32.7%	5 843	5 843	5 843	-39.9%	9.8%
Trade and other payables	70 000	30.7%	47.8%	71 000	71 152	74 541	2.1%	67.6%
Provisions	25 000	7.6%	19.5%	22 522	22 522	26 022	1.3%	22.6%
Total equity and liabilities	121 967	15.9%	100.0%	99 365	99 517	106 406	-36.5%	100.0%

Personnel information

Table 7.66 Government Pensions Administration Agency personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual 2013/14			Revised estimate 2014/15			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16		2016/17		2017/18							
Government Pensions Administration Agency		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2014/15 - 2017/18		
Salary level	1 497	1 149	1 096	330.3	0.3	1 497	465.7	0.3	1 621	551.3	0.3	1 621	571.7	0.4	1 621	599.4	0.4	8.8%	100.0%
1 – 6	851	697	642	124.9	0.2	851	178.7	0.2	889	203.5	0.2	889	212.4	0.2	889	221.6	0.2	7.4%	55.3%
7 – 10	267	178	201	53.2	0.3	267	81.4	0.3	312	99.9	0.3	312	103.5	0.3	312	108.5	0.3	10.1%	18.9%
11 – 12	324	236	217	107.2	0.5	324	151.9	0.5	356	184.7	0.5	356	191.8	0.5	356	201.2	0.6	9.8%	21.9%
13 – 16	55	38	36	45.0	1.3	55	53.7	1.0	64	63.2	1.0	64	63.9	1.0	64	68.0	1.1	8.2%	3.9%

1. Rand million.

Government Technical Advisory Centre

Mandate

The Government Technical Advisory Centre was established in terms of the Public Service Act (1994) as a government component. It is mandated to assist organs of state in building their capacity for efficient, effective and transparent financial management. Its overarching objectives are to: render consulting services to government departments and other organs of state; provide specialised procurement support for high impact government initiatives; render advice on the feasibility of infrastructure projects; and provide knowledge management for projects undertaken and any ancillary support.

Selected performance indicators

Table 7.67 Government Technical Advisory Centre performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past ¹			Current	Projections		
			2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Number of technical assistance projects supported per year	Technical advisory services	Outcome 12: An efficient, effective and development oriented public service	85	90	95	100	100	100	100
Number of other specialised procurement projects supported per year	Specialised procurement support	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-1	-1	-1	10	10	10	10
Number of capital project appraisals analysed per year	Fiscal and economic analysis	Outcome 12: An efficient, effective and development oriented public service	-1	-1	-1	3	3	3	3
Number of expenditure reviews conducted per year	Fiscal and economic analysis	Outcome 12: An efficient, effective and development oriented public service	-1	-1	-1	5	5	5	5

1. The government component only started operating in 2014/15 and took over functions from the National Treasury.

Expenditure analysis

The Government Technical Advisory Centre's focus over the medium term will be on the implementation of the Jobs Fund. The fund has been operationalised and aims to create 150 000 sustainable job opportunities over the medium term by inviting submissions from the private sector. This is in line with the national development plan's vision of increasing employment to 24 million by 2030, as well as outcome 4 of government's 2014-2019 medium term strategic framework (decent employment through inclusive economic growth).

The process of developing capacity for the centre to be able to deliver on its mandate involves significant costs. These include costs for the actual setting up of the centre, the filling of posts, the implementation of an integrated programme and project management information system, the setting up of a corporate support service, and providing for rental for regional offices as the government component expands its footprint to the provinces. This also means significant expenditure on compensation of employees, which is expected to increase by 30.6 per cent over the medium term, to reach R116.8 million in 2017/18. Personnel numbers are expected to increase from 67 in 2014/15 to 110 in 2017/18. This increase in capacity is expected to assist the agency in achieving its objectives of supporting 300 technical assistance projects and 30 other specialised procurement projects over the medium term.

Expenditure on transfer payments is expected to increase between 2014/15 and 2016/17 due to an increase in disbursements to guarantees on behalf of the fund. This is expected to decrease slightly in 2017/18 in line with the anticipated decrease in revenue, due to lower transfers received from National Treasury as a result of funded projects coming to an end.

Revenue consists mostly of transfers from National Treasury and other revenue received from administrative fees, cost recovery fees, donor funds, and interest earned. Revenue is expected to increase from R1.9 billion in 2014/15 to R2.1 billion in 2016/17, mainly due to an increase in transfers from the fund to create employment through grant disbursements to institutions whose business plans are accepted.

Programmes/objectives/activities

Table 7.68 Government Technical Advisory Centre expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
Administration	13 206	14 064	14 979	15 952	6.5%	3.1%	14 884	16 077	15 173	-1.7%	1.3%
Technical Advisory Services	104 703	100 356	106 880	172 128	18.0%	25.4%	233 255	239 306	238 974	11.6%	16.5%
Specialised Procurement Support	17 009	17 833	18 993	32 877	24.6%	4.5%	46 986	44 854	51 850	16.4%	3.2%
Fiscal and Economic Analysis	20 508	21 841	23 261	24 772	6.5%	4.8%	29 463	23 156	23 675	-1.5%	2.0%
Employment Facilitation	84 080	86 105	91 702	97 662	5.1%	19.3%	1 323 151	1 392 753	1 317 500	138.1%	54.2%
Independent Power Producer Procurement Programme Account	179 542	191 212	211 762	217 747	6.6%	42.8%	302 682	352 921	403 125	22.8%	22.8%
Total	419 048	431 411	467 577	561 139	10.2%	100.0%	1 950 420	2 069 067	2 050 298	54.0%	100.0%

Statements of historical financial performance and position

Table 7.69 Government Technical Advisory Centre statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2011/12	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15	2011/12 - 2014/15	
Revenue									
Non-tax revenue	-	230 898	-	348 099	-	374 566	-	324 452	-
Sale of goods and services other than capital assets	-	230 542	-	347 712	-	374 077	-	322 532	-
<i>of which:</i>									
Administrative fees	-	207 042	-	322 712	-	346 577	-	287 533	-
Other sales	-	23 500	-	25 000	-	27 500	-	34 999	-
Other non-tax revenue	-	356	-	387	-	489	-	1 920	-
Transfers received	-	236 150	-	149 306	-	163 295	-	236 687	-
Total revenue	-	467 048	-	497 405	-	537 861	-	561 139	-
Expenses									
Current expenses	-	240 953	-	241 740	-	257 456	-	345 139	-
Compensation of employees	-	43 437	-	46 261	-	49 270	-	52 472	-
Goods and services	-	195 552	-	193 389	-	205 959	-	290 296	-
Depreciation	-	1 964	-	2 090	-	2 227	-	2 371	-
Transfers and subsidies	-	178 095	-	189 671	-	210 121	-	216 000	-
Total expenses	-	419 048	-	431 411	-	467 577	-	561 139	-
Surplus/(Deficit)	-	48 000	-	65 994	-	70 284	-	-	-
Statement of financial position									
Receivables and prepayments	-	2 550	-	2 680	-	2 955	-	3 077	-
Cash and cash equivalents	-	18 750	-	19 854	-	21 549	-	22 613	-
Total assets	-	21 300	-	22 534	-	24 504	-	25 689	-
Accumulated surplus/(deficit)	-	2 100	-	2 434	-	1 960	-	34	-
Trade and other payables	-	19 200	-	20 100	-	22 544	-	25 656	-
Total equity and liabilities	-	21 300	-	22 534	-	24 504	-	25 689	-

Statements of estimates of financial performance and position

Table 7.70 Government Technical Advisory Centre statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2014/15				2011/12 - 2014/15	2015/16	2016/17		
Revenue									
Non-tax revenue		324 452	12.0%	61.7%	505 087	561 573	628 700	24.7%	35.4%
Sale of goods and services other than capital assets		322 532	11.8%	61.6%	504 887	561 073	626 400	24.8%	35.3%
of which:									
Administrative fees		287 533	11.6%	56.2%	463 889	517 630	580 508	26.4%	32.1%
Other sales		34 999	14.2%	5.4%	40 998	43 443	45 892	9.5%	3.2%
Other non-tax revenue		1 920	75.4%	0.1%	200	500	2 300	6.2%	0.1%
Transfers received		236 687	0.1%	38.3%	1 445 333	1 507 494	1 421 598	81.8%	64.6%
Total revenue		561 139	6.3%	100.0%	1 950 420	2 069 067	2 050 298	54.0%	100.0%
Expenses									
Current expenses		345 139	12.7%	57.5%	464 489	468 990	480 137	11.6%	32.9%
Compensation of employees		52 472	6.5%	10.2%	99 435	107 926	116 770	30.6%	6.3%
Goods and services		290 296	14.1%	46.8%	362 333	360 298	362 594	7.7%	26.4%
Depreciation		2 371	6.5%	0.5%	2 721	766	773	-31.2%	0.2%
Transfers and subsidies		216 000	6.6%	42.5%	1 485 931	1 600 077	1 570 161	93.7%	67.1%
Total expenses		561 139	10.2%	100.0%	1 950 420	2 069 067	2 050 298	54.0%	100.0%
Surplus/(Deficit)		-	-100.0%	-	-	-	-	-	-
Statement of financial position									
Receivables and prepayments		3 077	6.5%	12.0%	3 433	3 662	4 016	9.3%	13.1%
Cash and cash equivalents		22 613	6.4%	88.0%	23 962	23 850	23 717	1.6%	86.9%
Total assets		25 689	6.4%	100.0%	27 395	27 512	27 733	2.6%	100.0%
Accumulated surplus/(deficit)		34	-74.8%	7.2%	250	276	298	107.2%	0.8%
Trade and other payables		25 656	10.1%	92.8%	27 145	27 237	27 435	2.3%	99.2%
Total equity and liabilities		25 689	6.4%	100.0%	27 395	27 512	27 733	109.5%	100.0%

