

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

NATIONAL TREASURY



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2016

National Treasury

Republic of South Africa

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The 2016 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 2016 ENE, the 2016 ENE e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. 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 information on conditional grants to provinces and municipalities, public private partnerships and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



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 institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period. Key performance indicators are included for each national government vote and entity reporting to the same executive authority, showing what institutions aim to achieve by spending their budget allocations in a particular manner. This information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. Coupled with financial information, performance information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

Each chapter in the abridged 2016 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote. These e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional grants to provinces and municipalities, departmental public private partnerships and information on donor funding. In some e-publications more detailed information at the level of site service delivery is also included.

In addition, a separate 2016 ENE Overview e-publication is also available summarising the ENE information across votes. The 2016 ENE Overview contains a narrative explanation and summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

National Treasury

**National Treasury
Republic of South Africa**



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Vote 7

National Treasury

Budget summary

R million	2016/17					2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	412.7	379.3	3.7	29.6	–	411.9	432.3
Economic Policy, Tax, Financial Regulation and Research	146.1	116.8	28.5	0.8	–	148.9	150.9
Public Finance and Budget Management	287.0	240.6	44.8	1.5	–	293.6	297.7
Asset and Liability Management	107.2	106.6	–	0.6	–	100.3	101.9
Financial Accounting and Supply Chain Management Systems	849.9	759.2	85.6	5.1	–	910.0	945.8
International Financial Relations	5 039.1	51.1	835.5	0.3	4 152.2	5 834.8	5 910.1
Civil and Military Pensions, Contributions to Funds and Other Benefits	4 173.2	61.4	4 111.8	–	–	4 381.9	4 636.1
Technical Support and Development Finance	2 634.7	377.3	2 257.4	–	–	2 897.0	3 434.5
Revenue Administration	10 009.2	–	10 009.2	–	–	11 078.5	11 037.1
Financial Intelligence and State Security	4 812.5	–	4 812.5	–	–	5 070.0	5 364.1
Subtotal	28 471.4	2 092.3	22 189.0	38.0	4 152.2	31 127.0	32 310.5
Direct charge against the National Revenue Fund							
Provincial equitable share	410 698.6	–	410 698.6	–	–	441 831.1	469 051.1
Debt-service costs	147 720.0	147 720.0	–	–	–	161 927.0	178 556.0
General fuel levy sharing with metropolitan municipalities	11 223.8	–	11 223.8	–	–	11 785.0	12 468.6
National Revenue Fund payments	145.0	–	–	–	145.0	–	–
Total expenditure estimates	598 258.8	149 812.3	444 111.4	38.0	4 297.2	646 670.2	692 386.2
Executive authority	Minister of Finance						
Accounting officer	Director General of the National Treasury						
Website address	www.treasury.gov.za						

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

Vote purpose

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

Mandate

National Treasury's legislative mandate is based on 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive economic growth	35.5% (R1.2tr)	38.2% (R1.4tr)	41.2% (R1.6tr)	44.3% (R1.8tr)	45.7% (R2tr)	46.2% (R2.2tr)	46.2% (R2.4tr)
Value of government gross annual borrowing	Asset and Liability Management		R209.4bn	R201.3bn	R215.4bn	R204.6bn	R229.5bn	R220.9bn	R206.3bn
Cost to service debt as a percentage of GDP	Asset and Liability Management		2.6% (R88.1bn)	2.8% (R101.2bn)	3% (R114.8bn)	3.2% (R129.1bn)	3.4% (R147.7bn)	3.4% (R161.9bn)	3.5% (R178.6bn)
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	72	24	40	43	43	43	43
Percentage of identified transversal contracts with strategic sourcing principles introduced per year	Financial Accounting and Supply Chain Management Systems		70% (14)	90% (18)	100% (15)	100% (21)	100% (14)	100% (23)	100% (23)
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Accounting and Supply Chain Management Systems		3 547	267	350	760	750	740	740
Number of neighbourhood development partnership grant projects under construction per year	Technical Support and Development Finance	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	86	83	43	40	40	40	40
Total estimated third party investment leveraged	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	R1.5bn	R1.9bn	R2.1bn	R3bn	R3.5bn	R4bn	R4bn
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	65 121	143 914	100 423	140 000	150 000	150 000	150 000
Number of long term urban regeneration programmes registered per year	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	- ¹	18	18	18	18	20	20
Number of training placements contracted with active private companies in the Jobs Fund per year	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	105 000 ²	128 085 ²	140 000	160 000	160 000	160 000	160 000
Number of placements contracted with project partners on the Jobs Fund (cumulative inception to date and still active) per year ³	Technical Support and Development Finance		35 000	49 000	56 000	70 000	70 000	70 000	70 000

1. No historical data is available as the urban regeneration programme was launched in 2013/14.

2. The indicator was erroneously recorded for 2012/13 and 2014/15 when published in the past.

3. This is a new indicator showing jobs created that did not previously exist in the economy (cumulative). This indicator is closely linked to other published indicators in the Estimates of National Expenditure.

Expenditure analysis

The national development plan charts a growth trajectory to reduce poverty and inequality, and envisages a country in which citizens have the capabilities required to access available opportunities equitably. 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. In the current tight fiscal environment, National Treasury will continue to channel resources towards the critical outcomes of the national development plan and the medium term strategic framework. The global economic crisis has caused a deceleration in economic growth, and South Africa's low GDP continues to place the fiscus under considerable pressure. This compels the Treasury to be vigilant in managing competing demands on public funds.

National Treasury's priorities over the medium term will be: managing future spending growth and fiscal risk; reviewing tax policy; supporting sustainable employment; supporting infrastructure development and economically integrated cities and communities; making government procurement more efficient; strengthening government financial management; strengthening the regulation of the financial sector; regional and international cooperation; and managing government's assets and liabilities. These priorities support long term financial stability and the continued direction of public funds towards inclusive economic growth.

The Treasury's total budget for transfers and subsidies, excluding direct charges, is R71.4 billion over the medium term. The Treasury makes transfers to post-retirement medical scheme subsidy benefits for civil

pensioners, former members of development boards and former members of the National Film Board. Following the increase in benefits legislated in 2015, spending on the post-retirement medical scheme subsidy benefits is projected at R5.8 billion over the medium term, budgeted for in the *Civil and Military Pensions, Contributions to Funds and Other Benefits* programme. The department is responsible for the main statutory transfers to provincial governments. The department will also transfer R410.7 billion in 2016/17, R441.8 billion in 2017/18 and R469.1 billion in 2018/19 for the provincial equitable share. Increases to the main statutory transfers to provincial governments of R5.4 billion in 2016/17, R12.9 billion in 2017/18 and R15.3 billion in 2018/19, were approved by Cabinet.

National Treasury is also responsible for servicing government debt and for the distribution of the general fuel levy to metropolitan municipalities. These are regarded as a direct charge against the National Revenue Fund, and together account for 95.3 per cent of the department's budget over the medium term. Cabinet also approved increased funding of R6.9 billion in 2016/17, R8.6 billion in 2017/18 and R11.9 billion in 2018/19 for higher debt service costs.

The department's compensation of employees budget has been reduced by R73.8 million for 2017/18 and R120.5 million for 2018/19 as part of Cabinet's decision to lower the national aggregate expenditure ceiling. In consultation with the Department of Public Service and Administration, National Treasury will develop and implement a plan to manage its personnel expenditure, including cost of living adjustments within its reduced personnel cost. The compensation of employees budget is projected at R2.4 billion over the medium term. The department's goods and services budget has been similarly reduced by R31.2 million for 2016/17, R31.4 million for 2017/18 and R41.2 million for 2018/19. This is made possible by the department's plans to carry out some functions in-house that were previously performed by consultants and by it continuing to identify cost reduction opportunities.

R88 million over the medium term is allocated for the urgent upgrading and maintenance of the department's ICT infrastructure, and for renewing software licences.

Managing future spending growth and fiscal risk

Over the medium term, National Treasury will continue to manage the national budget preparation process and facilitate the Division of Revenue Act process (which provides for an equitable distribution of nationally raised revenue between the national, provincial and local spheres of government). These activities are budgeted for in the *Public Finance and Budget Management* programme, at a projected cost of R878.3 million over the medium term, mainly on compensation of employees and goods and services. In 2015/16, the Treasury proposed reforms to manage expenditure growth and improve capital budgeting and fiscal risk analysis. In 2016/17, the Treasury will seek comments on a proposed fiscal guideline that links spending growth to long term GDP growth. The department will also publish discussion papers on capital budgeting and fiscal risk in 2016/17.

Reviewing tax policy

The Davis Tax Committee was established in 2013 to review South Africa's tax policy framework to promote inclusive economic growth, employment creation, development and fiscal sustainability. Since its inception, the committee has established 11 sub-committees to look at various tax streams. It has published interim reports on macro-analysis, value added tax, estate duty, mining taxation and carbon tax for public comment. In 2015/16, 3 interim reports were submitted to the Minister of Finance for approval. Over the medium term, the committee will be finalising these interim reports, and focusing on base erosion and profit shifting as well as on corporate income tax. The work of the Davis Tax Committee is funded through the *Tax Policy* subprogramme of the *Economic Policy, Tax, Financial Regulation and Research* programme, and spending over the medium term is projected at R95.8 million.

Supporting sustainable employment

National Treasury supports 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 has recently completed a funding round that focused on the agriculture sector. Each funding round usually takes around 9 months. At its inception, the total budget for the fund was set at R9 billion, which is ringfenced until the completion of the fund's work. R5.6 billion has thus far been allocated to a portfolio of 108 innovative employment generation initiatives. 60 675 new permanent jobs have been created and an additional 30 358 unemployed individuals have been placed in employment. Spending is projected at R3 billion over the medium term in the *Employment Creation Facilitation* subprogramme in the *Technical Support and Development Finance* programme. The Jobs Fund will have facilitated the creation of approximately 150 000 new permanent jobs when the fund's work is completed.

Supporting 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. This support is provided to municipalities, especially metropolitan municipalities, through the neighbourhood development partnership grant, the integrated city development grant, and the infrastructure delivery improvement programme, in the *Technical Support and Development Finance* programme.

The neighbourhood development partnership grant assists 18 metropolitan and secondary city municipalities to plan and develop inclusive and productive cities through catalytic infrastructure that attracts third-party investment to township nodes, known as urban hubs, located in strategic integration zones. Over the medium term, the grant will support an estimated 24 urban hub precinct plans that will prioritise 60 catalytic infrastructure projects. Spending is projected at R2.9 billion in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme. The interventions are aimed at leveraging R12.8 billion in third party investments.

The integrated city development grant was introduced in 2013/14 to provide financial incentives for metropolitan municipalities to use their infrastructure investments and regulatory instruments to develop more compact urban environments. Spending on this grant is projected at R868 million over the medium term in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme.

The infrastructure delivery improvement programme supports provincial departments that deliver infrastructure and aims to improve the delivery of public sector infrastructure through institutionalising best practice and building capacity. Over the medium term, Treasury will deploy 36 long term technical assistants to train provincial officials on the Construction Industry Development Board's infrastructure delivery management toolkit for public service infrastructure delivery. The department will also use temporary specialist consultants to provide technical assistance for planning infrastructure development and supporting implementation across government. These functions are ad hoc, and it is inefficient for full time Treasury personnel to be employed to perform them. Spending on the programme is projected at R266.9 million over the medium term in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme.

Making government procurement more efficient

The department's reforms to government supply chain management will be accelerated over the medium term, funded in the *Financial Accounting and Supply Chain Management Systems* programme at a projected R2.7 billion. The bulk of the spending is expected to be on computer services (R1.4 billion), compensation of employees (R604.2 million) and consultants (R280.6 million).

Strategies for sourcing travel and accommodation, mobile and fixed line communication, medical waste, hospital nutrition, hospital laundry and linen services have been finalised. An evaluation of the top 100 suppliers that do business with government is at an advanced stage. Negotiations with these suppliers to generate savings for government will be undertaken.

The Office of the Chief Procurement Officer standardised and costed school building plans in June 2015. Provinces are now compelled to adhere to the standard when building schools. It is anticipated that this intervention will reduce the average cost of building a new school from between R60 million and R70 million to just under R35 million.

In 2016/17, the technological modernisation of supply chain management is one of the department's major interventions for saving money for government and reducing fraud. The Treasury will be establishing integrated electronic planning, quotation, and tendering, as well as enhancing the supplier management database and the e-tendering portal.

Strengthening government financial management

An important element of the Treasury's work to modernise financial management in government entails replacing ageing financial systems with integrated financial management systems. Implementation of the systems will be given increased momentum over the medium term, reflected in projected spending of R1.5 billion in the *Financial Systems* subprogramme of the *Financial Accounting and Supply Chain Management Systems* programme over the period.

Building financial management capacity in municipalities will also receive attention, supported mainly through the local government financial management grant and the Government Technical Advisory Centre. Spending on building financial management capacity in municipalities is projected to increase to R1.9 billion over the medium term in the *Local Government Financial Management Support* subprogramme in the *Technical Support and Development Finance* programme. Municipalities use the funds to train interns, and Treasury deploys finance experts to municipalities, including to address issues detected in auditing processes.

Strengthening the regulation of the financial sector

The twin peaks model for regulating the financial sector as encapsulated in the Financial Sector Regulation Bill tabled in October 2015, will redefine the regulatory and supervisory responsibilities of the South African Reserve Bank and the Financial Services Board, shifting the current system of regulation and supervision, which is determined by financial sectors, to one determined by functions. The South African Reserve Bank will regulate and supervise prudential management, and the Financial Services Board will regulate and supervise market conduct. The new system lays the basis for South Africa to meet higher regulatory standards for the financial sector, and to address the gaps identified in South Africa's assessment in 2015 by the financial sector assessment programme of the International Monetary Fund and the World Bank. Higher and more comprehensive regulatory standards will allow South African financial institutions to compete better globally. The Financial Sector Regulation Bill also lays the foundation for creating more efficient and dedicated regulators, reducing fragmentation between them, and improving efficiency in funding the regulators. Spending on these activities is expected to increase from R29.3 million in 2015/16 to R30.9 million in 2018/19 in the *Financial Sector Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

Regional and international cooperation

Over the medium term, the Treasury will maintain its engagement with regional and international forums and institutions, such as the African Development Bank, the Brazil-Russia-India-China-South Africa (BRICS) group of countries, the G20, the Southern African Customs Union, the International Monetary Fund and the World Bank Group. National Treasury represents South Africa in engagements with the BRICS led New Development Bank, both as a shareholder and a borrower. The New Development Bank intends to mobilise resources for infrastructure and sustainable development projects in the BRICS and other emerging markets and developing countries. South Africa plays an active and equal role in the management and leadership of the bank. Moreover, as a borrower, South Africa will use the bank as an additional source of financing for infrastructure. The first capital instalment to the bank of just over R2 billion, paid at the end of December 2015, was funded through a Special Appropriation Act using the proceeds of the sale of government's stake in Vodacom. For the second instalment, R3.8 billion has been made available in 2016/17, R4.5 billion in 2017/18 and R4.5 billion in 2018/19 in the *International Development Funding Institutions* subprogramme in the *International Financial Relations* programme. The New Development Bank's Africa Regional Centre will be established in the first quarter of 2016 in Johannesburg. The Africa Regional Centre will serve as the primary operational interface

between the bank and the continent, with the overarching objective to engage closely with governments and other public sector stakeholders, private sector role players, and civil society.

Compensation to the member countries of the Common Monetary Area for the use of the Rand as currency is expected to increase from R653.4 million in 2015/16 to R804.9 million in 2018/19, funded in the *African Integration and Support* subprogramme in the *International Financial Relations* programme. The Common Monetary Area links South Africa, Namibia, Lesotho and Swaziland into a monetary union and is allied to the Southern African Customs Union.

Managing government's assets and liabilities

Over the medium term, the Treasury will continue its oversight of state owned companies. The aim is to enable state owned companies to meet government's policy objectives in a financially and fiscally sustainable manner, as well as to promote sound corporate governance in the companies. State owned companies' applications for funding, guarantees and borrowing limits will be reviewed, as well as the compliance with other requirements of the Public Finance Management Act (1999). Companies' financial performance and adherence to conditions attached to borrowings and guarantees will also be monitored. To strengthen regulatory compliance, the Treasury will report on the compliance of major state owned companies with the Public Finance Management Act (1999), the Companies Act (2008), Treasury Regulations and the King III Code of Corporate Governance. Allocations to state owned companies administered by National Treasury was provided for at R3.2 billion in 2015/16, budgeted for in the *Financial Investments* subprogramme in the *Asset and Liability Management* programme. No provision is made over the medium term for transfers due to non-recurring expenditure on the Land and Agricultural Development Bank of South Africa and the Development Bank of Southern Africa.

Table 7.2 Vote expenditure trends by programme and economic classification

Programmes																																													
1. Administration																																													
2. Economic Policy, Tax, Financial Regulation and Research																																													
3. Public Finance and Budget Management																																													
4. Asset and Liability Management																																													
5. Financial Accounting and Supply Chain Management Systems																																													
6. International Financial Relations																																													
7. Civil and Military Pensions, Contributions to Funds and Other Benefits																																													
8. Technical Support and Development Finance																																													
9. Revenue Administration																																													
10. Financial Intelligence and State Security																																													
Programme	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Revised estimate			Outcome/Annual budget Average (%)			Outcome/Adjusted appropriation Average (%)		
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16			2012/13 - 2015/16			2012/13 - 2015/16			2012/13 - 2015/16			2012/13 - 2015/16			2012/13 - 2015/16			2012/13 - 2015/16			2012/13 - 2015/16			2012/13 - 2015/16								
Programme 1	318.3	321.1	296.7	341.7	356.4	319.6	343.1	372.4	362.5	366.7	363.6	377.0	99.0%	95.9%	99.0%	95.9%	99.0%	95.9%	99.0%	95.9%	99.0%	95.9%	99.0%	95.9%	99.0%	95.9%	99.0%	95.9%	99.0%	95.9%	99.0%	95.9%	99.0%	95.9%	99.0%	95.9%	99.0%	95.9%							
Programme 2	149.0	122.5	111.2	145.9	133.9	124.1	138.9	134.4	124.3	133.9	135.4	134.7	87.1%	93.9%	87.1%	93.9%	87.1%	93.9%	87.1%	93.9%	87.1%	93.9%	87.1%	93.9%	87.1%	93.9%	87.1%	93.9%	87.1%	93.9%	87.1%	93.9%	87.1%	93.9%	87.1%	93.9%	87.1%	93.9%							
Programme 3	227.5	247.3	232.8	265.5	246.2	227.6	262.8	259.9	245.3	257.0	266.1	265.5	95.9%	95.3%	95.9%	95.3%	95.9%	95.3%	95.9%	95.3%	95.9%	95.3%	95.9%	95.3%	95.9%	95.3%	95.9%	95.3%	95.9%	95.3%	95.9%	95.3%	95.9%	95.3%	95.9%	95.3%	95.9%	95.3%							
Programme 4	286.6	282.8	278.2	2 995.2	2 994.0	2 990.9	3 342.1	3 343.4	3 089.4	3 116.9	3 264.9	3 266.6	98.8%	97.4%	98.8%	97.4%	98.8%	97.4%	98.8%	97.4%	98.8%	97.4%	98.8%	97.4%	98.8%	97.4%	98.8%	97.4%	98.8%	97.4%	98.8%	97.4%	98.8%	97.4%	98.8%	97.4%	98.8%	97.4%							
Programme 5	686.3	686.3	639.3	724.6	734.7	707.8	761.6	770.0	731.5	751.4	807.1	799.2	98.4%	96.0%	98.4%	96.0%	98.4%	96.0%	98.4%	96.0%	98.4%	96.0%	98.4%	96.0%	98.4%	96.0%	98.4%	96.0%	98.4%	96.0%	98.4%	96.0%	98.4%	96.0%	98.4%	96.0%	98.4%	96.0%							
Programme 6	1 038.2	1 040.5	1 003.1	1 112.5	1 092.0	1 067.7	1 179.8	1 199.7	1 198.7	1 247.4	3 254.9	3 272.8	142.9%	99.3%	142.9%	99.3%	142.9%	99.3%	142.9%	99.3%	142.9%	99.3%	142.9%	99.3%	142.9%	99.3%	142.9%	99.3%	142.9%	99.3%	142.9%	99.3%	142.9%	99.3%	142.9%	99.3%	142.9%	99.3%							
Programme 7	3 348.3	3 345.9	3 343.6	3 497.0	3 497.0	3 523.1	3 717.8	3 717.8	3 730.9	3 962.9	3 962.9	4 042.7	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%	100.8%							
Programme 8	2 404.8	1 999.6	1 982.6	2 764.7	2 469.1	2 437.3	3 712.2	3 099.8	2 893.3	3 143.9	2 774.6	2 649.5	82.8%	96.3%	82.8%	96.3%	82.8%	96.3%	82.8%	96.3%	82.8%	96.3%	82.8%	96.3%	82.8%	96.3%	82.8%	96.3%	82.8%	96.3%	82.8%	96.3%	82.8%	96.3%	82.8%	96.3%	82.8%	96.3%							
Programme 9	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	9 434.4	9 334.4	9 334.4	99.6%	100.0%	99.6%	100.0%	99.6%	100.0%	99.6%	100.0%	99.6%	100.0%	99.6%	100.0%	99.6%	100.0%	99.6%	100.0%	99.6%	100.0%	99.6%	100.0%	99.6%	100.0%	99.6%	100.0%	99.6%	100.0%							
Programme 10	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	4 542.8	4 562.1	4 562.1	100.6%	100.0%	100.6%	100.0%	100.6%	100.0%	100.6%	100.0%	100.6%	100.0%	100.6%	100.0%	100.6%	100.0%	100.6%	100.0%	100.6%	100.0%	100.6%	100.0%	100.6%	100.0%	100.6%	100.0%	100.6%	100.0%							
Subtotal	21 551.1	21 177.6	21 019.0	25 556.0	25 232.3	25 107.1	27 265.0	26 703.9	26 182.5	26 957.3	28 726.1	28 704.6	99.7%	99.2%	99.7%	99.2%	99.7%	99.2%	99.7%	99.2%	99.7%	99.2%	99.7%	99.2%	99.7%	99.2%	99.7%	99.2%	99.7%	99.2%	99.7%	99.2%	99.7%	99.2%	99.7%	99.2%	99.7%	99.2%							
Direct charge against the National Revenue Fund	405 210.0	408 574.9	410 488.7	445 415.7	446 793.2	447 809.7	485 012.5	484 907.8	486 435.9	519 893.8	525 742.6	526 640.6	100.9%	100.3%	100.9%	100.3%	100.9%	100.3%	100.9%	100.3%	100.9%	100.3%	100.9%	100.3%	100.9%	100.3%	100.9%	100.3%	100.9%	100.3%	100.9%	100.3%	100.9%	100.3%	100.9%	100.3%	100.9%	100.3%							
Provincial equitable share	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	382 673.5	386 500.0	386 500.0	100.7%	100.0%	100.7%	100.0%	100.7%	100.0%	100.7%	100.0%	100.7%	100.0%	100.7%	100.0%	100.7%	100.0%	100.7%	100.0%	100.7%	100.0%	100.7%	100.0%	100.7%	100.0%	100.7%	100.0%	100.7%	100.0%							
Debt-service costs	89 388.1	88 794.5	88 121.1	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 800.0	100.6%	100.3%	100.6%	100.3%	100.6%	100.3%	100.6%	100.3%	100.6%	100.3%	100.6%	100.3%	100.6%	100.3%	100.6%	100.3%	100.6%	100.3%	100.6%	100.3%	100.6%	100.3%	100.6%	100.3%	100.6%	100.3%							
General fuel levy sharing with metropolitan municipalities	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	10 658.9	10 658.9	10 658.9	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%								
National revenue fund payments	-	-	2 587.2	930.0	200.0	516.3	-	310.9	1 525.5	121.0	681.7	681.7	505.3%	445.3%	505.3%	445.3%	505.3%	445.3%	505.3%	445.3%	505.3%	445.3%	505.3%	445.3%	505.3%	445.3%	505.3%	445.3%	505.3%	445.3%	505.3%	445.3%	505.3%	445.3%	505.3%	445.3%									
Total	426 761.2	429 752.5	431 507.7	470 971.7	472 025.5	472 916.7	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 345.1	100.8%	100.2%	100.8%	100.2%	100.8%	100.2%	100.8%	100.2%	100.8%	100.2%	100.8%	100.2%	100.8%	100.2%	100.8%	100.2%	100.8%	100.2%	100.8%	100.2%	100.8%	100.2%	100.8%	100.2%									
Change to 2015 Budget estimate											7 617.5																																		