Personnel information

Table 7.71 Government Technical Advisory Centre personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14	2014/15		2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18						
Government Technical Advisory Centre		Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost			
Salary level	67	67	61	49.3	0.8	67	52.5	0.8	109	99.4	0.9	109	107.9	1.0	110	116.8	1.1	30.6%	100.0%
1-6	2	2	4	0.5	0.1	2	0.5	0.2	5	1.2	0.2	5	1.3	0.3	5	1.4	0.3	46.0%	4.2%
7-10	36	36	29	20.8	0.7	36	24.6	0.7	25	9.3	0.4	25	10.1	0.4	25	10.9	0.4	-23.8%	30.6%
11-12	23	23	16	22.4	1.4	23	19.0	0.8	30	24.4	0.8	30	26.8	0.9	30	28.3	0.9	14.2%	29.2%
13-16	6	6	12	5.6	0.5	6	8.4	1.4	49	64.5	1.3	49	69.6	1.4	50	76.1	1.5	108.7%	36.1%

1. Rand million.

Independent Regulatory Board for Auditors

Mandate

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

Selected performance indicators

Table 7.72 Independent Regulatory Board for Auditors performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of complaints initiated per year	Legal	Outcome 11: Create a better South Africa, a better Africa and a better world	87	85	68	95	95	95	95
Number of complaints closed per year	Legal		62	65	68	65	65	65	65
Number of disciplinary hearings per year	Legal		5	6	11	3	3	3	3
Number of inspections completed and planned: Firms per year	Inspections		38	22	25	25	25	25	25
Number inspections completed and planned: Engagements per year	Inspections		625	440	500	500	500	500	500
Number of registered auditors per year	Registry	Outcome 6: An efficient, competitive and responsive economic infrastructure network	4 258	4 306	4 281	4 118	4 250	4 492	4 479
Number of approved registered auditors to issue BEE certificates per year	Registry		-1	36	165	268	268	268	268

1. The output for this indicator only started in 2012/13.

Expenditure analysis

In line with the national development plan's vision of providing greater policy and regulatory certainty to investors, the Independent Regulatory Board for Auditors will enhance the quality of financial reporting in the country, which will contribute immensely to instilling investor confidence and, more generally, enhancing the environment in which the business operates. The board also supports outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium term strategic framework.

The board's focus over the medium term will be on providing an appropriate framework for the education and training of adequately qualified auditors, inspecting and reviewing the work of registered auditors, and investigating and taking appropriate action against registered auditors who do not comply with standards and are guilty of improper conduct. To this end, using funds allocated to the legal programme, the board expects to hold 3 disciplinary hearings and close 65 complaints in each year of the MTEF period.

The average cost of disciplinary cases over the past 3 years was R7.9 million per year. Disciplinary costs will be limited to R5.7 million per year over the medium term due to budget constraints. The board uses consultants for ICT management services and legal services as it employs no ICT personnel of its own. Expenditure on consultants is expected to increase over the medium term due to ICT upgrades and legal services required for cases against auditing companies charged with misconduct.

The board received 39.1 per cent of its revenue from National Treasury between 2011/12 and 2014/15. Transfers received are expected to increase moderately over the medium term to provide for growth in the board's number of personnel and the upgrading of its ICT systems. Expenses are set to increase by 4.9 per cent over the medium term, taking into account cost saving initiatives.

Due to the critical skills that the board requires to deliver on its mandate, which include auditing, legal and education for conducting disciplinary hearings, as well as inspections, registration, and the issuance of broad based black economic empowerment certificates (BEE), expenditure on compensation of employees is expected to increase over the medium term. The board has 80 funded posts, of which 12 were vacant at the end of November 2014 as a result of natural attrition. The number of filled posts is expected to increase by 37 over the medium term. This was due to the filling of vacant posts and the implementation of some of the recommendations of the World Bank Reports on the Observance of Standards and Codes for accounting and auditing, issued in 2014, which proposed the strengthening of resources and capacity within the board so that it is able to deliver on its mandate effectively.

Programmes/objectives/activities

Table 7.73 Independent Regulatory Board for Auditors expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2011/12	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	21 941	22 965	22 705	25 226	4.8%	28.1%	26 476	27 425	28 597	4.3%	27.1%	
Legal	13 686	20 099	17 648	14 922	2.9%	20.1%	15 287	15 952	17 011	4.5%	15.9%	
Education, training and professional development	8 279	9 538	13 343	11 731	12.3%	12.9%	8 670	9 018	9 538	-6.7%	9.8%	
Inspections	14 289	13 050	14 759	20 196	12.2%	18.7%	21 933	23 323	25 055	7.5%	22.7%	
Registry	1 376	1 615	1 761	1 885	11.1%	2.0%	5 171	5 497	5 851	45.9%	4.6%	
Standards	6 074	7 105	7 806	10 721	20.9%	9.5%	11 695	12 228	13 165	7.1%	12.0%	
Executive	6 018	7 403	7 266	8 424	11.9%	8.8%	7 218	7 657	8 164	-1.0%	7.9%	
Total	71 663	81 775	85 289	93 105	9.1%	100.0%	96 449	101 100	107 381	4.9%	100.0%	

Statements of historical financial performance and position

Table 7.74 Independent Regulatory Board for Auditors statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
	Budget	2011/12	Budget	2012/13	Budget	2013/14			
Revenue									
Non-tax revenue	38 205	44 849	39 189	59 100	54 238	58 175	56 385	57 677	116.9%
Sale of goods and services other than capital assets	38 035	42 093	37 828	55 191	48 741	55 181	49 079	49 486	116.3%
<i>of which:</i>									
Administrative fees	585	255	85	1 905	500	1 448	1 385	533	162.1%
Sales by market establishment	37 450	41 838	37 743	53 286	48 241	53 733	47 694	48 953	115.6%
Other non-tax revenue	170	2 756	1 361	3 909	5 497	2 994	7 306	8 191	124.5%
Transfers received	28 724	34 724	32 208	32 208	32 933	32 933	34 577	34 577	104.7%
Total revenue	66 929	79 573	71 397	91 308	87 171	91 108	90 962	92 254	111.9%
Expenses									
Current expenses	66 929	71 663	71 397	81 775	86 299	85 289	90 962	93 106	105.1%
Compensation of employees	34 623	34 450	37 652	37 925	46 941	42 391	51 740	50 474	96.7%
Goods and services	30 527	35 064	31 014	41 757	37 092	40 381	36 724	39 930	116.1%
Depreciation	1 779	2 125	2 731	2 093	2 266	2 517	2 498	2 702	101.8%
Interest, dividends and rent on land	-	24	-	-	-	-	-	-	-
Total expenses	66 929	71 663	71 397	81 775	86 299	85 289	90 962	93 106	105.1%
Surplus/(Deficit)	-	7 910	-	9 533	872	5 819	-	(852)	-
Statement of financial position									
Carrying value of assets	5 055	7 703	6 916	6 493	5 569	6 832	4 979	6 898	124.0%
<i>of which:</i>									
Acquisition of assets	874	1 116	1 600	898	-	2 874	1 637	1 865	164.3%
Investments	10 149	-	-	-	-	-	-	-	-
Inventory	129	186	163	150	158	167	150	167	111.6%
Receivables and prepayments	4 231	6 592	1 902	5 330	1 477	6 880	2 100	6 102	256.5%
Cash and cash equivalents	6 681	21 741	4 990	32 289	24 758	37 390	21 388	35 404	219.4%
Non-current assets held for sale	-	10 000	10 000	10 000	10 000	10 000	10 000	10 000	133.3%
Total assets	26 245	46 222	23 971	54 262	41 962	61 269	38 617	58 571	168.4%
Accumulated surplus/(deficit)	2 730	10 042	7 272	16 269	13 270	20 415	7 531	21 658	222.0%
Capital and reserves	18 589	26 749	10 486	29 795	20 615	27 603	26 682	27 801	146.6%
Trade and other payables	4 465	9 430	6 213	8 198	8 077	13 251	4 404	9 112	172.7%
Derivatives financial instruments	2 868	-	-	-	-	-	-	-	-
Total equity and liabilities	28 652	46 221	23 971	54 262	41 962	61 269	38 617	58 571	165.4%

Statements of estimates of financial performance and position

Table 7.75 Independent Regulatory Board for Auditors statements of estimates of financial performance and position