Table 7.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	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														
Current payments	90 942.4	90 494.8	89 682.7	101 551.5	102 283.2	102 847.4	116 832.7	116 304.8	116 328.4	128 388.5	129 824.5	130 710.2	100.4%	100.2%
Compensation of employees	665.9	616.1	561.5	710.5	659.5	602.1	764.9	689.0	671.5	725.5	733.4	739.3	89.8%	95.4%
Goods and services	888.4	1 084.2	1 000.1	1 099.5	1 139.2	1 060.6	1 167.2	1 130.8	858.5	1 222.6	1 189.1	1 170.8	93.4%	90.0%
of which:														
Administrative fees	21.2	6.6	4.0	5.7	6.3	3.3	5.1	3.4	3.1	3.1	3.5	3.2	38.6%	68.7%
Advertising	3.3	3.1	2.3	3.3	4.2	2.2	4.9	3.4	1.9	2.4	2.5	5.4	85.2%	89.1%
Minor assets	2.6	2.5	0.8	3.6	1.9	0.3	1.8	1.2	1.9	1.0	1.4	0.7	41.9%	53.5%
Audit costs: External	11.2	11.6	11.0	11.3	13.4	12.6	15.5	12.8	15.3	13.5	15.1	13.2	101.2%	98.5%
Bursaries: Employees	5.4	5.3	3.6	5.8	5.0	4.1	6.8	6.0	4.2	6.0	5.6	5.6	73.2%	79.7%
Catering: Departmental activities	2.7	2.4	1.7	2.7	2.3	1.7	2.5	1.7	1.2	2.4	1.8	1.6	61.0%	76.2%
Communication	7.7	7.9	8.3	8.9	9.0	7.6	9.8	9.0	6.1	8.9	7.6	8.1	84.9%	89.5%
Computer services	249.5	419.3	380.0	437.3	438.8	432.5	438.2	437.5	420.6	445.4	355.6	377.6	102.6%	97.6%
Consultants: Business and advisory services	408.0	443.7	430.4	422.6	447.7	427.1	474.3	454.4	218.1	550.1	603.2	558.0	88.1%	83.8%
Legal services	-	-	9.9	-	-	10.7	-	-	12.7	11.3	11.2	11.8	396.6%	401.2%
Science and technological services	12.5	12.3	-	12.7	12.6	-	12.8	12.9	-	-	-	-	-	-
Contractors	3.0	3.4	1.5	2.3	4.4	2.5	3.8	3.7	2.4	3.0	2.5	2.5	72.8%	62.8%
Agency and support/outsourced services	12.7	16.1	8.8	17.5	19.4	15.6	28.4	9.6	9.8	9.8	11.2	11.3	66.6%	81.0%
Entertainment	0.5	0.5	0.2	0.5	0.6	0.2	0.5	0.4	0.1	0.5	0.4	0.3	42.2%	46.2%
Fleet services (including government motor transport)	0.5	-	0.8	-	2.2	1.6	2.3	2.3	2.3	2.0	2.1	1.9	137.2%	100.7%
Consumable supplies	3.0	3.3	2.5	3.2	5.0	3.3	4.0	3.4	3.5	3.5	2.4	2.2	84.0%	80.9%
Consumables:	15.7	16.2	12.8	16.2	17.7	11.0	15.0	15.2	11.4	12.7	14.4	12.7	80.3%	75.4%
Stationery, printing and office supplies	36.2	34.7	40.8	48.7	47.7	41.1	48.8	61.8	60.8	56.1	56.1	60.9	107.3%	101.6%
Rental and hiring	13.0	14.5	-	21.6	20.3	-	18.6	19.1	-	-	-	-	-	-
Property payments	-	-	11.4	-	-	12.0	-	-	21.4	13.8	13.8	19.1	463.9%	463.7%
Transport provided: Departmental activity	52.9	50.4	-	49.9	56.3	-	50.9	48.8	-	-	-	-	-	-
Travel and subsistence	8.7	12.3	46.4	10.4	9.4	46.6	9.3	9.4	43.1	48.0	50.2	49.9	243.5%	228.6%
Training and development	7.0	6.5	10.2	5.5	5.4	5.8	4.2	5.6	6.5	9.1	9.5	8.1	118.6%	113.1%
Operating payments	11.1	11.7	4.7	10.0	9.5	5.9	9.9	9.4	5.5	3.3	7.8	6.5	66.0%	59.0%
Venues and facilities	-	-	7.9	-	-	12.9	-	-	6.7	16.6	11.1	10.2	227.0%	340.2%
Interest and rent on land	89 388.1	88 794.5	88 121.1	99 741.4	100 484.5	101 184.7	114 900.5	114 485.0	114 798.4	126 440.4	127 902.0	128 800.0	100.6%	100.3%
Transfers and subsidies	335 424.4	339 023.4	338 546.5	365 286.5	366 323.5	366 311.6	391 863.0	391 336.9	391 368.2	414 954.5	418 329.0	418 299.5	100.5%	100.0%
Provinces and municipalities	316 878.3	320 836.7	320 836.7	345 905.6	347 270.0	347 257.9	371 511.7	371 511.7	371 510.9	394 767.6	398 594.2	398 594.2	100.6%	100.0%
Departmental agencies and accounts	13 278.3	13 316.8	13 355.7	13 919.6	13 922.2	13 960.1	14 011.1	14 127.7	14 115.1	15 420.4	15 042.1	14 930.0	99.5%	99.9%
Higher education institutions	8.0	9.0	9.0	10.0	10.0	10.0	5.8	5.8	-	-	-	-	79.8%	76.6%
Foreign governments and international organisations	1 004.7	1 012.7	628.2	800.4	771.5	712.3	828.3	777.2	790.5	854.1	777.9	774.1	83.3%	87.0%
Public corporations and private enterprises	953.6	545.5	545.5	1 206.3	903.1	903.1	1 844.5	1 252.2	1 274.5	11.4	11.4	11.4	68.1%	100.8%
Non-profit institutions	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-
Households	3 301.3	3 302.5	3 171.4	3 444.6	3 446.7	3 468.2	3 661.6	3 662.2	3 677.1	3 900.9	3 903.5	3 989.8	100.0%	99.9%

Table 7.2 Vote expenditure trends by programme and economic classification

Economic classification	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
	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														
Payments for capital assets	194.4	34.3	19.6	21.6	33.3	21.3	11.4	19.6	20.1	16.4	26.1	22.0	34.1%	73.3%
Buildings and other fixed structures	5.3	5.0	0.6	5.0	5.0	-	-	-	0.4	-	0.4	0.2	11.6%	11.5%
Machinery and equipment	189.1	29.3	19.0	16.6	28.3	21.3	11.4	19.6	19.8	16.4	25.7	21.8	35.1%	79.6%
Payments for financial assets	200.0	200.0	3 258.9	4 112.0	3 385.5	3 736.4	3 570.5	3 950.5	4 901.8	3 491.7	6 289.0	6 313.5	160.1%	131.7%
Total	426 761.2	429 752.5	431 507.7	470 971.7	472 025.5	472 916.7	512 277.5	511 611.8	512 618.4	546 851.1	554 468.7	555 345.1	100.8%	100.2%

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 (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
R million									
Programme 1	377.0	5.5%	0.1%	412.7	411.9	432.3	4.7%	0.1%	
Programme 2	134.7	3.2%	0.0%	146.1	148.9	150.9	3.9%	0.0%	
Programme 3	265.5	2.4%	0.0%	287.0	293.6	297.7	3.9%	0.0%	
Programme 4	3 266.6	126.0%	0.5%	107.2	100.3	101.9	-68.5%	0.1%	
Programme 5	799.2	5.2%	0.1%	849.9	910.0	945.8	5.8%	0.1%	
Programme 6	3 272.8	46.5%	0.3%	5 039.1	5 834.8	5 910.1	21.8%	0.8%	
Programme 7	4 042.7	6.5%	0.7%	4 173.2	4 381.9	4 636.1	4.7%	0.7%	
Programme 8	2 649.5	9.8%	0.5%	2 634.7	2 897.0	3 434.5	9.0%	0.5%	
Programme 9	9 334.4	0.7%	1.9%	10 009.2	11 078.5	11 037.1	5.7%	1.7%	
Programme 10	4 562.1	4.6%	0.9%	4 812.5	5 070.0	5 364.1	5.5%	0.8%	
Subtotal	28 704.6	10.7%	5.1%	28 471.4	31 127.0	32 310.5	4.0%	4.8%	
Direct charge against the National Revenue Fund	526 640.6	8.8%	94.9%	569 787.4	615 543.1	660 075.7	7.8%	95.2%	
Provincial equitable share	386 500.0	7.5%	70.7%	410 698.6	441 831.1	469 051.1	6.7%	68.5%	
Debt-service costs	128 800.0	13.2%	21.9%	147 720.0	161 927.0	178 556.0	11.5%	24.8%	
General fuel levy sharing with metropolitan municipalities	10 658.9	5.6%	2.0%	11 223.8	11 785.0	12 468.6	5.4%	1.9%	
National Revenue Fund payments	681.7	-	0.3%	145.0	-	-	-100.0%	0.0%	
Total	555 345.1	8.9%	100.0%	598 258.8	646 670.2	692 386.2	7.6%	100.0%	
Change to 2015 Budget estimate				15 085.7	25 238.5	35 402.6			

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 (%)
				2015/16	2012/13 - 2015/16	2016/17		
R million								
Current payments	130 710.2	13.0%	22.3%	149 812.3	164 105.1	180 810.2	11.4%	25.1%
Compensation of employees	739.3	6.3%	0.1%	817.6	808.2	816.9	3.4%	0.1%
Goods and services	1 170.8	2.6%	0.2%	1 274.8	1 370.0	1 437.3	7.1%	0.2%
<i>of which:</i>								
Administrative fees	3.2	-21.4%	0.0%	3.1	3.6	3.6	4.2%	0.0%
Advertising	5.4	20.6%	0.0%	2.1	2.3	2.3	-24.6%	0.0%
Minor assets	0.7	-33.4%	0.0%	1.2	1.8	1.8	33.9%	0.0%
Audit costs: External	13.2	4.5%	0.0%	16.0	16.9	17.8	10.5%	0.0%
Bursaries: Employees	5.6	1.6%	0.0%	6.8	6.5	6.4	4.5%	0.0%
Catering: Departmental activities	1.6	-12.9%	0.0%	2.1	2.2	2.3	13.1%	0.0%
Communication	8.1	0.7%	0.0%	7.4	7.8	7.7	-1.5%	0.0%
Computer services	377.6	-3.4%	0.1%	463.2	506.0	543.1	12.9%	0.1%
Consultants: Business and advisory services	558.0	7.9%	0.1%	567.4	600.7	615.8	3.3%	0.1%
Legal services	11.8	–	0.0%	11.9	12.5	13.1	3.8%	0.0%
Contractors	2.5	-10.1%	0.0%	2.6	2.4	2.8	3.3%	0.0%
Agency and support/outourced services	11.3	-11.1%	0.0%	10.7	11.6	12.3	2.9%	0.0%
Entertainment	0.3	-17.6%	0.0%	0.5	0.5	0.5	21.1%	0.0%
Fleet services (including government motor transport)	1.9	–	0.0%	2.4	2.5	2.7	11.4%	0.0%
Consumable supplies	2.2	-12.9%	0.0%	3.2	3.8	3.8	20.0%	0.0%
Consumables: Stationery, printing and office supplies	12.7	-7.8%	0.0%	13.6	14.5	14.7	5.1%	0.0%
Operating leases	60.9	20.6%	0.0%	69.1	77.4	83.6	11.1%	0.0%
Property payments	19.1	–	0.0%	15.8	16.4	18.2	-1.6%	0.0%
Travel and subsistence	49.9	59.5%	0.0%	52.8	55.5	58.8	5.6%	0.0%
Training and development	8.1	7.6%	0.0%	8.9	9.0	9.6	5.9%	0.0%
Operating payments	6.5	-17.7%	0.0%	5.9	6.0	6.3	-0.8%	0.0%
Venues and facilities	10.2	–	0.0%	8.2	10.0	10.0	-0.9%	0.0%
Interest and rent on land	128 800.0	13.2%	21.9%	147 720.0	161 927.0	178 556.0	11.5%	24.8%
Transfers and subsidies	418 299.5	7.3%	76.8%	444 111.4	477 680.1	506 673.1	6.6%	74.1%
Provinces and municipalities	398 594.2	7.5%	72.9%	423 409.0	455 214.4	483 210.7	6.6%	70.6%
Departmental agencies and accounts	14 930.0	3.9%	2.9%	15 741.5	17 219.7	17 907.3	6.2%	2.6%
Foreign governments and international organisations	774.1	-8.6%	0.1%	838.0	917.4	975.4	8.0%	0.1%
Public corporations and private enterprises	11.4	-72.5%	0.1%	12.0	12.6	13.3	5.4%	0.0%
Households	3 989.8	6.5%	0.7%	4 111.0	4 315.9	4 566.4	4.6%	0.7%
Payments for capital assets	22.0	-13.8%	0.0%	38.0	15.8	16.6	-8.9%	0.0%
Buildings and other fixed structures	0.2	-64.8%	0.0%	–	–	–	-100.0%	0.0%
Machinery and equipment	21.8	-9.4%	0.0%	37.9	15.8	16.6	-8.6%	0.0%
Payments for financial assets	6 313.5	216.0%	0.9%	4 297.2	4 869.1	4 886.3	-8.2%	0.8%
Total	555 345.1	8.9%	100.0%	598 258.8	646 670.2	692 386.2	7.6%	100.0%

Personnel information

Table 7.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
National Treasury																			
Salary level	1 245	37	1 185	671.5	0.6	1 282	739.3	0.6	1 332	817.6	0.6	1 332	882.0	0.7	1 332	937.4	0.7	1.3%	100.0%
1 – 6	66	3	69	13.1	0.2	69	13.5	0.2	69	14.1	0.2	69	15.2	0.2	69	16.2	0.2	–	5.2%
7 – 10	548	12	524	178.8	0.3	560	199.9	0.4	568	210.8	0.4	568	227.8	0.4	568	241.9	0.4	0.5%	42.9%
11 – 12	327	10	297	191.9	0.6	337	220.3	0.7	364	253.2	0.7	364	273.0	0.7	364	291.5	0.8	2.6%	27.1%
13 – 16	304	12	295	287.6	1.0	316	305.6	1.0	331	339.5	1.0	331	366.0	1.1	331	387.8	1.2	1.6%	24.8%
Programme	1 245	37	1 185	671.5	0.6	1 282	739.3	0.6	1 332	817.6	0.6	1 332	882.0	0.7	1 332	937.4	0.7	1.3%	100.0%
Programme 1	408	6	385	166.4	0.4	414	187.8	0.5	419	196.9	0.5	419	212.8	0.5	419	225.7	0.5	0.4%	31.7%
Programme 2	115	–	106	70.8	0.7	115	78.5	0.7	121	90.9	0.8	121	98.0	0.8	121	104.5	0.9	1.7%	9.1%
Programme 3	277	21	271	175.1	0.6	298	192.0	0.6	309	213.8	0.7	309	230.5	0.7	309	245.8	0.8	1.2%	23.2%
Programme 4	115	–	113	69.3	0.6	115	71.5	0.6	119	76.8	0.6	119	82.8	0.7	119	88.3	0.7	1.1%	8.9%
Programme 5	292	10	274	158.3	0.6	302	182.4	0.6	319	204.2	0.6	319	220.2	0.7	319	232.9	0.7	1.8%	23.9%
Programme 6	38	–	36	26.1	0.7	38	27.2	0.7	45	35.0	0.8	45	37.7	0.8	45	40.2	0.9	5.8%	3.3%
Programme 8	–	–	–	5.4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	1 245	37	1 185	671.5	0.6	1 282	739.3	0.6	1 332	817.6	0.6	–	808.2	–	–	816.9	–	–	–

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

2. The department's compensation of employees budget has been reduced by R194.3 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. 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 (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
Departmental receipts	4 201 708	3 687 531	5 599 130	4 990 385	5 566 173	9.8%	27.6%	4 225 199	4 194 236	2 954 635	-19.0%	34.1%
Sales of goods and services produced by department	53 840	73 026	65 722	22 150	22 150	-25.6%	0.3%	20 806	15 281	13 515	-15.2%	0.1%
Sales by market establishments	99	96	100	110	110	3.6%	–	100	110	120	2.9%	–
of which:												
Rental parking:												
Covered and open	96	96	100	105	105	3.0%	–	100	110	120	4.6%	–
Access to information	3	–	–	5	5	18.6%	–	–	–	–	-100.0%	–
Administrative fees	4	–	1	10	10	35.7%	–	10	10	10	–	–
of which:												
Required information:	4	–	1	10	10	35.7%	–	10	10	10	–	–
Duplicate certificate												
Other sales	53 737	72 930	65 621	22 030	22 030	-25.7%	0.3%	20 696	15 161	13 385	-15.3%	0.1%
of which:												

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 (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
R thousand												
<i>Commission: Insurance</i>	68	73	82	73	73	2.4%	–	60	60	70	-1.4%	–
<i>Directors fees</i>	176	307	250	226	226	8.7%	–	228	242	256	4.2%	–
<i>Replacement of security cards</i>	2	7	12	5	5	35.7%	–	3	4	5	–	–
<i>Fees for government guarantee insurance</i>	53 429	72 467	65 158	21 720	21 720	-25.9%	0.3%	20 402	14 851	13 050	-15.6%	0.1%
<i>Sales of assets less than R5 000</i>	62	76	119	6	6	-54.1%	–	3	4	4	-12.6%	–
Sales of scrap, waste, arms and other used current goods	26	61	69	28	28	2.5%	–	13	13	16	-17.0%	–
<i>of which:</i>												
<i>Waste paper</i>	11	5	9	12	12	2.9%	–	12	12	15	7.7%	–
<i>Scrap</i>	–	24	30	16	16	–	–	–	–	–	-100.0%	–
<i>Departmental publications</i>	15	32	30	–	–	-100.0%	–	1	1	1	–	–
Interest, dividends and rent on land	3 245 937	2 586 428	4 580 566	3 867 929	4 443 717	11.0%	21.5%	3 114 050	3 088 602	2 680 754	-15.5%	26.9%
<i>Interest</i>	3 089 037	2 479 141	4 374 788	3 653 779	4 213 669	10.9%	20.5%	2 955 802	2 917 934	2 500 500	-16.0%	25.4%
<i>Dividends</i>	156 900	107 287	205 778	214 150	230 048	13.6%	1.0%	158 248	170 668	180 254	-7.8%	1.5%
<i>of which:</i>												
<i>South African Reserve Bank</i>	156 900	107 287	–	79 800	79 800	-20.2%	0.5%	–	–	–	-100.0%	0.2%
<i>South African Special Risks Insurance Association</i>	–	–	205 778	134 350	150 248	–	0.5%	158 248	170 668	180 254	6.3%	1.3%
Sales of capital assets	261	111	–	–	–	-100.0%	–	–	–	–	–	–
Transactions in financial assets and liabilities	901 644	1 027 905	952 773	1 100 278	1 100 278	6.9%	5.8%	1 090 330	1 090 340	260 350	-38.1%	7.1%
National Revenue Fund receipts	11 533 610	1 663 544	12 646 970	8 167 034	14 159 903	7.1%	72.4%	12 165 000	3 842 000	2 506 000	-43.9%	65.9%
<i>of which:</i>												
<i>Revaluation of profits on foreign currency transactions</i>	939 005	5 670 623	4 406 734	2 600 000	8 592 000	109.2%	28.4%	12 165 000	3 842 000	2 506 000	-33.7%	54.6%
<i>Premiums on loan transactions</i>	10 541 967	5 510 307	5 467 553	3 000 000	3 000 000	-34.2%	35.5%	–	–	–	-100.0%	6.0%
<i>Liquidation of South African Special Risks Insurance Association investment</i>	50 000	75 000	40 000	–	–	-100.0%	0.2%	–	–	–	–	–
<i>Other (mainly penalties on retail bonds)</i>	2 638	8 346	2 646	2 131	3 000	4.4%	–	–	–	–	-100.0%	–
<i>Proceeds from foreign exchange amnesty</i>	–	399 268	–	–	–	–	0.6%	–	–	–	–	–
<i>Premiums on debt portfolio restructuring (switches)</i>	–	–	2 730 037	2 564 903	2 564 903	–	7.7%	–	–	–	-100.0%	5.2%
Total	15 735 318	5 351 075	18 246 100	13 157 419	19 726 076	7.8%	100.0%	16 390 199	8 036 236	5 460 635	-34.8%	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 (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19
R thousand											
Ministry	3 143	3 301	3 309	4 225	10.4%	1.0%	4 509	4 861	5 149	6.8%	1.2%
Departmental Management	37 823	42 183	47 458	45 812	6.6%	12.9%	49 597	50 361	51 114	3.7%	12.1%
Corporate Services	89 032	90 455	107 272	108 690	6.9%	29.5%	135 463	121 287	127 571	5.5%	30.4%
Enterprise Wide Risk Management	25 637	32 042	22 496	26 930	1.7%	8.0%	25 709	26 437	27 605	0.8%	6.6%
Financial Administration	32 181	35 662	38 632	40 763	8.2%	11.0%	41 224	41 641	43 796	2.4%	10.3%
Legal Services	15 656	16 439	16 593	18 164	5.1%	5.0%	19 668	20 035	20 610	4.3%	4.8%
Internal Audit	15 674	22 014	17 119	22 358	12.6%	5.7%	22 835	23 173	23 910	2.3%	5.7%
Communications	9 586	8 838	10 120	10 009	1.4%	2.9%	11 865	11 714	11 846	5.8%	2.8%
Office Accommodation	68 011	68 661	99 528	86 678	8.4%	24.1%	101 791	112 360	120 729	11.7%	26.0%
Total	296 743	319 595	362 527	363 629	7.0%	100.0%	412 661	411 869	432 330	5.9%	100.0%
Change to 2015				(3 036)			33 132	13 022	10 351		
Budget estimate											
Economic classification											
Current payments	279 812	298 581	345 080	346 400	7.4%	94.6%	379 340	400 679	420 481	6.7%	95.5%
Compensation of employees	132 490	144 304	166 375	183 192	11.4%	46.7%	196 878	197 339	203 263	3.5%	48.2%
Goods and services	147 322	154 277	178 705	163 208	3.5%	47.9%	182 462	203 340	217 218	10.0%	47.3%
of which:											
Administrative fees	1 306	1 841	996	1 680	8.8%	0.4%	1 008	1 336	1 391	-6.1%	0.3%
Advertising	713	618	473	738	1.2%	0.2%	579	633	669	-3.2%	0.2%
Minor assets	555	100	1 173	816	13.7%	0.2%	705	1 310	1 257	15.5%	0.3%
Audit costs: External	6 387	8 256	8 230	7 852	7.1%	2.3%	7 500	7 950	8 427	2.4%	2.0%
Bursaries: Employees	530	690	832	1 424	39.0%	0.3%	1 645	1 347	1 375	-1.2%	0.4%
Catering: Departmental activities	562	612	394	582	1.2%	0.2%	567	596	625	2.4%	0.1%
Communication	5 215	4 699	3 548	4 337	-6.0%	1.3%	4 070	4 335	4 025	-2.5%	1.0%
Computer services	23 087	18 388	24 868	21 535	-2.3%	6.5%	22 495	29 362	31 900	14.0%	6.5%
Consultants: Business and advisory services	12 011	18 927	8 949	7 838	-13.3%	3.6%	9 052	9 701	10 087	8.8%	2.3%
Legal services	9 891	10 679	12 313	11 217	4.3%	3.3%	11 899	12 504	13 137	5.4%	3.0%
Contractors	1 404	2 175	2 247	2 267	17.3%	0.6%	2 462	2 301	2 642	5.2%	0.6%
Agency and support/outourced services	8 825	10 368	9 738	11 121	8.0%	3.0%	10 682	11 630	12 339	3.5%	2.8%
Entertainment	66	59	43	121	22.4%	-	142	149	155	8.6%	-
Fleet services (including government motor transport)	356	1 608	2 226	2 033	78.7%	0.5%	2 407	2 512	2 643	9.1%	0.6%
Consumable supplies	2 429	2 849	2 885	1 536	-14.2%	0.7%	2 450	3 030	3 006	25.1%	0.6%
Consumables: Stationery, printing and office supplies	3 113	3 116	2 983	3 315	2.1%	0.9%	3 526	3 676	3 802	4.7%	0.9%
Operating leases	39 555	39 490	58 912	53 794	10.8%	14.3%	66 788	75 047	81 085	14.7%	17.1%
Property payments	11 420	12 026	21 389	13 782	6.5%	4.4%	15 788	16 399	18 192	9.7%	4.0%
Travel and subsistence	15 806	15 189	13 223	12 988	-6.3%	4.3%	15 120	15 939	16 673	8.7%	3.7%
Training and development	2 612	2 026	2 741	3 556	10.8%	0.8%	3 018	3 046	3 238	-3.1%	0.8%
Operating payments	885	431	531	436	-21.0%	0.2%	318	320	327	-9.1%	0.1%
Venues and facilities	594	130	11	240	-26.1%	0.1%	241	217	223	-2.4%	0.1%
Transfers and subsidies	2 635	3 541	4 274	4 253	17.3%	1.1%	3 696	3 926	4 032	-1.8%	1.0%
Departmental agencies and accounts	533	1 866	2 304	2 090	57.7%	0.5%	2 116	2 126	2 182	1.4%	0.5%
Households	2 102	1 675	1 970	2 163	1.0%	0.6%	1 580	1 800	1 850	-5.1%	0.5%
Payments for capital assets	14 292	17 199	13 111	12 976	-3.2%	4.3%	29 625	7 264	7 817	-15.5%	3.6%
Buildings and other fixed structures	615	-	-	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	13 677	17 199	13 111	12 976	-1.7%	4.2%	29 625	7 264	7 817	-15.5%	3.6%
Payments for financial assets	4	274	62	-	-100.0%	-	-	-	-	-	-
Total	296 743	319 595	362 527	363 629	7.0%	100.0%	412 661	411 869	432 330	5.9%	100.0%
Proportion of total programme expenditure to vote expenditure	1.4%	1.3%	1.4%	1.3%	-	-	1.4%	1.3%	1.3%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	1 782	1 351	1 557	1 566	-4.2%	0.5%	1 580	1 800	1 850	5.7%	0.4%
Bursaries for non-employees	1 532	1 351	1 557	1 566	0.7%	0.4%	1 580	1 800	1 850	5.7%	0.4%
Advocate Zubeida Barmania	250	-	-	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	533	1 866	2 304	2 090	57.7%	0.5%	2 116	2 126	2 182	1.4%	0.5%
Communication	6	9	9	16	38.7%	-	10	19	20	7.7%	-
Finance and Accounting Services Sector	527	1 857	2 295	2 074	57.9%	0.5%	2 106	2 107	2 162	1.4%	0.5%
Education and Training Authority											