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	57 677	8.7%	61.9%	57 611	61 724	66 185	4.7%	64.7%
Sale of goods and services other than capital assets	49 486	5.5%	56.9%	50 557	54 299	58 345	5.6%	56.6%
<i>of which:</i>								
Administrative fees	533	27.9%	1.1%	562	594	627	5.6%	0.6%
Sales by market establishment	48 953	5.4%	55.7%	49 995	53 705	57 718	5.6%	56.0%
Other non-tax revenue	8 191	43.8%	5.0%	7 054	7 425	7 840	-1.4%	8.1%
Transfers received	34 577	-0.1%	38.1%	29 999	28 978	39 624	4.6%	35.3%
Total revenue	92 254	5.1%	100.0%	87 610	90 702	105 809	4.7%	100.0%
Expenses								
Current expenses	93 106	9.1%	100.0%	96 449	101 100	107 382	4.9%	100.0%
Compensation of employees	50 474	13.6%	49.6%	59 520	63 873	68 371	10.6%	60.7%
Goods and services	39 930	4.4%	47.6%	34 345	35 227	37 012	-2.5%	37.0%
Depreciation	2 702	8.3%	2.8%	2 584	1 999	1 999	-9.6%	2.4%
Total expenses	93 106	9.1%	100.0%	96 449	101 100	107 382	4.9%	100.0%
Surplus/(Deficit)	(852)	-147.6%	-	(8 839)	(10 398)	(1 573)	22.7%	-
Statement of financial position								
Carrying value of assets	6 898	-3.6%	12.9%	7 294	6 845	6 549	-1.7%	16.7%
<i>of which:</i>								
Acquisition of assets	1 865	18.7%	3.0%	1 119	1 119	1 119	-15.7%	3.0%
Inventary	167	-3.6%	0.3%	167	167	167	-	0.4%
Receivables and prepayments	6 102	-2.5%	11.4%	6 488	6 295	6 391	1.6%	15.4%
Cash and cash equivalents	35 404	17.6%	57.0%	24 433	11 756	9 119	-36.4%	43.2%
Non-current assets held for sale	10 000	-	18.4%	10 000	10 000	10 000	-	24.3%
Total assets	58 571	8.2%	100.0%	48 382	35 063	32 226	-18.1%	100.0%
Accumulated surplus/(deficit)	21 658	29.2%	30.5%	12 818	2 420	848	-66.0%	18.3%
Capital and reserves	27 801	1.3%	51.3%	26 872	24 975	23 460	-5.5%	61.8%
Trade and other payables	9 112	-1.1%	18.2%	8 692	7 668	7 918	-4.6%	20.0%
Total equity and liabilities	58 571	8.2%	100.0%	48 382	35 063	32 226	-76.1%	100.0%

Personnel information

Table 7.76 Independent Regulatory Board for Auditors personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost			2017/18		Unit Cost	
Salary level		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2014/15 - 2017/18		
Independent Regulatory Board for Auditors	80	80	68	42.4	0.6	69	50.5	0.7	83	59.5	0.7	104	63.9	0.6	105	68.4	0.7	10.6%	100.0%
1 – 6	10	10	14	1.7	0.1	10	1.2	0.1	10	1.3	0.1	10	1.2	0.1	10	1.3	0.1	3.0%	11.4%
7 – 10	28	28	20	4.8	0.2	25	8.1	0.3	31	10.9	0.4	32	10.3	0.3	32	11.0	0.3	11.0%	33.7%
11 – 12	7	7	7	3.2	0.5	5	4.8	1.0	1	0.6	0.6	5	2.3	0.5	5	1.7	0.3	-29.3%	4.5%
13 – 16	33	33	26	30.5	1.2	27	32.2	1.2	37	38.5	1.0	50	41.3	0.8	50	41.0	0.8	8.4%	44.9%
17 – 22	2	2	1	2.2	2.2	2	4.3	2.1	4	8.2	2.1	7	8.9	1.3	8	13.4	1.7	46.4%	5.5%

1. Rand million.

Office of the Ombud for Financial Services Providers

Mandate

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

Selected performance indicators

Table 7.77 Office of the Ombud for Financial Services Providers performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of cases registered per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers	Outcome 11: Create a better South Africa, a better Africa and a better world	8 821	9 949	9 439	9 949	10 506	11 084	11 638
Number of cases settled per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		781	955	538	567	599	632	664
Number of cases dismissed per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		2 386	2 577	2 117	2 231	2 356	2 486	2 610
Number of cases referred to other forums per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		4 180	4 366	4 932	5 198	5 489	5 791	6 081
Number of determinations issued (including complaints received in previous years but determined in the financial year) per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		25	33	23	24	25	26	27
Number of cases carried over per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		1 474	2 051	1 852	1 952	2 061	2 174	2 283

Expenditure analysis

The Office of the Ombud for Financial Services Providers' focus over the medium term is on serving customers by achieving excellent levels of customer satisfaction; facilitating the communication process with stakeholders to enhance performance, accountability and public confidence; and ensuring long term sustainability by strengthening the office's organisational capacity to deliver on its mandate in an economically efficient and effective manner, in line with the government's policy objectives as outlined in government's 2014-2019 medium term strategic framework.

The office is funded from levies and fees that the Financial Services Board charges to regulated financial services providers on its behalf. Revenue is expected to increase at an average annual rate of 6 per cent over the medium term to reach R43.8 million in 2017/18. Revenue generated will be used to improve the level of service in the organisation.

Total expenditure increased from R26.7 million in 2011/12 to R36.8 million in 2014/15, due to a structural reorganisation, which resulted in an increase in the number of personnel, compensation of employees, and property rental costs, as additional office space was acquired. Spending on goods and services over the same period increased from R8.3 million in 2011/12 to R11.1 million in 2014/15, due to legal expenses related to appeal cases, as well as the utilisation of specialist adjudication consultants to assist with the high volume of property syndication cases.

Total expenditure is expected to increase over the medium term from R36.8 million in 2014/15 to R43.8 million in 2017/18, mainly due to an increase in expenditure on compensation of employees as a result of annual salary increases. At the end of November 2014, the ombud had 69 funded full time posts, of which 58 were filled. The 11 vacancies are expected to be filled over the medium term as the ombud focuses on improving customer satisfaction and operational excellence to ensure that complaints are resolved in a fair, expeditious and informal manner, and to the satisfaction of customers.

The office plans to increase the number of cases settled over the medium term from 567 in 2014/15 to 664 in 2017/18.

Programmes/objectives/activities

Table 7.78 Office of the Ombud for Financial Services Providers expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
Administration	10 104	10 187	12 667	15 410	15.1%	38.6%	16 260	17 213	18 138	5.6%	41.7%
Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers	15 539	18 009	17 859	20 130	9.0%	57.7%	21 257	22 730	24 192	6.3%	54.9%
Enhanced stakeholder management	1 056	1 163	1 023	1 234	5.3%	3.6%	1 303	1 389	1 474	6.1%	3.4%
Total	26 699	29 359	31 549	36 774	11.3%	100.0%	38 820	41 332	43 804	6.0%	100.0%

Statements of historical financial performance and position

Table 7.79 Office of the Ombud for Financial Services Providers statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2011/12	Budget	2012/13	Budget	2013/14			
Revenue									
Non-tax revenue	56 111	194	102	34	165	198	-	-	0.8%
Sale of goods and services other than capital assets	46 560	194	102	34	165	198	-	-	0.9%
<i>of which:</i>									
Administrative fees	46 560	194	102	34	165	198	-	-	0.9%
Other non-tax revenue	9 551	-	-	-	-	-	-	-	-
Transfers received	-	26 615	28 966	26 910	35 751	28 709	31 771	35 798	122.3%
Total revenue	56 111	26 809	29 068	26 944	35 916	28 907	31 771	35 798	77.5%
Expenses									
Current expenses	41 234	26 699	29 061	29 359	35 313	31 549	37 302	36 774	87.0%
Compensation of employees	23 150	17 703	19 395	20 253	21 108	20 857	25 820	24 567	93.2%
Goods and services	17 078	8 255	8 966	8 375	13 510	9 802	10 427	11 140	75.2%
Depreciation	-	691	700	680	695	836	999	1 023	134.9%
Interest, dividends and rent on land	1 006	50	-	51	-	54	56	44	18.7%
Transfers and subsidies	14 877	-	-	-	-	-	-	-	-
Total expenses	56 111	26 699	29 061	29 359	35 313	31 549	37 302	36 774	78.8%
Surplus/(Deficit)	-	110	7	(2 415)	603	(2 642)	(5 531)	(976)	-
Statement of financial position									
Carrying value of assets	12 261	1 727	2 514	1 916	2 822	2 299	2 530	2 529	42.1%
<i>of which:</i>									
Acquisition of assets	795	519	1 469	923	1 558	1 279	1 484	1 178	73.5%
Receivables and prepayments	150	5 195	5 076	3 112	1 633	602	472	635	130.2%
Cash and cash equivalents	25 978	539	1 150	467	595	278	79	325	5.8%
Total assets	38 389	7 461	8 740	5 495	5 050	3 179	3 081	3 489	35.5%
Accumulated surplus/(deficit)	36 063	6 368	5 738	3 953	2 701	1 311	1 153	335	26.2%
Capital and reserves	-	-	1 911	-	-	-	-	-	-
Finance lease	-	553	-	722	60	298	233	233	616.4%
Trade and other payables	2 275	126	1 091	87	1 775	401	924	1 689	38.0%
Provisions	-	414	-	609	514	647	771	682	183.0%
Derivatives financial instruments	-	-	-	124	-	522	-	550	-
Total equity and liabilities	38 388	7 461	8 740	5 495	5 050	3 179	3 081	3 489	35.5%