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

Details of transfers and subsidies				Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Audited outcome			2015/16				2016/17	2017/18	2018/19		
R thousand	2012/13	2013/14	2014/15		2012/13 - 2015/16						
Households											
Social benefits											
Current	320	324	413	597	23.1%	0.1%	-	-	-	-100.0%	-
Employee social benefits	320	324	413	597	23.1%	0.1%	-	-	-	-100.0%	-

Personnel information

Table 7.7 Administration personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Administration																			
Salary level	408	6	385	166.4	0.4	414	187.8	0.5	419	196.9	0.5	419	212.8	0.5	419	225.7	0.5	0.4%	100.0%
1 – 6	51	-	49	9.1	0.2	51	9.7	0.2	51	10.2	0.2	51	11.0	0.2	51	11.8	0.2	-	12.2%
7 – 10	242	3	229	69.2	0.3	245	78.6	0.3	247	81.0	0.3	247	87.9	0.4	247	92.5	0.4	0.3%	59.0%
11 – 12	66	-	56	37.3	0.7	66	45.8	0.7	69	48.1	0.7	69	51.9	0.8	69	55.4	0.8	1.5%	16.3%
13 – 16	49	3	51	50.8	1.0	52	53.8	1.0	52	57.6	1.1	52	62.1	1.2	52	66.1	1.3	-	12.4%
Reduction	-	-	-	-	-	-	-	-	-	-	-	(15.5)	-	-	(22.5)	-	-	-	-
Total	408	6	385	166.4	0.4	414	187.8	0.5	419	196.9	0.5	-	197.3	-	-	203.3	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R37.9 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. 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 South Africa by 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 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 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Programme Management for Economic Policy, Tax, Financial Regulation and Research	19 351	20 220	20 668	22 093	4.5%	16.6%	23 337	24 021	24 945	4.1%	16.2%
Research	7 493	16 657	11 529	10 948	13.5%	9.4%	11 708	12 533	12 100	3.4%	8.1%
Financial Sector Policy	21 393	25 111	27 974	29 277	11.0%	21.0%	30 827	30 555	30 915	1.8%	20.9%
Tax Policy	24 233	23 401	21 589	26 819	3.4%	19.4%	32 474	31 759	31 592	5.6%	21.1%
Economic Policy	22 764	22 473	25 731	28 909	8.3%	20.2%	31 252	30 787	30 947	2.3%	21.0%
Cooperative Banks Development Agency	16 000	16 236	16 838	17 341	2.7%	13.4%	16 472	19 275	20 393	5.6%	12.6%
Total	111 234	124 098	124 329	135 387	6.8%	100.0%	146 070	148 930	150 892	3.7%	100.0%
Change to 2015 Budget estimate				1 495			3 435	(4 917)	(11 878)		
Economic classification	84 521	97 123	96 289	105 913	7.8%	77.5%	116 797	116 228	116 368	3.2%	78.3%
Current payments											
Compensation of employees	62 226	66 731	70 770	79 057	8.3%	56.3%	90 895	88 698	88 355	3.8%	59.7%
Goods and services	22 295	30 392	25 519	26 856	6.4%	21.2%	25 902	27 530	28 013	1.4%	18.6%
of which:											
Administrative fees	714	134	126	194	-35.2%	0.2%	152	166	174	-3.6%	0.1%
Advertising	384	343	408	330	-4.9%	0.3%	238	240	260	-7.6%	0.2%
Minor assets	23	16	15	81	52.1%	-	48	57	67	-6.1%	-
Bursaries: Employees	299	819	761	424	12.3%	0.5%	362	398	383	-3.3%	0.3%
Catering: Departmental activities	151	147	90	133	-4.1%	0.1%	203	197	211	16.6%	0.1%
Communication	424	351	296	449	1.9%	0.3%	383	411	435	-1.1%	0.3%
Computer services	102	37	144	44	-24.4%	0.1%	98	121	126	42.0%	0.1%
Consultants: Business and advisory services	8 330	17 121	11 843	11 731	12.1%	9.9%	12 158	13 021	12 637	2.5%	8.5%
Contractors	54	8	4	9	-45.0%	-	-	-	-	-100.0%	-
Entertainment	26	18	10	57	29.9%	-	56	63	66	5.0%	-
Fleet services (including government motor transport)	410	3	-	-	-100.0%	0.1%	-	-	-	-	-
Consumable supplies	6	72	124	179	210.1%	0.1%	186	195	200	3.8%	0.1%
Consumables: Stationery, printing and office supplies	859	884	1 047	894	1.3%	0.7%	957	1 020	1 069	6.1%	0.7%
Operating leases	133	202	239	302	31.4%	0.2%	284	302	316	1.5%	0.2%
Travel and subsistence	5 652	5 448	5 368	6 218	3.2%	4.6%	5 913	6 237	6 626	2.1%	4.3%
Training and development	618	562	668	825	10.1%	0.5%	700	729	798	-1.1%	0.5%
Operating payments	3 117	4 012	4 040	4 792	15.4%	3.2%	4 059	4 263	4 539	-1.8%	3.0%
Venues and facilities	993	215	336	194	-42.0%	0.4%	105	110	106	-18.2%	0.1%
Transfers and subsidies	26 191	26 531	27 653	28 746	3.2%	22.0%	28 471	31 861	33 709	5.5%	21.1%
Departmental agencies and accounts	16 000	16 236	16 838	17 341	2.7%	13.4%	16 472	19 275	20 393	5.6%	12.6%
Public corporations and private enterprises	10 000	9 900	10 780	11 384	4.4%	8.5%	11 999	12 586	13 316	5.4%	8.5%
Households	191	395	35	21	-52.1%	0.1%	-	-	-	-100.0%	-

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	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Payments for capital assets	522	443	385	728	11.7%	0.4%	802	841	815	3.8%	0.5%
Machinery and equipment	522	443	385	728	11.7%	0.4%	802	841	815	3.8%	0.5%
Payments for financial assets	-	1	2	-	-	-	-	-	-	-	-
Total	111 234	124 098	124 329	135 387	6.8%	100.0%	146 070	148 930	150 892	3.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.5%	0.5%	-	-	0.5%	0.5%	0.5%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	16 000	16 236	16 838	17 341	2.7%	13.4%	16 472	19 275	20 393	5.6%	12.6%
Cooperative Banks Development Agency	16 000	16 236	16 838	17 341	2.7%	13.4%	16 472	19 275	20 393	5.6%	12.6%
Employee social benefits	191	395	35	21	-52.1%	0.1%	-	-	-	-100.0%	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	10 000	9 900	10 780	11 384	4.4%	8.5%	11 999	12 586	13 316	5.4%	8.5%
Economic Research Southern Africa	10 000	9 900	10 780	11 384	4.4%	8.5%	11 999	12 586	13 316	5.4%	8.5%

Personnel information

Table 7.9 Economic Policy, Tax, Financial Regulation and Research personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Economic Policy, Tax, Financial Regulation and Research	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)			
			2014/15	Unit Cost	2015/16	Unit Cost	2016/17	2017/18	2018/19	2015/16 - 2018/19									
Salary level	115	-	106	70.8	0.7	115	78.5	0.7	121	90.9	0.8	121	98.0	0.8	121	104.5	0.9	1.7%	100.0%
1-6	1	-	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	1	0.3	0.3	-	0.8%
7-10	31	-	30	11.8	0.4	31	12.8	0.4	31	13.0	0.4	31	14.0	0.5	31	14.9	0.5	-	25.9%
11-12	37	-	31	18.3	0.6	37	22.4	0.6	40	28.2	0.7	40	30.4	0.8	40	32.5	0.8	2.6%	32.8%
13-16	46	-	44	40.5	0.9	46	43.2	0.9	49	49.5	1.0	49	53.3	1.1	49	56.8	1.2	2.1%	40.4%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(9.3)	-	-	(16.1)	-	-	-
Total	115	-	106	70.8	0.7	115	78.5	0.7	121	90.9	0.8	-	88.7	-	-	88.4	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R25.4 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. 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, the Estimates of National Expenditure and the 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.
- 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.

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 support for government with the aim of promoting improved infrastructure planning and management to support the service delivery targets for all spheres of government.
- *Financial and Fiscal Commission* facilitates the annual transfer payment to the Financial and Fiscal Commission, which provides independent, objective, impartial and unbiased advice to all three spheres of government regarding the division of revenue, as well as advice on the enactment of legislation pertaining to provincial taxes, municipal fiscal powers and functions, and provincial and municipal loans.

Expenditure trends and estimates

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

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15	2015/16		2012/13 - 2015/16	Expenditure/ Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/ Total: Average (%)
R thousand												
Programme Management for Public Finance and Budget Management	33 781	17 322	20 615	18 403	-18.3%	9.3%	23 431	25 624	23 722	8.8%	8.0%	
Public Finance	46 601	47 486	52 330	60 961	9.4%	21.3%	62 295	62 387	63 481	1.4%	21.8%	
Budget Office and Coordination	47 593	52 429	53 225	58 751	7.3%	21.8%	60 971	60 488	61 420	1.5%	21.1%	
Intergovernmental Relations	67 515	70 763	73 813	86 833	8.7%	30.8%	95 419	94 497	95 954	3.4%	32.6%	
Financial and Fiscal Commission	37 268	39 567	45 288	41 156	3.4%	16.8%	44 839	50 647	53 110	8.9%	16.6%	
Total	232 758	227 567	245 271	266 104	4.6%	100.0%	286 955	293 643	297 687	3.8%	100.0%	
Change to 2015 Budget estimate				9 139			11 172	(1 153)	(14 207)			
Economic classification												
Current payments	193 157	185 294	198 418	222 420	4.8%	82.3%	240 568	241 607	243 062	3.0%	82.8%	
Compensation of employees	152 151	157 011	175 122	193 373	8.3%	69.7%	213 822	211 523	213 773	3.4%	72.7%	
Goods and services	41 006	28 283	23 296	29 047	-10.9%	12.5%	26 746	30 084	29 289	0.3%	10.1%	
of which:												
Administrative fees	759	485	416	545	-10.5%	0.2%	431	461	489	-3.5%	0.2%	
Advertising	570	417	276	487	-5.1%	0.2%	380	435	452	-2.5%	0.2%	
Minor assets	56	129	38	104	22.9%	-	92	94	92	-4.0%	-	
Bursaries: Employees	664	586	689	934	12.0%	0.3%	970	1 015	772	-6.2%	0.3%	
Catering: Departmental activities	462	444	375	473	0.8%	0.2%	585	612	649	11.1%	0.2%	
Communication	757	829	644	920	6.7%	0.3%	895	859	999	2.8%	0.3%	
Computer services	244	662	1 002	876	53.1%	0.3%	1 024	854	879	0.1%	0.3%	
Consultants: Business and advisory services	19 702	8 463	4 407	5 221	-35.8%	3.9%	4 577	7 094	5 835	3.8%	2.0%	
Contractors	17	8	10	17	-	-	18	19	18	1.9%	-	

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

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
	R thousand										
Agency and support/outsourced services	–	–	95	–	–	–	–	–	–	–	–
Entertainment	49	50	40	103	28.1%	–	125	134	140	10.8%	–
Fleet services (including government motor transport)	8	1	2	1	-50.0%	–	2	2	2	26.0%	–
Consumable supplies	9	308	328	449	268.1%	0.1%	328	346	362	-6.9%	0.1%
Consumables: Stationery, printing and office supplies	7 171	5 714	5 828	6 865	-2.4%	2.6%	6 810	7 378	7 214	2.7%	2.5%
Operating leases	352	488	588	785	30.6%	0.2%	791	757	842	2.4%	0.3%
Travel and subsistence	9 581	8 590	7 867	9 654	0.3%	3.7%	8 649	8 909	9 362	-1.0%	3.2%
Training and development	318	331	388	1 190	55.3%	0.2%	633	664	693	-16.5%	0.3%
Operating payments	40	194	39	230	79.2%	0.1%	26	30	16	-58.9%	–
Venues and facilities	247	584	264	393	16.7%	0.2%	410	421	473	6.4%	0.1%
Transfers and subsidies	38 093	41 366	45 473	42 025	3.3%	17.2%	44 839	50 647	53 110	8.1%	16.7%
Departmental agencies and accounts	37 268	39 567	45 288	41 156	3.4%	16.8%	44 839	50 647	53 110	8.9%	16.6%
Households	825	1 799	185	869	1.7%	0.4%	–	–	–	-100.0%	0.1%
Payments for capital assets	1 398	897	1 338	1 659	5.9%	0.5%	1 548	1 389	1 515	-3.0%	0.5%
Machinery and equipment	1 398	897	1 338	1 659	5.9%	0.5%	1 548	1 389	1 515	-3.0%	0.5%
Payments for financial assets	110	10	42	–	-100.0%	–	–	–	–	–	–
Total	232 758	227 567	245 271	266 104	4.6%	100.0%	286 955	293 643	297 687	3.8%	100.0%
Proportion of total programme expenditure to vote expenditure	1.1%	0.9%	0.9%	0.9%	–	–	1.0%	0.9%	0.9%	–	–
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	37 268	39 567	45 288	41 156	3.4%	16.8%	44 839	50 647	53 110	8.9%	16.6%
Financial and Fiscal Commission	37 268	39 567	45 288	41 156	3.4%	16.8%	44 839	50 647	53 110	8.9%	16.6%
Households											
Social benefits											
Current	825	1 799	185	869	1.7%	0.4%	–	–	–	-100.0%	0.1%
Employee social benefits	825	1 799	185	869	1.7%	0.4%	–	–	–	-100.0%	0.1%

Personnel information

Table 7.11 Public Finance and Budget Management personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Public Finance and Budget Management	Number of posts estimated for 31 March 2016	Number of posts funded posts	Number of posts additional to the establishment	Number and cost ³ of personnel posts filled / planned for on funded establishment												Number			
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)		
				2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19					
				Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost		
Salary level	277	21	271	175.1	0.6	298	192.0	0.6	309	213.8	0.7	309	230.5	0.7	309	245.8	0.8	1.2%	100.0%
1 – 6	2	–	2	0.4	0.2	2	0.5	0.2	2	0.5	0.2	2	0.5	0.2	2	0.5	0.3	–	0.7%
7 – 10	93	5	90	31.3	0.3	98	35.2	0.4	99	38.7	0.4	99	41.8	0.4	99	44.6	0.5	0.3%	32.2%
11 – 12	97	9	91	56.6	0.6	106	67.5	0.6	113	77.4	0.7	113	83.4	0.7	113	89.1	0.8	2.2%	36.3%
13 – 16	85	7	88	86.8	1.0	92	88.9	1.0	95	97.2	1.0	95	104.8	1.1	95	111.5	1.2	1.1%	30.8%
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	(19.0)	–	–	(32.0)	–	–	–
Total	277	21	271	175.1	0.6	298	192.0	0.6	309	213.8	0.7	–	211.5	–	–	213.8	–	–	–

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

2. This programme's compensation of employees budget has been reduced by R50.9 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. 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 on an ongoing basis by:
 - reviewing the corporate plans and annual financial statements of state owned enterprises
 - coordinating state owned entities' borrowing programmes
 - tracking progress on capital expenditure programmes
 - reviewing applications for funding, guarantees and borrowing limits in terms of the Public Finance Management Act (1999), and monitoring progress.
- Finance government's gross borrowing requirement consisting of the budget deficit and maturing debt by sourcing funds from the domestic and international markets by March 2016.
- Ensure that government's liquidity requirements are consistently met through effective cash management 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, the prudent management of cash, and the efficient accounting of debt and investment transactions in all spheres of government. This subprogramme also invests government surplus cash, supplies reliable systems and provides quality 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	Average growth rate		Medium-term expenditure estimate			Average growth rate		
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average (%)
R thousand												
Programme Management for Asset and Liability Management	14 882	16 419	11 951	11 617	-7.9%	0.6%	21 916	14 245	13 694	5.6%	1.7%	
State Owned Entity Financial Management and Governance	23 691	26 320	29 171	30 149	8.4%	1.1%	33 435	33 124	33 617	3.7%	3.6%	
Government Debt Management	15 708	17 316	19 286	19 649	7.7%	0.7%	19 839	19 859	20 647	1.7%	2.2%	
Financial Operations	15 875	17 246	20 031	19 765	7.6%	0.8%	21 376	22 434	23 026	5.2%	2.4%	
Strategy and Risk Management	8 049	8 622	8 964	9 697	6.4%	0.4%	10 645	10 656	10 944	4.1%	1.2%	
Financial Investments	200 000	2 905 000	3 000 000	3 174 013	151.3%	96.4%	–	–	–	-100.0%	88.8%	
Total	278 205	2 990 923	3 089 403	3 264 890	127.2%	100.0%	107 211	100 318	101 928	-68.5%	100.0%	
Change to 2015 Budget estimate				147 960			9 136	(4 191)	(8 643)			

Table 7.12 Asset and Liability Management 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
	R thousand											
Current payments	77 684	85 386	88 909	89 433	4.8%	3.5%	106 569	99 644	101 220	4.2%	11.1%	
Compensation of employees	58 183	62 791	69 334	71 385	7.1%	2.7%	76 828	76 708	78 267	3.1%	8.5%	
Goods and services	19 501	22 595	19 575	18 048	-2.5%	0.8%	29 741	22 936	22 953	8.3%	2.6%	
of which:												
Administrative fees	79	53	302	58	-9.8%	-	72	76	86	14.0%	-	
Advertising	198	124	63	160	-6.9%	-	70	75	80	-20.6%	-	
Minor assets	15	4	1	25	18.6%	-	30	33	31	7.4%	-	
Audit costs: External	585	674	546	700	6.2%	-	617	662	691	-0.4%	0.1%	
Bursaries: Employees	309	499	569	655	28.5%	-	894	912	964	13.7%	0.1%	
Catering: Departmental activities	100	100	44	76	-8.7%	-	76	80	83	3.0%	-	
Communication	280	250	217	301	2.4%	-	270	307	303	0.2%	-	
Computer services	8 102	10 491	9 598	8 748	2.6%	0.4%	9 342	9 734	10 017	4.6%	1.1%	
Consultants: Business and advisory services	6 463	6 022	4 922	2 919	-23.3%	0.2%	14 509	5 904	5 345	22.3%	0.8%	
Contractors	2	8	7	2	-	-	19	20	21	119.0%	-	
Entertainment	33	23	9	14	-24.9%	-	33	33	33	33.1%	-	
Fleet services (including government motor transport)	9	23	21	11	6.9%	-	18	19	18	17.8%	-	
Consumable supplies	3	23	8	10	49.4%	-	10	-	-	-100.0%	-	
Consumables: Stationery, printing and office supplies	462	449	468	537	5.1%	-	567	589	619	4.9%	0.1%	
Operating leases	267	326	299	361	10.6%	-	330	346	363	0.2%	-	
Travel and subsistence	1 800	2 766	1 684	2 535	12.1%	0.1%	2 016	3 155	3 263	8.8%	0.3%	
Training and development	463	426	424	642	11.5%	-	698	822	859	10.2%	0.1%	
Operating payments	4	16	28	40	115.4%	-	40	45	47	5.5%	-	
Venues and facilities	327	318	365	254	-8.1%	-	130	124	130	-20.0%	-	
Transfers and subsidies	44	102	227	834	166.6%	-	-	-	-	-100.0%	-	
Households	44	102	227	834	166.6%	-	-	-	-	-100.0%	-	
Payments for capital assets	474	430	263	610	8.8%	-	642	674	708	5.1%	0.1%	
Machinery and equipment	474	430	263	610	8.8%	-	642	674	708	5.1%	0.1%	
Payments for financial assets	200 003	2 905 005	3 000 004	3 174 013	151.3%	96.4%	-	-	-	-100.0%	88.8%	
Total	278 205	2 990 923	3 089 403	3 264 890	127.2%	100.0%	107 211	100 318	101 928	-68.5%	100.0%	
Proportion of total programme expenditure to vote expenditure	1.3%	11.9%	11.8%	11.4%	-	-	0.4%	0.3%	0.3%	-	-	
Details of transfers and subsidies												
Households												
Social benefits												
Current	44	102	227	834	166.6%	-	-	-	-	-100.0%	-	
Employee social benefits	44	102	227	834	166.6%	-	-	-	-	-100.0%	-	

Personnel information

Table 7.13 Asset and Liability Management personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Asset and Liability Management	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)			
			2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	115	-	113	69.3	0.6	115	71.5	0.6	119	76.8	0.6	119	82.8	0.7	119	88.3	0.7	1.1%	100.0%
1-6	4	-	4	0.9	0.2	4	0.9	0.2	4	0.9	0.2	4	1.0	0.2	4	1.0	0.3	-	3.4%
7-10	50	-	48	19.7	0.4	50	20.9	0.4	51	21.3	0.4	51	23.0	0.5	51	24.5	0.5	0.7%	43.0%
11-12	37	-	38	26.0	0.7	37	26.1	0.7	40	30.1	0.8	40	32.4	0.8	40	34.6	0.9	2.6%	33.3%
13-16	24	-	23	22.7	1.0	24	23.5	1.0	24	24.6	1.0	24	26.5	1.1	24	28.2	1.2	-	20.3%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(6.1)	-	-	(10.1)	-	-	-
Total	115	-	113	69.3	0.6	115	71.5	0.6	119	76.8	0.6	-	76.7	-	-	78.3	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R16.2 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 5: Financial Accounting and Supply Chain Management Systems