Statements of estimates of financial performance and position

Table 7.80 Office of the Ombud for Financial Services Providers statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
					2014/15	2011/12 - 2014/15	2015/16		
R thousand									
Revenue									
Transfers received		35 798	10.4%	99.6%	38 820	41 332	43 804	7.0%	100.0%
Total revenue		35 798	10.1%	100.0%	38 820	41 332	43 804	7.0%	100.0%
Expenses									
Current expenses		36 774	11.3%	100.0%	38 820	41 332	43 804	6.0%	100.0%
Compensation of employees		24 567	11.5%	67.1%	25 943	27 759	29 564	6.4%	67.1%
Goods and services		11 140	10.5%	30.2%	11 763	12 410	13 030	5.4%	30.1%
Depreciation		1 023	14.0%	2.6%	1 080	1 139	1 196	5.3%	2.8%
Interest, dividends and rent on land		44	-4.2%	0.2%	34	24	14	-31.7%	0.1%
Total expenses		36 774	11.3%	100.0%	38 820	41 332	43 804	6.0%	100.0%
Surplus/(Deficit)		(976)	-307.0%	-	-	-	-	-100.0%	-
Statement of financial position									
Carrying value of assets		2 529	13.6%	50.7%	2 671	2 818	2 959	5.4%	72.2%
<i>of which:</i>									
Acquisition of assets		1 178	31.4%	24.4%	1 244	1 312	1 378	5.4%	33.6%
Receivables and prepayments		635	-50.4%	40.8%	670	707	742	5.3%	18.1%
Cash and cash equivalents		325	-15.5%	8.4%	362	389	407	7.8%	9.7%
Total assets		3 489	-22.4%	100.0%	3 703	3 914	4 108	5.6%	100.0%
Accumulated surplus/(deficit)		335	-62.5%	52.0%	335	335	335	-	8.8%
Finance lease		233	-25.0%	9.2%	157	68	-	-100.0%	3.2%
Trade and other payables		1 689	137.5%	16.1%	1 910	2 138	2 331	11.3%	52.8%
Provisions		682	18.1%	14.1%	720	760	798	5.4%	19.5%
Derivatives financial instruments		550	-	8.6%	581	613	644	5.4%	15.7%
Total equity and liabilities		3 489	-22.4%	100.0%	3 703	3 914	4 108	-77.9%	100.0%

Personnel information

Table 7.81 Office of the Ombud for Financial Services Providers personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2013/14		Unit Cost	2014/15		Unit Cost	2015/16		2016/17		2017/18				2014/15 - 2017/18			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Office of the Ombud for Financial Services Providers	69	69	51	20.9	0.4	69	24.6	0.4	69	25.9	0.4	69	27.8	0.4	69	29.6	0.4	6.4%	100.0%
Salary level	69	69	51	20.9	0.4	69	24.6	0.4	69	25.9	0.4	69	27.8	0.4	69	29.6	0.4	6.4%	100.0%
1 – 6	23	23	17	1.9	0.1	23	3.0	0.1	23	3.2	0.1	23	3.4	0.1	23	3.6	0.2	6.3%	33.3%
7 – 10	35	35	23	8.2	0.4	35	10.5	0.3	35	11.0	0.3	35	11.8	0.3	35	12.6	0.4	6.4%	50.7%
11 – 12	5	5	5	3.4	0.7	5	3.5	0.7	5	3.7	0.7	5	4.0	0.8	5	4.2	0.8	6.4%	7.2%
13 – 16	5	5	5	4.9	1.0	5	4.9	1.0	5	5.2	1.0	5	5.6	1.1	5	6.0	1.2	6.4%	7.2%
17 – 22	1	1	1	2.6	2.6	1	2.6	2.6	1	2.8	2.8	1	3.0	3.0	1	3.2	3.2	6.4%	1.4%

1. Rand million.

Office of the Pensions Funds Adjudicator

Mandate

The mandate of the Pension Funds Adjudicator is to investigate and determine complaints lodged in terms of the Pension Funds Act (1956). The office's mandate became effective in January 1998. In order to deliver on its mandate, the office is required to ensure a procedurally fair, economical and expeditious resolution of complaints in terms of the act by: ensuring that its services are accessible to all; investigating complaints in a procedurally fair manner; reaching a just and expeditious resolution of complaints in accordance with the law; incorporating innovation and proactive thought and action in its activities; and supporting, encouraging and

providing opportunities for individual growth. The office has jurisdiction only over funds that are registered under the Pension Funds Act (1956).

Selected performance indicators

Table 7.82 Office of the Pension Funds Adjudicator performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of complaints disposed through determinations, conciliation and settlements per year	Dispose of complaints received	Outcome 12: An efficient, effective and development oriented public service	2 867	4 127	4 751	3 840	3 840	3 840	3 840
Percentage of valid complaints resolved within 9 months of lodging complaints per year	Dispose of complaints received		44% (1 827)	65% (1 881)	95% (4 765)	95% (3 648)	95% (3 648)	95% (3 648)	95% (3 648)

Expenditure analysis

The national development plan recognises that more needs to be done to improve capacity, accountability and service delivery. In this regard, it prioritises building the capacity and developmental commitment of the state. This is supported by outcome 12 of government's 2014-2019 medium term strategic framework (an efficient, effective and development oriented public service). In line with this, the Office of Pension Funds Adjudicator's focus over the medium term will be on tackling complaints received, achieving operational excellence, and maintaining effective stakeholder relationships.

The office's focus over the medium term will be on ensuring that complaints are resolved within 9 months of being lodged. As a result, spending on goods and services is expected to increase to R19 million in 2017/18, driven primarily by an increase in office lease rentals, professional fees, legal fees, computer services, audit fees, and fees for consultant services. The increase in spending on these items is mainly due to the legal and actuarial skills required to continue enabling the office to effectively resolve complaints lodged within the set periods, as well as the enhancement of the ICT infrastructure.

The office's revenue comprises transfers from the Financial Services Board and interest earned on cash resources. Revenue is expected to increase to R55.8 million in 2017/18 to improve the efficacy of the office in resolving more complaints through the development of staff, the enhancement of the ICT infrastructure, and the implementation of the stakeholder outreach programme.

Spending on compensation of employees is expected to increase to R32.5 million in 2017/18, mainly due to inflation related adjustments, as the number of filled posts is expected to remain constant, at 58 over the medium term.

Programmes/objectives/activities

Table 7.83 Office of the Pension Funds Adjudicator expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand					2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	4 445	7 057	4 468	5 430	6.9%	12.9%	5 076	5 384	5 719	1.7%	10.4%
Dispose of complaints received	27 392	32 952	35 704	37 503	11.0%	80.4%	43 386	44 713	46 739	7.6%	82.5%
Achieve operational excellence	2 062	1 870	1 905	4 437	29.1%	6.1%	2 682	2 867	3 000	-12.2%	6.3%
Effective stakeholder relationship	-	519	129	353	-	0.6%	439	462	485	11.2%	0.8%
Total	33 899	42 398	42 206	47 723	12.1%	100.0%	51 583	53 426	55 943	5.4%	100.0%

Statements of historical financial performance and position

Table 7.84 Office of the Pension Funds Adjudicator statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
R thousand	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	–	209	118	216	177	10	10	10	146.1%
Other non-tax revenue	–	209	118	216	177	10	10	10	146.1%
Transfers received	–	37 419	45 397	40 968	43 134	42 198	44 308	43 769	123.7%
Total revenue	–	37 628	45 515	41 184	43 311	42 208	44 318	43 779	123.8%
Expenses									
Current expenses	–	33 899	43 419	42 398	42 878	42 206	46 905	47 723	124.8%
Compensation of employees	–	21 157	27 838	24 351	27 126	24 873	26 671	26 454	118.6%
Goods and services	–	11 750	14 813	16 580	14 212	14 505	15 908	16 943	133.0%
Depreciation	–	992	767	1 467	1 540	2 828	4 326	4 326	144.9%
Total expenses	–	33 899	43 419	42 398	42 878	42 206	46 905	47 723	124.8%
Surplus/(Deficit)	–	3 729	2 096	(1 214)	433	2	(2 587)	(3 944)	–
Statement of financial position									
Carrying value of assets	–	2 944	2 002	10 017	5 077	9 429	9 283	10 259	199.5%
<i>of which:</i>									
Acquisition of assets	–	1 963	448	8 738	378	2 371	3 000	5 156	476.4%
Receivables and prepayments	–	6 334	3 811	2 810	1 800	3 172	629	329	202.6%
Cash and cash equivalents	–	5 181	2 443	1 543	1 723	1 882	1 000	500	176.3%
Total assets	–	14 459	8 256	14 370	8 600	14 483	10 912	11 088	195.9%
Accumulated surplus/(deficit)	–	12 301	6 053	11 086	4 300	11 089	8 927	7 144	215.9%
Trade and other payables	–	2 158	2 203	708	3 300	2 156	788	2 639	121.8%
Provisions	–	–	–	2 576	1 000	1 238	1 197	1 305	233.0%
Total equity and liabilities	–	14 459	8 256	14 370	8 600	14 483	10 912	11 088	195.9%

Statements of estimates of financial performance and position

Table 7.85 Office of the Pension Funds Adjudicator statements of estimates of financial performance and position

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	10	-63.7%	0.3%	10	10	10	–	0.0%
Other non-tax revenue	10	-63.7%	0.3%	10	10	10	–	0.0%
Transfers received	43 769	5.4%	99.7%	47 025	51 000	55 800	8.4%	100.0%
Total revenue	43 779	5.2%	100.0%	47 035	51 010	55 810	8.4%	100.0%
Expenses								
Current expenses	47 723	12.1%	100.0%	51 583	53 426	55 943	5.4%	100.0%
Compensation of employees	26 454	7.7%	58.6%	28 845	30 699	32 546	7.2%	56.7%
Goods and services	16 943	13.0%	35.9%	18 298	18 287	18 957	3.8%	34.8%
Depreciation	4 326	63.4%	5.5%	4 440	4 440	4 440	0.9%	8.5%
Total expenses	47 723	12.1%	100.0%	51 583	53 426	55 943	5.4%	100.0%
Surplus/(Deficit)	(3 944)	-201.9%	–	(4 548)	(2 416)	(133)	-67.7%	–
Statement of financial position								
Carrying value of assets	10 259	51.6%	61.9%	8 404	5 764	3 124	-32.7%	87.0%
<i>of which:</i>								
Acquisition of assets	5 156	38.0%	34.3%	2 585	1 800	1 800	-29.6%	36.6%
Receivables and prepayments	329	-62.7%	22.1%	349	371	394	6.2%	5.5%
Cash and cash equivalents	500	-54.1%	16.0%	500	500	500	–	7.5%
Total assets	11 088	-8.5%	100.0%	9 253	6 635	4 018	-28.7%	100.0%
Accumulated surplus/(deficit)	7 144	-16.6%	75.8%	2 594	180	46	-81.4%	24.1%
Trade and other payables	2 639	6.9%	14.6%	5 284	5 007	2 447	-2.5%	54.3%
Provisions	1 305	–	9.6%	1 375	1 448	1 525	5.3%	21.6%
Total equity and liabilities	11 088	-8.5%	100.0%	9 253	6 635	4 018	-78.6%	100.0%

Personnel information

Table 7.86 Office of the Pension Funds Adjudicator personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
		2013/14			2014/15			2015/16		2016/17		2017/18				2014/15 - 2017/18				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost	
Office of the Pension Funds Adjudicator		60	60	52	24.9	0.5	58	26.5	0.5	58	28.8	0.5	58	30.7	0.5	58	32.5	0.6	7.2%	100.0%
1 – 6	6	6	5	0.7	0.1	6	0.9	0.2	5	1.0	0.2	5	1.1	0.2	5	1.1	0.2	6.5%	9.1%	
7 – 10	36	36	31	8.6	0.3	36	10.2	0.3	34	9.8	0.3	32	9.4	0.3	32	9.9	0.3	-0.9%	57.8%	
11 – 12	6	6	8	5.5	0.7	6	3.7	0.6	9	5.8	0.6	10	6.4	0.6	9	5.9	0.7	16.9%	14.7%	
13 – 16	11	11	7	7.8	1.1	9	9.3	1.0	9	9.9	1.1	10	11.3	1.1	11	12.9	1.2	11.4%	16.8%	
17 – 22	1	1	1	2.3	2.3	1	2.3	2.3	1	2.4	2.4	1	2.5	2.5	1	2.7	2.7	5.4%	1.7%	

1. Rand million.

Public Investment Corporation

Mandate

The Public Investment Corporation was established by the Public Investment Corporation Act (2004). It is one of the largest investment managers in Africa, managing assets worth more than R1.7 trillion. The corporation is a registered financial services provider, wholly owned by government, with the Minister of Finance as shareholder representative. The corporation is mandated to invest funds on behalf of its clients, based on the investment mandates as agreed on with each client and approved by the Financial Services Board. The corporation's clients are public sector entities, most of which are pension, provident, social security, development and guardian funds.

Selected performance indicators

Table 7.87 Public Investment Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past		Current	Projections			
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Value of net profit after tax per year	Investments	Outcome 11: Create a better South Africa, a better Africa and a better world	R94m	R130m	R209m	R90m	R123m	R135m	R142m
Total amount of funds under management per year	Investments	Outcome 11: Create a better South Africa, a better Africa and a better world	R1.13tr	R1.4tr	R1.6tr	R1.72tr	R1.82tr	R1.92tr	R2.02tr
Percentage contribution of assets under management to education, health, housing, infrastructure and environmental sustainability per year	Investments	Outcome 1: Quality basic education	-1	-1	1.44% (R23m)	2.5% (R43m)	3.5% (R63.7m)	4.5% (R86.4m)	5.5% (R111.1m)
Percentage increase in the African and offshore investment portfolios per year	Investments	Outcome 11: Create a better South Africa, a better Africa and a better world	-1	-1	0.81% (R12.9m)	1.5% (R25.8m)	2.5% (R45.5m)	3.5% (R67.2m)	4.5% (R90.9m)
Amount committed towards black economic empowerment development property investments (new developments, refurbishments and upgrades, rural development investments) per year	Investments	Outcome 4: Decent employment through inclusive economic growth	-1	-1	R45.7m	R1.5bn	R2bn	R2.5bn	R3bn

1. New indicators as from 2013/14.

Expenditure analysis

The Public Investment Corporation has aligned its investment activities with the vision of the national development plan through developmental investments that have significant social, economic and environmental

benefits for the country and, most importantly, which create jobs. This is in line with outcome 4 (decent employment through inclusive economic growth) and outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium term strategic framework.

The corporation's focus over the medium term will be on restructuring the business to respond to the change in client mandates and the new unlisted investments model, which focuses on investing in commercially viable projects based in South Africa that have a positive developmental impact. It seeks to provide finance for projects that support the long term economic, social and environmental growth of the country.

The corporation makes developmental investments through the Isibaya Fund, in line with the Government Employees Pension Fund's developmental investment framework, which requires a balance between financial returns and support for positive long term economic, social and environmental outcomes. The framework focuses on investments in economic infrastructure, social infrastructure, sustainability projects, enterprise development, and SMMEs in manufacturing, tourism, value chain mining, and agro-processing. The fund has created more than 7 805 direct and indirect jobs, and 78 636 jobs were sustained from the existing portfolio in 2013/14, which is expected to result in an increase in the number of corporation offices outside of South Africa.

Expenditure is expected to increase to R1.1 billion in 2017/18, mainly due to the expected significant increase in personnel numbers following the growth in the properties business units. This is expected to lead to an increase in spending on compensation of employees to R670.7 million in 2017/18. The corporation plans to commit about R7.5 billion towards development property investments over the medium term, including new developments, refurbishments and upgrades, as well as rural development investments. The value of African and offshore investments is expected to increase to R90.9 million in 2017/18, while investments in education, health, housing, infrastructure and environmental sustainability are expected to increase to R111.1 million over the same period.

The corporation derives about 93.5 per cent of its revenue from management fees charged on assets managed on behalf of its clients. Total revenue is expected to increase to R1.2 billion over the medium term, largely due to the implementation of the Isibaya Fund's new mandate, resulting in an increase in management fees on committed funds.

Programmes/objectives/activities

Table 7.88 Public Investment Corporation expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2014/15	Average growth rate (%) 2011/12 - 2014/15	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2014/15 - 2017/18	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18		
Administration	172 972	204 618	291 830	345 213	25.9%	46.0%	325 322	346 655	363 988	1.8%	35.4%
Investments	178 836	189 173	362 812	560 814	46.4%	54.0%	609 921	661 043	694 095	7.4%	64.6%
Total	351 808	393 791	654 642	906 027	37.1%	100.0%	935 243	1 007 698	1 058 083	5.3%	100.0%

Statements of historical financial performance and position

Table 7.89 Public Investment Corporation statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%) 2011/12 - 2014/15
	Budget	2011/12	Budget	2012/13	Budget	2013/14			
Revenue									
Non-tax revenue	406 060	446 025	417 322	523 741	805 561	863 519	917 531	947 231	109.2%
Sale of goods and services other than capital assets	400 205	408 996	389 925	482 402	767 772	808 880	867 696	897 396	107.1%
of which:									
Sales by market establishment	400 205	408 996	389 925	482 402	767 772	808 880	867 696	897 396	107.1%
Other non-tax revenue	5 855	37 029	27 397	41 339	37 789	54 639	49 835	49 835	151.3%
Total revenue	406 060	446 025	417 322	523 741	805 561	863 519	917 531	947 231	109.2%