Programme purpose

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

Objectives

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

Subprogrammes

- *Programme Management for Financial Accounting and Supply Chain Management Systems* supports the planning, monitoring and coordinating deliverables of the programme plan, such as the development and implementation of the integrated financial management system; and facilitates accountability and governance in the public sector, especially in terms of financial management.
- *Office of the Chief Procurement Officer* aims to modernise the state procurement system to be fair, equitable, transparent, competitive and cost effective; enable the efficient, economic, effective and transparent 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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Programme Management for Financial Accounting and Supply Chain Management Systems	7 262	18 366	15 158	48 722	88.6%	3.1%	39 301	43 281	46 320	-1.7%	5.1%
Office of the Chief Procurement Officer	34 082	33 342	38 635	51 789	15.0%	5.5%	72 016	70 368	69 989	10.6%	7.5%
Financial Systems	369 593	424 111	412 147	445 472	6.4%	57.2%	480 817	512 589	534 769	6.3%	56.2%
Financial Reporting for National Accounts	79 393	85 443	86 385	85 070	2.3%	11.7%	88 399	100 195	104 385	7.1%	10.8%
Financial Management Policy and Compliance Improvement	118 553	105 611	117 811	133 938	4.2%	16.5%	124 988	137 011	141 077	1.7%	15.3%
Audit Statutory Bodies	30 308	40 812	61 257	41 856	11.4%	6.0%	44 075	46 278	48 962	5.4%	5.2%
Service Charges: Commercial Banks	155	87	102	243	16.2%	-	258	273	289	5.9%	-
Total	639 346	707 772	731 495	807 090	8.1%	100.0%	849 854	909 995	945 791	5.4%	100.0%
Change to 2015 Budget estimate				55 728			24 482	26 960	11 538		
Economic classification	563 627	621 054	619 792	713 886	8.2%	87.3%	759 205	805 240	835 050	5.4%	88.6%
Current payments											
Compensation of employees	135 606	149 541	158 331	177 170	9.3%	21.5%	204 165	200 095	199 968	4.1%	22.2%
Goods and services	428 021	471 513	461 461	536 716	7.8%	65.8%	555 040	605 145	635 082	5.8%	66.4%
of which:											
Administrative fees	998	640	674	876	-4.3%	0.1%	1 276	1 387	1 327	14.8%	0.1%
Advertising	400	514	511	750	23.3%	0.1%	721	771	747	-0.1%	0.1%
Minor assets	165	69	80	363	30.1%	-	263	257	273	-9.1%	-
Audit costs: External	4 064	3 657	6 523	6 567	17.3%	0.7%	7 856	8 297	8 704	9.8%	0.9%
Bursaries: Employees	1 644	1 411	1 292	2 037	7.4%	0.2%	2 379	2 197	2 285	3.9%	0.3%
Catering: Departmental activities	363	352	289	473	9.2%	0.1%	581	621	658	11.6%	0.1%
Communication	1 046	963	944	1 184	4.2%	0.1%	1 289	1 338	1 398	5.7%	0.1%
Computer services	348 466	402 948	384 567	324 224	-2.4%	50.6%	430 270	465 953	500 136	15.5%	49.0%
Consultants: Business and advisory services	50 560	41 896	49 883	176 803	51.8%	11.1%	86 955	99 921	93 680	-19.1%	13.0%
Legal services	-	-	354	-	-	-	-	-	-	-	-
Contractors	6	190	30	234	239.1%	-	48	57	67	-34.1%	-
Entertainment	41	62	12	88	29.0%	-	108	108	110	7.7%	-
Fleet services (including government motor transport)	-	11	5	20	-	-	6	6	6	-33.1%	-
Consumable supplies	10	75	36	157	150.4%	-	145	166	188	6.2%	-
Consumables: Stationery, printing and office supplies	1 142	744	1 001	2 881	36.1%	0.2%	1 597	1 674	1 811	-14.3%	0.2%
Operating leases	422	580	573	762	21.8%	0.1%	816	863	909	6.1%	0.1%
Travel and subsistence	6 803	6 984	7 221	10 653	16.1%	1.1%	11 097	11 738	12 440	5.3%	1.3%
Training and development	6 099	2 408	2 091	3 027	-20.8%	0.5%	3 485	3 431	3 659	6.5%	0.4%
Operating payments	376	905	656	829	30.2%	0.1%	833	740	773	-2.3%	0.1%
Venues and facilities	5 416	7 104	4 719	4 788	-4.0%	0.8%	5 315	5 620	5 911	7.3%	0.6%

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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Transfers and subsidies	72 881	84 453	106 495	83 323	4.6%	12.0%	85 570	99 365	105 298	8.1%	10.6%
Departmental agencies and accounts	71 985	83 806	106 084	83 129	4.9%	12.0%	85 570	99 365	105 298	8.2%	10.6%
Households	896	647	411	194	-40.0%	0.1%	-	-	-	-100.0%	-
Payments for capital assets	2 833	2 067	3 893	9 881	51.7%	0.6%	5 079	5 390	5 443	-18.0%	0.7%
Buildings and other fixed structures	-	-	356	440	-	-	-	-	-	-100.0%	-
Machinery and equipment	2 833	2 067	3 537	9 441	49.4%	0.6%	5 049	5 390	5 443	-16.8%	0.7%
Software and other intangible assets	-	-	-	-	-	-	30	-	-	-	-
Payments for financial assets	5	198	1 315	-	-100.0%	0.1%	-	-	-	-	-
Total	639 346	707 772	731 495	807 090	8.1%	100.0%	849 854	909 995	945 791	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	3.0%	2.8%	2.8%	2.8%	-	-	3.0%	2.9%	2.9%	-	-

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current											
	71 985	83 806	106 084	83 129	4.9%	12.0%	85 570	99 365	105 298	8.2%	10.6%
Accounting Standards Board	9 469	10 061	10 250	11 274	6.0%	1.4%	12 517	13 463	14 414	8.5%	1.5%
Independent Regulatory Board for Auditors	32 208	32 933	34 577	29 999	-2.3%	4.5%	28 978	39 624	41 922	11.8%	4.0%
Auditor-General of South Africa	30 308	40 812	61 257	41 856	11.4%	6.0%	44 075	46 278	48 962	5.4%	5.2%
Households											
Social benefits											
Current											
Employee Social Benefits	896	647	411	194	-40.0%	0.1%	-	-	-	-100.0%	-

Personnel information**Table 7.15 Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total**

	Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)			
			2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19											
Financial Accounting and Supply Chain Management Systems			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	292	10	274	158.3	0.6	302	182.4	0.6	319	204.2	0.6	319	220.2	0.7	319	232.9	0.7	1.8%	100.0%
1 – 6	8	3	12	2.3	0.2	11	2.2	0.2	11	2.3	0.2	11	2.5	0.2	11	2.6	0.2	-	3.5%
7 – 10	119	4	115	42.2	0.4	123	47.2	0.4	125	50.2	0.4	125	54.1	0.4	125	57.8	0.5	0.5%	39.6%
11 – 12	80	1	71	44.9	0.6	81	52.9	0.7	90	60.7	0.7	90	65.5	0.7	90	69.9	0.8	3.6%	27.9%
13 – 16	85	2	76	68.9	0.9	87	80.1	0.9	93	90.9	1.0	93	98.1	1.1	93	102.5	1.1	2.2%	29.1%
Reduction	-	-	-	-	-	-	-	-	-	-	-	(20.1)	-	-	(32.9)	-	-	-	-
Total	292	10	274	158.3	0.6	302	182.4	0.6	319	204.2	0.6	-	200.1	-	-	200.0	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R53 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. 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 through the lobbying of regional groupings on an ongoing basis
- securing the third board chair for the International Monetary Fund for the benefit of sub-Saharan Africa.
- Enhance South Africa’s participation in strategic regional, continental and global governance institutions by seconding South Africans into strategic positions at these institutions, as informed by government’s secondment policy, on an ongoing basis.
- Promote regional economic integration in the Southern African Development Community (SADC) and strengthen economic links within Africa by:
 - developing and implementing a policy of one-stop border posts
 - 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 Southern African Customs Union, the Southern African Development Community, the African Union, the United Nations Economic Commission for Africa, the New Partnership for Africa’s Development, the International Monetary Fund, the G20, the G24 and the BRICS group of countries.
- *African Integration and Support* enables National Treasury’s participation in African interventions and arrangements that are mainly to bring about support and integration between African states and institutions. This subprogramme facilitates the transfer of funds to Lesotho, Namibia and Swaziland for the common monetary area compensation. In this agreement, South Africa compensates the member countries for the use of the Rand currency within their respective borders. It also includes the technical support provided to regional capacity building institutions, such as the Collaborative Budget Reform Initiative, the Infrastructure Consortium for Africa, the African Institute for Economic Development and Planning, and the African Regional Technical Assistance Centre for Southern Africa.
- *International Development Funding Institutions* provides for subscriptions and contributions to international development institutions and banks. This subprogramme transfers funds to: the African Development Bank and the World Bank to buy shares and subscriptions; and the African Development Fund of the African Development Bank and the International Development Association of the World Bank Group to provide concessional loans and grants to low income countries. In line with the shareholding agreement for South Africa, capital transfers to the New Development Bank for the group of BRICS countries will also be made under this subprogramme.
- *International Projects* transfers funds to international projects and interventions to various causes such as capacity building, and catastrophic and disaster relief for affected low income countries. To this end, National Treasury contributes to the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunisation. The facility transfers funds to the Global Alliance for Vaccines and Immunisation, a public private global health partnership, to support health care, particularly the provision of vaccines to reduce the number of 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 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
R thousand											
Programme Management for International Financial Relations	9 007	19 109	8 317	13 855	15.4%	0.8%	11 693	12 292	12 445	-3.5%	0.3%
International Economic Cooperation	20 961	23 812	27 265	32 134	15.3%	1.6%	39 693	38 546	38 630	6.3%	0.7%
African Integration and Support	492 340	558 783	588 292	666 877	10.6%	35.3%	726 351	765 623	816 818	7.0%	14.8%
International Development Funding Institutions	467 516	450 034	557 583	2 524 027	75.4%	61.3%	4 242 830	4 999 249	5 022 389	25.8%	83.8%
International Projects	13 227	16 002	17 195	18 033	10.9%	1.0%	18 501	19 117	19 790	3.1%	0.4%
Total	1 003 051	1 067 740	1 198 652	3 254 926	48.0%	100.0%	5 039 068	5 834 827	5 910 072	22.0%	100.0%
Change to 2015 Budget estimate				2 007 484			3 724 716	4 454 583	4 449 774		
Economic classification											
Current payments	29 771	42 551	35 393	45 742	15.4%	2.4%	51 106	50 579	50 774	3.5%	1.0%
Compensation of employees	20 824	21 753	26 085	29 242	12.0%	1.5%	34 970	33 802	33 289	4.4%	0.7%
Goods and services	8 947	20 798	9 308	16 500	22.6%	0.9%	16 136	16 777	17 485	2.0%	0.3%
of which:											
Administrative fees	141	107	100	141	-	-	135	141	149	1.9%	-
Advertising	71	146	76	73	0.9%	-	116	122	127	20.3%	-
Minor assets	13	15	5	19	13.5%	-	33	26	40	28.2%	-
Bursaries: Employees	129	117	87	163	8.1%	-	584	596	607	55.0%	-
Catering: Departmental activities	60	61	14	35	-16.4%	-	49	51	54	15.6%	-
Communication	567	467	401	457	-6.9%	-	477	509	539	5.7%	-
Computer services	4	-	265	156	239.1%	-	-	-	-	-100.0%	-
Consultants: Business and advisory services	334	1 933	643	-	-100.0%	-	1 383	937	957	-	-
Contractors	-	87	-	3	-	-	6	6	6	26.0%	-
Agency and support/outourced services	-	5 233	-	30	-	0.1%	-	-	-	-100.0%	-
Entertainment	8	4	5	15	23.3%	-	20	20	20	10.1%	-
Fleet services (including government motor transport)	1	-	1	-	-100.0%	-	-	-	-	-	-
Consumable supplies	1	7	18	30	210.7%	-	38	40	42	11.9%	-
Consumables: Stationery, printing and office supplies	60	98	37	118	25.3%	-	175	183	194	18.0%	-
Operating leases	36	39	97	100	40.6%	-	110	117	123	7.1%	-
Travel and subsistence	6 770	7 590	6 941	8 184	6.5%	0.5%	10 052	9 525	10 467	8.5%	0.2%
Training and development	63	45	160	250	58.3%	-	330	357	384	15.4%	-
Operating payments	321	343	192	1 501	67.2%	-	608	627	633	-25.0%	-
Venues and facilities	368	4 506	266	5 225	142.1%	0.2%	2 020	3 520	3 143	-15.6%	0.1%
Transfers and subsidies	626 704	710 304	788 309	775 570	7.4%	44.5%	835 532	914 872	972 728	7.8%	17.5%
Foreign governments and international organisations	626 636	710 193	788 263	775 570	7.4%	44.5%	835 532	914 872	972 728	7.8%	17.5%
Households	68	111	46	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	129	259	126	247	24.2%	-	280	259	301	6.8%	-
Machinery and equipment	129	259	126	247	24.2%	-	280	259	301	6.8%	-
Payments for financial assets	346 447	314 626	374 824	2 433 367	91.5%	53.2%	4 152 150	4 869 117	4 886 269	26.2%	81.5%
Total	1 003 051	1 067 740	1 198 652	3 254 926	48.0%	100.0%	5 039 068	5 834 827	5 910 072	22.0%	100.0%
Proportion of total programme expenditure to vote expenditure	4.8%	4.3%	4.6%	11.3%	-	-	17.7%	18.7%	18.3%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	68	111	46	-	-100.0%	-	-	-	-	-	-
Employee Social Benefits	68	111	46	-	-100.0%	-	-	-	-	-	-
Foreign governments and international organisations											
Current	505 567	4 785	605 487	684 910	10.7%	36.3%	744 852	784 740	836 608	6.9%	15.2%
Common Monetary Area Compensation	490 719	4 445	581 616	653 444	10.0%	34.9%	716 421	754 924	804 866	7.2%	14.6%
Collaborative Africa Budget Reform Initiative	1 260	1 329	4 409	1 474	5.4%	0.1%	1 552	1 630	1 712	5.1%	-
Commonwealth Fund for Technical Cooperation	4 469	5 316	5 714	5 533	7.4%	0.3%	5 826	6 117	6 423	5.1%	0.1%
International Finance Facility for Immunisation	8 758	0 686	11 481	12 500	12.6%	0.7%	12 675	13 000	13 367	2.3%	0.3%
African Institute for Economic Development and Planning	-	1 659	917	1 000	-	0.1%	1 269	1 309	1 351	10.5%	-
Africa Regional Technical Assistance Centre for Southern Africa	361	350	350	959	38.5%	-	1 000	1 125	1 213	8.1%	-
Infrastructure Consortium for Africa	-	1 000	1 000	-	-	-	-	-	-	-	-
African Risk Capacity	-	-	-	10 000	-	0.2%	6 109	6 635	7 676	-8.4%	0.2%
Capital	121 069	5 408	182 776	90 660	-9.2%	8.1%	90 680	130 132	136 120	14.5%	2.2%
African Development Bank and African Development Fund	40 169	0 169	92 116	-	-100.0%	2.6%	-	33 465	35 406	-	0.3%
World Bank Group	80 900	5 239	90 660	90 660	3.9%	5.5%	90 680	96 667	100 714	3.6%	1.9%