Table 7.89 Public Investment Corporation statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Expenses									
Current expenses	324 092	311 523	369 361	342 904	638 177	574 672	782 332	816 121	96.7%
Compensation of employees	218 514	205 763	240 621	229 850	422 382	441 196	510 966	535 599	101.4%
Goods and services	87 947	92 345	126 542	100 955	193 446	123 343	250 598	259 755	87.5%
Depreciation	8 028	13 383	2 198	12 094	22 349	10 118	20 768	20 767	105.7%
Interest, dividends and rent on land	9 603	32	–	5	–	15	–	–	0.5%
Total expenses	344 781	351 808	383 405	393 791	685 044	654 642	824 069	906 027	103.1%
Surplus/(Deficit)	61 279	94 217	33 917	129 950	120 517	208 877	93 462	41 204	–
Statement of financial position									
Carrying value of assets	280 618	27 973	33 578	15 903	93 623	19 211	67 085	67 085	27.4%
<i>of which:</i>									
Acquisition of assets	55 096	14 037	6 415	3 647	99 023	11 720	236 454	62 338	23.1%
Investments	19 867	284 967	282 681	346 858	336 839	586 821	658 575	658 575	144.6%
Receivables and prepayments	36 238	56 985	116 811	63 115	62 054	81 431	72 308	74 783	96.1%
Cash and cash equivalents	199 892	294 832	335 322	370 101	429 463	451 750	489 592	580 332	116.7%
Non-current assets held for sale	–	–	30 454	–	–	–	–	–	–
Taxation	–	16 987	–	20 431	9 715	67 763	57 818	59 583	244.0%
Total assets	536 615	681 744	798 846	816 408	931 694	1 206 976	1 345 378	1 440 358	114.8%
Accumulated surplus/(deficit)	502 241	329 492	305 037	459 442	545 961	668 319	637 386	719 988	109.4%
Capital and reserves	1	278 001	413 003	278 001	278 001	279 822	278 000	278 000	114.9%
Borrowings	1 632	–	760	–	–	–	–	–	–
Finance lease	–	106	24 695	704	–	356	–	–	4.7%
Trade and other payables	20 696	27 276	48 960	20 871	29 632	28 760	23 965	23 965	81.8%
Provisions	12 004	46 869	6 391	57 390	78 100	229 719	406 027	418 405	149.7%
Derivatives financial instruments	41	–	–	–	–	–	–	–	–
Total equity and liabilities	536 615	681 744	798 846	816 408	931 694	1 206 976	1 345 378	1 440 358	114.8%

Statements of estimates of financial performance and position

Table 7.90 Public Investment Corporation statements of estimates of financial performance and position

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	947 231	28.5%	100.0%	1 057 888	1 141 764	1 198 852	8.2%	100.0%
Sale of goods and services other than capital assets	897 396	29.9%	93.1%	991 297	1 059 958	1 112 956	7.4%	93.5%
<i>of which:</i>								
Sales by market establishment	897 396	29.9%	93.1%	991 297	1 059 958	1 112 956	7.4%	93.5%
Other non-tax revenue	49 835	10.4%	6.9%	66 591	81 806	85 896	19.9%	6.5%
Total revenue	947 231	28.5%	100.0%	1 057 888	1 141 764	1 198 852	8.2%	100.0%
Expenses								
Current expenses	816 121	37.9%	88.4%	880 119	950 019	997 520	6.9%	93.2%
Compensation of employees	535 599	37.6%	60.8%	593 459	638 800	670 740	7.8%	62.3%
Goods and services	259 755	41.2%	24.8%	262 943	281 463	295 536	4.4%	28.2%
Depreciation	20 767	15.8%	2.7%	23 717	29 756	31 244	14.6%	2.7%
Total expenses	906 027	37.1%	100.0%	935 243	1 007 698	1 058 083	5.3%	100.0%
Surplus/(Deficit)	41 204	-24.1%	–	122 645	134 066	140 769	50.6%	–
Statement of financial position								
Carrying value of assets	67 085	33.9%	3.1%	77 554	61 230	64 292	-1.4%	4.1%
<i>of which:</i>								
Acquisition of assets	62 338	64.4%	2.0%	34 187	13 432	14 104	-39.1%	2.0%
Investments	658 575	32.2%	44.7%	824 260	947 454	994 827	14.7%	51.1%
Receivables and prepayments	74 783	9.5%	7.0%	82 608	88 330	92 747	7.4%	5.1%
Cash and cash equivalents	580 332	25.3%	41.6%	599 644	654 408	687 128	5.8%	38.0%
Taxation	59 583	51.9%	3.7%	15 161	14 358	15 076	-36.8%	1.7%
Total assets	1 440 358	28.3%	100.0%	1 599 227	1 765 780	1 854 069	8.8%	100.0%
Accumulated surplus/(deficit)	719 988	29.8%	52.5%	843 133	977 898	1 040 693	13.1%	53.6%
Capital and reserves	278 000	-0.0%	29.3%	278 000	278 000	278 000	–	16.9%
Trade and other payables	23 965	-4.2%	2.7%	25 882	27 953	29 351	7.0%	1.6%
Provisions	418 405	107.4%	15.5%	452 212	481 929	506 025	6.5%	28.0%
Total equity and liabilities	1 440 358	28.3%	100.0%	1 599 227	1 765 780	1 854 069	26.6%	100.0%

Personnel information

Table 7.91 Public Investment Corporation personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual 2013/14			Revised estimate 2014/15			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16		2016/17		2017/18							
Public Investment Corporation		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2014/15 - 2017/18		
Salary level	549	549	522	441.2	0.8	549	535.6	1.0	559	593.5	1.1	559	638.8	1.1	559	670.7	1.2	7.8%	100.0%
1 – 6	67	67	67	6.4	0.1	67	9.1	0.1	68	13.1	0.2	68	15.5	0.2	68	16.0	0.2	20.7%	12.2%
7 – 10	251	251	234	97.7	0.4	251	114.4	0.5	256	133.3	0.5	256	154.5	0.6	256	165.4	0.6	13.1%	45.8%
11 – 12	86	86	81	71.2	0.9	86	87.8	1.0	86	92.4	1.1	86	104.3	1.2	86	109.3	1.3	7.6%	15.5%
13 – 16	130	130	127	208.5	1.6	130	243.8	1.9	134	260.9	1.9	134	272.0	2.0	134	283.0	2.1	5.1%	23.9%
17 – 22	15	15	13	57.4	4.4	15	80.6	5.4	15	93.8	6.3	15	92.5	6.2	15	97.1	6.5	6.4%	2.7%

1. Rand million.

South African Airways

South African Airways is South Africa's national air carrier, operating a full service network in the international, regional and domestic markets from its head office at OR Tambo International Airport in Johannesburg.

The airline reported a loss of R2.5 billion for 2013/14. To stabilise and contain the airline's losses, and as the turnaround strategy was not delivering the expected results, government intervened in November 2014, with the Department of Public Enterprises and National Treasury providing joint oversight of the airline. On 12 December 2014, the president transferred the executive authority responsibility for South African Airways from the Minister of Public Enterprises to the Minister of Finance, in terms of section 97 of the Constitution.

The airline has crafted a 90-day action plan, which is premised on accelerating the implementation of the turnaround strategy and is expected to deliver future annual savings of approximately R1.3 billion. National Treasury is working with the airline to revise and refine the turnaround strategy, with objective of returning the airline to financial sustainability.

The airline was granted a guarantee of R6.4 billion bringing the total guarantees to R14.4 billion.

South African Special Risk Insurance Association

Mandate

The South African Special Risk Insurance Association was established in 1979 and was registered in terms of section 21 of the Companies Act (1973). In line with the amendment of the South African Special Risk Insurance Association Act (1998) and the Companies Act (2008), government became the company's sole shareholder. The association is mandated to support the insurance industry by providing cover for special risks such as riots, strikes, political unrest, terrorist attacks, civil commotion, public disorder and labour disturbances.

Selected performance indicators

Table 7.92 South African Special Risk Insurance Association performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Value of gross written premiums per year	Sustainable revenue growth: Gross written premium income growth	Outcome 11: Create a better South Africa, a better Africa and a better world	R1.1bn	R1.2bn	R1.4bn	R1.5bn	R1.6bn	R1.8bn	R1.9bn
Value of net underwriting profit per year	Sustainable revenue growth: Net underwriting profit growth		R615m	R325.8m	R789.9m	R249.5m	R293.9m	R309.1m	R338.7m
Percentage of all fast-tracked claims to be settled within 30 days from the date of submission per year	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time	Entity mandate	-1	-1	-1	85%	90%	90%	90%
Percentage of large loss claims finalised within 60 days ¹	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time		-1	-1	-1	60%	70%	70%	70%

Table 7.92 South African Special Risk Insurance Association performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Average number of days for processing claims under R250 000 per year	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time	Outcome 11: Create a better South Africa, a better Africa and a better world	90 days	75 days	30 days	30 days	20 days	20 days	20 days
Value spent on awareness campaigns per year	Brand development: Conduct customer and market segmentation analysis		R3.7m	R3.98m	R3.96m	R4.1m	R4.3m	- ²	- ²

1. This is a new indicator, starting from 2014/15.

2. No further awareness campaigns are planned.

Expenditure analysis

The South African Special Risk Insurance Association is expected to contribute to the national development plan by ensuring guaranteed special risk insurance cover at reasonable cost, irrespective of the political risk in South Africa. The association's focus over the medium term will be on guaranteeing asset protection for investors in order to attract and retain foreign investors, which are a vital element of South Africa's economy and prosperity; and continued investment in the education sector through school development projects.

The association will focus specifically on establishing a broader customer base by maximising brand and product awareness, which involves introducing new products and enhancing existing ones. This will require investment in human capital development to create a sustainable employment brand, allowing the association to achieve its goal of optimising shareholder value by increasing premium and investment income. As a result, total expenditure is expected to increase to R1.5 billion in 2017/18, mainly due to new marketing initiatives and staff expansion. The number of personnel in the association is expected to increase from 64 in 2013/14 to 78 over the medium term, resulting in an increase in spending on compensation of employees to R58 million by 2017/18.

The association is expected to continue to deliver strong financial performance over the medium term, with written premiums expected to grow by an average of 8.5 per cent to R1.9 billion in 2017/18, mainly due to product enhancement and the launching of new products, as well as a new marketing strategy that aims to maximise brand and product awareness.

Programmes/objectives/activities

Table 7.93 South African Special Risk Insurance Association expenditure trends and estimates by programme/ objective/ activity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand					2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Administration	390 013	367 775	538 705	462 806	5.9%	40.5%	509 722	547 930	595 104	8.7%	32.1%
Sustainable revenue growth: Gross written premium (GWP) income growth	72 899	118 107	120 987	178 011	34.7%	10.5%	210 201	246 744	268 950	14.7%	13.6%
Sustainable revenue growth: Net underwriting profit growth	206 855	900 435	501 991	796 729	56.8%	48.2%	829 555	900 784	981 982	7.2%	53.3%
Regulatory environment: Development and Implementation of the SAM Phase III project plan	1 445	4 938	3 377	1 934	10.2%	0.2%	1 050	107	113	-61.2%	0.1%
Customer centricity: Provide superior customer service to external stakeholders: Treating customers fairly project	393	2 261	1 028	-	-100.0%	0.1%	-	-	-	-	-
Customer centricity: Provide superior customer service to external stakeholders: Reduce the internal claim turnaround time	-	1 988	2 549	2 741	-	0.1%	3 054	3 293	3 551	9.0%	0.2%
People, capacity and capability: To attract the skills required to execute Sasria's strategy	1 220	2 055	2 199	7 474	83.0%	0.3%	8 166	8 747	9 370	7.8%	0.5%
Brand Development: Conduct customer and market segmentation analysis	-	-	4 215	4 064	-	0.2%	4 308	4 566	4 840	6.0%	0.3%
Total	672 825	1 397 559	1 175 051	1 453 759	29.3%	100.0%	1 566 056	1 712 171	1 863 910	8.6%	100.0%

Statements of historical financial performance and position

Table 7.94 South African Special Risk Insurance Association statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
R thousand	2011/12		2012/13		2013/14		2014/15		2011/12 - 2014/15
Revenue									
Non-tax revenue	1 112 899	1 195 824	1 240 132	1 755 185	1 404 666	1 856 116	1 638 513	1 901 592	124.3%
Sale of goods and services other than capital assets	880 886	894 777	962 373	1 336 175	1 126 668	1 412 970	1 318 723	1 495 422	119.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	880 886	894 777	962 373	1 336 175	1 126 668	1 412 970	1 318 723	1 495 422	119.8%
Other non-tax revenue	232 013	301 047	277 759	419 010	277 998	443 146	319 790	406 170	141.7%
Total revenue	1 112 899	1 195 824	1 240 132	1 755 185	1 404 666	1 860 976	1 638 513	1 901 592	124.4%
Expenses									
Current expenses	323 638	509 139	630 583	1 254 000	697 732	916 938	979 305	1 279 601	150.5%
Compensation of employees	44 468	31 626	28 567	27 690	28 407	41 616	43 033	44 744	100.8%
Goods and services	259 859	474 682	597 156	1 224 139	664 492	872 000	928 277	1 228 050	155.1%
Depreciation	19 312	2 831	4 860	2 171	4 833	3 322	7 995	6 807	40.9%
Transfers and subsidies	7 322	-	-	-	-	-	-	-	-
Total expenses	529 861	672 825	801 256	1 397 559	891 741	1 175 051	979 305	1 453 759	146.8%
Surplus/(Deficit)	583 037	522 999	438 876	357 626	512 925	685 925	659 208	447 834	
Statement of financial position									
Carrying value of assets	78 167	29 680	74 383	38 476	72 317	51 019	45 209	53 128	63.8%
<i>of which:</i>									
<i>Acquisition of assets</i>	14 701	4 047	331 336	3 655	364 272	15 564	3 850	7 524	4.3%
Investments	1 415 291	3 234 025	3 372 870	3 510 800	4 855 469	4 035 497	4 440 045	4 549 633	108.8%
Receivables and prepayments	349 675	224 477	228 698	298 411	243 868	151 927	149 689	129 402	82.7%
Cash and cash equivalents	2 385 265	957 532	1 232 634	1 251 964	467 129	1 240 288	858 499	894 370	87.9%
Non-current assets held for sale	-	31 802	-	-	-	-	-	-	-
Taxation	-	9 869	-	1 715	-	-	-	-	-
Total assets	4 228 398	4 487 385	4 908 585	5 101 366	5 638 783	5 478 731	5 493 442	5 626 533	102.1%
Accumulated surplus/(deficit)	3 568 366	3 646 218	4 028 924	3 822 933	4 839 923	4 296 106	4 522 713	4 319 243	94.8%
Capital and reserves	-	221 132	-	245 142	-	350 610	263 372	364 839	448.7%
Deferred income	-	10 320	-	13 127	-	4 159	591	1 093	4 856.0%
Trade and other payables	660 032	553 511	879 661	1 012 879	124 774	759 301	642 771	919 536	140.7%
Taxation	-	47 203	-	6 232	54 694	56 627	56 995	14 720	111.7%
Provisions	-	9 001	-	1 053	-	11 928	7 000	7 102	415.5%
Derivatives financial instruments	-	-	-	-	619 392	-	-	-	-
Total equity and liabilities	4 228 398	4 487 385	4 908 585	5 101 366	5 638 783	5 478 731	5 493 442	5 626 533	102.1%

Statements of estimates of financial performance and position

Table 7.95 South African Special Risk Insurance Association statements of estimates of financial performance and position

Statement of financial performance								
	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
R thousand	2014/15	2011/12 - 2014/15		2015/16	2016/17	2017/18	2014/15 - 2017/18	
Revenue								
Non-tax revenue	1 901 592	16.7%	99.9%	2 053 086	2 229 479	2 426 855	8.5%	100.0%
Sale of goods and services other than capital assets	1 495 422	18.7%	76.4%	1 629 531	1 775 684	1 934 966	9.0%	79.3%
<i>of which:</i>								
<i>Sales by market establishment</i>	1 495 422	18.7%	76.4%	1 629 531	1 775 684	1 934 966	9.0%	79.3%
Other non-tax revenue	406 170	10.5%	23.6%	423 555	453 795	491 889	6.6%	20.7%
Total revenue	1 901 592	16.7%	100.0%	2 053 086	2 229 479	2 426 855	8.5%	100.0%
Expenses								
Current expenses	1 279 601	36.0%	82.9%	1 376 655	1 510 996	1 644 987	8.7%	88.1%
Compensation of employees	44 744	12.3%	3.3%	49 858	53 761	57 974	9.0%	3.1%
Goods and services	1 228 050	37.3%	79.2%	1 320 134	1 449 805	1 580 038	8.8%	84.6%
Depreciation	6 807	34.0%	0.3%	6 663	7 430	6 975	0.8%	0.4%
Total expenses	1 453 759	29.3%	100.0%	1 566 056	1 712 171	1 863 910	8.6%	100.0%
Surplus/(Deficit)	447 834	-5.0%	-	487 030	517 308	562 945	7.9%	-
Statement of financial position								
Carrying value of assets	53 128	21.4%	0.8%	59 947	66 006	70 296	9.8%	1.0%
<i>of which:</i>								
<i>Acquisition of assets</i>	7 524	23.0%	0.1%	6 727	5 813	6 674	-3.9%	0.1%
Investments	4 549 633	12.0%	73.9%	4 860 417	5 214 439	5 607 029	7.2%	80.4%
Receivables and prepayments	129 402	-16.8%	4.0%	140 150	151 829	164 464	8.3%	2.3%
Cash and cash equivalents	894 370	-2.2%	21.1%	979 755	1 064 367	1 154 202	8.9%	16.2%
Total assets	5 626 533	7.8%	100.0%	6 040 269	6 496 641	6 995 991	7.5%	100.0%
Accumulated surplus/(deficit)	4 319 243	5.8%	77.8%	4 637 730	4 972 045	5 339 487	7.3%	76.6%
Capital and reserves	364 839	18.2%	5.7%	399 032	435 916	476 227	9.3%	6.7%
Deferred income	1 093	-52.7%	0.1%	1 075	1 052	1 027	-2.1%	0.0%
Trade and other payables	919 536	18.4%	15.6%	978 478	1 058 188	1 144 042	7.6%	16.3%
Taxation	14 720	-32.2%	0.6%	16 024	20 884	25 975	20.8%	0.3%
Provisions	7 102	-7.6%	0.1%	7 930	8 556	9 233	9.1%	0.1%
Total equity and liabilities	5 626 533	7.8%	100.0%	6 040 269	6 496 641	6 995 991	52.1%	100.0%

Personnel information

Table 7.96 South African Special Risk Insurance Association personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2015		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2013/14			2014/15			2015/16			2016/17			2017/18					2014/15 - 2017/18
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
South African Special Risk Insurance Association	71	71	64	41.6	0.7	72	44.7	0.6	76	49.9	0.7	78	53.8	0.7	78	58.0	0.7	9.0%	100.0%
Salary level	3	3	3	0.3	0.1	3	0.4	0.1	3	0.4	0.1	3	0.5	0.2	3	0.6	0.2	14.4%	4.0%
7 – 10	28	28	24	6.6	0.3	28	8.3	0.3	31	9.5	0.3	33	10.6	0.3	33	12.0	0.4	13.1%	41.1%
11 – 12	18	18	15	19.0	1.3	18	17.2	1.0	19	19.9	1.0	19	22.6	1.2	19	22.9	1.2	10.1%	24.7%
13 – 16	21	21	21	13.8	0.7	22	16.8	0.8	22	17.8	0.8	22	17.7	0.8	22	20.0	0.9	5.9%	29.0%
17 – 22	1	1	1	2	2	1	2	2	1	2	2	1	2	2	1	2	2	6.2%	1.3%

¹. Rand million.

Additional tables

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Conditional allocations to municipalities							
Technical Support and Development Finance							
Integrated city development grant	–	–	40 000	255 000	251 300	266 805	292 119
Local government financial management grant	423 641	402 753	424 798	449 138	452 491	465 264	502 006
Neighbourhood development partnership grant	738 393	578 132	585 935	591 179	607 000	624 000	663 390
Infrastructure skills development grant	–	75 460	98 500	104 425	124 465	130 471	140 774
Total	1 162 034	1 056 345	1 149 233	1 399 742	1 435 256	1 486 540	1 598 289

1. Detail provided in the Division of Revenue Act (2015).

Table 7.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation		Medium-term expenditure estimate	
				2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R thousand									
Departmental infrastructure									
38 Church Square	Refurbishment of office accommodation to create a better working environment	Various	5 000	-	-	-	-	-	-
Infrastructure transfers to other spheres, agencies and departments									
Neighbourhood development partnership grant	Long term township regeneration planning, catalytic and third party nodal development	Various	9 000 000	738 393	578 132	598 041	591 179	607 000	624 000
Total			9 005 000	738 393	578 132	598 041	591 179	607 000	624 000

Table 7.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate	Medium-term expenditure estimate	
							2011/12	2012/13		2013/14	2014/15
R thousand											
Foreign in cash											
Japan	Establish and operationalise a management information system	Public Finance and Budget Management	3 years	302	Goods and services	Upgrade of development cooperation information system	124	30	20	-	-
Canada	Capacity building technical assistance facility	Public Finance and Budget Management	3 years	67 349	Goods and services	Provision of capacity building to all spheres of government to achieve timely, adequate, gender sensitive, pro-poor service delivery	6 460	2 500	-	-	-
European Union	Official development assistance programme	Public Finance and Budget Management	3 years	110 000	Goods and services	Improvement of outcome orientated delivery systems by leveraging off the official development assistance programme	2 379	-	-	-	-
Organisation of Economic Co-operation and Development	United Nations Framework Convention on Climate Change	Technical Support and Development Finance	Once off	1 942	Goods and services	Attending of climate change expert group global forum	-	-	-	1 942	-
Ireland	Support of the fifth annual Collaborative Africa Budget Reform Initiative seminar	International Financial Relations	3 years	2 127	Goods and services	Holding of seminar in April 2009	84	77	-	-	-
German Foreign Service Academy	Training for international diplomats unit	Technical Support and Development Finance	Once off	1 108	Goods and services	Holding of seminar series on Germany's electricity supply industry	-	-	-	1 108	-
European Union	General advisory and policy support services	Technical Support and Development Finance	4 years	215 400	Goods and services	Strengthening of the capability of the programme by providing technical support for public institutional strengthening, thereby contributing to an efficient, effective and development-oriented public service (outcome 12).	-	21 800	58 500	74 100	61 000
European Union	Public finance management assessment in provinces using public expenditure and financial accountability methodology	Public Finance and Budget Management	1 year	8 500	Goods and services	Provision of public finance management assessment in provinces using public expenditure and financial accountability methodology	-	-	8 500	-	-
Deutsche Gesellschaft für Internationale Zusammenarbeit	Support the financing and administrative function of the Collaborative Africa Budget Reform Initiative secretariat	International Financial Relations	6 months	95	Compensation of employees	Provision of salary for a finance and administrative assistant on the project	9	-	-	-	-

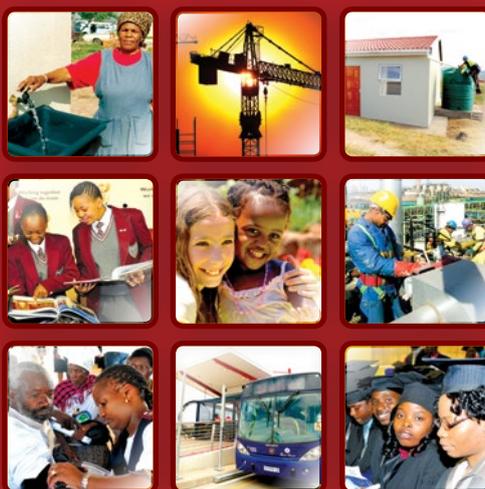
Table 7.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Medium-term expenditure estimate				
							2011/12	2012/13	2013/14	Estimate 2014/15	2015/16	2016/17	2017/18	
R thousand Foreign In cash														
European Union	Official development assistance programme (I)	Public Finance and Budget Management	3 years	25 270	Goods and services	Improvement of outcome orientated delivery systems by leveraging off the official development assistance programme	-	2 014	4 800		1 424	2 800	3 004	2 600
United States Agency for International Development	African Fiscal Forum	Public Finance and Budget Management	1 year	1 300	Goods and services	Provision of funding for accommodation and conferencing to host the African Fiscal Forum event	-	1 300	-		-	-	-	-
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	93 500	Goods and services	Provision of support to institutional transformation and improvement process in the public sector	-	4 650	42 000		20 000	20 000	6 850	-
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	72 600	Goods and services	Provision of support to institutional transformation and improvement process in the public sector	-	2 750	8 000		40 000	20 000	1 850	-
Deutsche Gesellschaft für Internationale Zusammenarbeit	Technical and advisory support to the chief directorate: International development cooperation	Public Finance and Budget Management	1 year	670	Goods and services	Provision of technical and advisory support to the Chief Directorate: International Development Cooperation	-	70	600		-	-	-	-
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	50 600	Compensation of employees	Supporting of capacity building in public finance management: Project management and implementation	-	1 250	4 750		17 000	21 000	6 600	-
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	3 150	Goods and services	Conducting of audits and evaluations	-	150	700		750	750	800	-
Flanders	Technical and management support programme	Financial Accounting and Supply Chain Management Systems	4 years	24 000	Goods and services	Provision of technical and management support	-	2 000	5 000		10 000	7 000	-	-
Canada	Building a capable state	Public Finance and Budget Management	5 years	65 450	Goods and services	Provision of assistance to the government of South Africa to improve service delivery and accountability within its administration and its public service	-	-	582		39 614	14 184	6 605	4 465
Foreign In kind														
Belgian Technical Cooperation	Developing standard operating procedures in relation to the Municipal Finance Management Act (2003)	Financial Accounting and Supply Chain Management Systems	2 years	2 700	Goods and services	Provision of technical assistance for public finance management in the development of Municipal Finance Management Act (2003) standard operating procedures	-	-	-		700	2 000	-	-
Deutsche Gesellschaft für Internationale Zusammenarbeit	Strengthening local government programme	Financial Accounting and Supply Chain Management Systems	4 years	10 810	Goods and services	Provision of support in the implementation of the Municipal Finance Management Act (2003)	800	-	800		800	800	-	-

Table 7.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Medium-term expenditure estimate				
							2011/12	2012/13	2013/14	Estimate 2014/15	2015/16	2016/17	2017/18	
R thousand Foreign In cash														
United Nations Development Programme	Technical and advisory support to the Chief Directorate: International development cooperation	Public Finance and Budget Management	1 year	1 200	Goods and services	Provision of technical and advisory support to the Chief Directorate: International Development Cooperation	-	1 200	-	-	-	-	-	-
Belgian Technical Cooperation	Public finance management capacity building	Financial Accounting and Supply Chain Management Systems	2 years	2 400	Goods and services	Provision of technical assistance for public finance management	1 800	600	-	-	-	-	-	-
United Nations Development Programme	Public finance management capacity building	Financial Accounting and Supply Chain Management Systems	2 years	4 050	Goods and services	Provision of technical assistance for public finance management	2 450	1 600	-	-	-	-	-	-
Swiss Development Cooperation	Monitoring and evaluation framework for capacity building in public finance management	Financial Accounting and Supply Chain Management Systems	2 years	2 000	Goods and services	Provision of monitoring and evaluation framework for capacity building in public finance management	-	1 500	500	-	-	-	-	-
World Bank	Assessment tool for joint supply chain management	Financial Accounting and Supply Chain Management Systems	2 months	250	Goods and services	Provision of assessment tool for joint supply chain management	-	250	-	-	-	-	-	-
World Bank	Development of integrated financial management system	Financial Accounting and Supply Chain Management Systems	2 months	1 200	Goods and services	Development of implementation strategy for the integrated financial management system for the Office of the Accountant-General	-	1 200	-	-	-	-	-	-
Deutsche Gesellschaft für Internationale Zusammenarbeit	Governance support programme	Financial Accounting and Supply Chain Management Systems	4 years	5 500	Goods and services	Provision of support to the Office of the Accountant-General and Office of the Chief Procurement Officer on public finance management	-	-	1 000	3 500	1 000	-	-	-
European Union	Official development assistance programme (2)	Public Finance and Budget Management	3 years	41 850	Goods and services	Improvement of outcome orientated delivery systems by leveraging off the official development assistance programme	-	-	-	13 950	13 950	13 950	-	-
Total				815 323			14 106	44 941	135 752	224 888	164 604	39 659	7 065	

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BUDGET 2015

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