Personnel information

Table 7.17 International Financial Relations personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 additional to the establishment	2014/15			2015/16			2016/17		2017/18			2018/19			2015/16 - 2018/19					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
International Financial Relations		38	–	–	36	26.1	0.7	38	27.2	0.7	45	35.0	0.8	45	37.7	0.8	45	40.2	0.9	5.8%	100.0%
Salary level																					
1 – 6	–	–	–	1	0.2	0.2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	13	–	–	12	4.7	0.4	13	5.2	0.4	15	6.5	0.4	15	7.0	0.5	15	7.5	0.5	4.9%	33.5%	
11 – 12	10	–	–	10	7.1	0.7	10	5.7	0.6	12	8.7	0.7	12	9.4	0.8	12	10.0	0.8	6.3%	26.6%	
13 – 16	15	–	–	13	14.1	1.1	15	16.2	1.1	18	19.8	1.1	18	21.3	1.2	18	22.7	1.3	6.3%	39.9%	
Reduction	–	–	–	–	–	–	–	–	–	–	–	–	–	(3.9)	–	–	(7.0)	–	–	–	–
Total	38	–	–	36	26.1	0.7	38	27.2	0.7	45	35.0	0.8	45	33.8	–	–	33.3	–	–	–	–

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

2. This programme's compensation of employees budget has been reduced by R10.8 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

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

Programme purpose

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

Objectives

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

Subprogrammes

- *Government Pensions Administration Agency* provides administrative services: in accordance with the Temporary Pension Fund Act (1979) and the Associated Institution Pension Fund Act (1963); for post-retirement medical subsidies, as provided for and regulated by resolutions of the Public Service Coordinating Bargaining Council, the Military Pensions Act (1976), military pensions in terms of this act; for injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act (1993); and special pensions in terms of the Special Pensions Act (1996) on behalf of National Treasury.
- *Civil Pensions and Contributions to Funds* provides for: the processing and payment of pensions and medical subsidies to retired civil servants; and pension payments to the injured, disabled and the dependants of deceased civil servants and 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 (2001); 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 (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R thousand											
Government Pensions Administration											
Agency	174 836	57 507	54 395	61 181	-29.5%	2.4%	61 426	65 196	68 856	4.0%	1.5%
Civil Pensions and Contributions to Funds	2 621 679	2 673 495	2 613 931	2 929 389	3.8%	74.4%	3 146 372	3 338 311	3 575 519	6.9%	75.7%
Military Pensions and Other Benefits	547 088	792 096	1 062 609	972 371	21.1%	23.2%	965 444	978 397	991 678	0.7%	22.8%
Total	3 343 603	3 523 098	3 730 935	3 962 941	5.8%	100.0%	4 173 242	4 381 904	4 636 053	5.4%	100.0%
Change to 2015 Budget estimate							-	-	-		
Economic classification											
Current payments	49 741	57 507	54 395	61 181	7.1%	1.5%	61 426	65 196	68 856	4.0%	1.5%
Goods and services	49 741	57 507	54 395	61 181	7.1%	1.5%	61 426	65 196	68 856	4.0%	1.5%
of which:											
Consultants: Business and advisory services	49 741	57 507	54 395	61 181	7.1%	1.5%	61 426	65 196	68 856	4.0%	1.5%
Transfers and subsidies	3 168 767	3 465 577	3 676 531	3 901 760	7.2%	97.6%	4 111 816	4 316 708	4 567 197	5.4%	98.5%
Foreign governments and international organisations	1 543	2 109	2 286	2 322	14.6%	0.1%	2 445	2 567	2 695	5.1%	0.1%
Households	3 167 224	3 463 468	3 674 245	3 899 438	7.2%	97.6%	4 109 371	4 314 141	4 564 502	5.4%	98.4%
Payments for financial assets	125 095	14	9	-	-100.0%	0.9%	-	-	-	-	-
Total	3 343 603	3 523 098	3 730 935	3 962 941	5.8%	100.0%	4 173 242	4 381 904	4 636 053	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	15.9%	14.0%	14.2%	13.8%	-	-	14.7%	14.1%	14.3%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	3 167 224	3 463 468	3 674 245	3 899 438	7.2%	97.6%	4 109 371	4 314 141	4 564 502	5.4%	98.4%
Contribution to provident funds for associated institutions	425	422	321	323	-8.7%	-	357	374	390	6.5%	-
Parliamentary Awards	18	20	21	23	8.5%	-	23	23	24	1.4%	-
Other benefits	74 999	77 775	70 416	89 070	5.9%	2.1%	88 070	93 070	98 524	3.4%	2.1%
Injury on duty	478 650	500 677	526 387	550 172	4.8%	14.1%	591 664	621 247	652 309	5.8%	14.1%
Post-Retirement Medical Scheme	1 412 987	1 441 406	1 511 127	1 805 689	8.5%	42.4%	1 975 060	1 811 550	1 966 273	2.9%	44.1%
Special pensions	434 834	435 433	423 483	472 325	2.8%	12.1%	479 763	508 751	539 189	4.5%	11.7%
Political Office Bearers Pension Fund	211 105	208 162	71 997	-	-100.0%	3.4%	-	291 222	306 083	-	3.5%
Pension benefits: President of South Africa	7 118	7 477	7 884	9 465	10.0%	0.2%	8 990	9 507	10 032	2.0%	0.2%
Military pensions: Ex-servicemen	28 563	26 542	11 694	28 255	-0.4%	0.7%	30 870	32 420	34 041	6.4%	0.7%
South African citizen force	126 754	138 958	155 941	175 697	11.5%	4.1%	174 554	183 858	193 627	3.3%	4.2%
Civil protection	19	19	19	19	-	-	19	19	20	1.7%	-
Other benefits: Ex-servicemen	21 752	26 577	20 155	31 100	12.7%	0.7%	22 810	24 800	26 690	-5.0%	0.6%
Non-statutory forces	370 000	600 000	874 800	737 300	25.8%	17.7%	737 191	737 300	737 300	-	17.2%
Foreign governments and international organisations											
Current	1 543	2 109	2 286	2 322	14.6%	0.1%	2 445	2 567	2 695	5.1%	0.1%
United Kingdom tax	1 543	2 109	2 286	2 322	14.6%	0.1%	2 445	2 567	2 695	5.1%	0.1%

Programme 8: Technical Support and Development Finance

Programme purpose

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

Objectives

- Build public sector capacity through diagnostic and advisory services and support for organisational development, specialised procurement, improved public finance management and programme and project implementation, on an ongoing basis.
- Strengthen public finance management capacity in municipalities and support provincial treasury oversight of local government financial management, on an ongoing basis.
- Promote public and private investment in city development, integrated urban networks and neighbourhood development initiatives, on an ongoing basis.
- Promote innovative and partnership based approaches to employment creation, work seeker support and enterprise development, on an ongoing basis.
- Support infrastructure planning and implementation in all provinces and infrastructure skills development in all municipalities, on an ongoing basis.

Subprogrammes

- *Local Government Financial Management Support* provides for transfers to municipalities to support the implementation of the Municipal Finance Management Act (2003) and technical assistance to provincial treasuries and municipalities through the municipal finance improvement programme.
- *Urban Development and Support* comprises the neighbourhood development partnership grant and the integrated city 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.
- *Government Technical Advisory Centre* provides management support for the Technical Support and Development Finance programme, and technical consulting services, specialised procurement and project management support, infrastructure advice and knowledge management in support of efficient, effective and transparent public finance management.
- *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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand					2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Local Government Financial Management Support	512 715	546 296	547 926	573 946	3.8%	21.6%	591 935	636 544	671 963	5.4%	21.1%
Urban Development and Support	658 132	680 935	875 390	884 195	10.3%	30.7%	913 014	983 253	1 040 282	5.6%	32.5%
Employment Creation Facilitation	589 868	952 883	1 213 162	1 003 487	19.4%	37.3%	782 883	912 255	1 338 366	10.1%	34.4%
Government Technical Advisory Centre	61 410	69 738	79 752	83 609	10.8%	2.9%	88 006	89 878	95 091	4.4%	3.0%
Infrastructure Development Support	160 460	187 465	177 118	229 356	12.6%	7.5%	258 880	275 090	288 821	8.0%	9.0%
Total	1 982 585	2 437 317	2 893 348	2 774 593	11.9%	100.0%	2 634 718	2 897 020	3 434 523	7.4%	100.0%
Change to 2015 Budget estimate				(369 270)			(643 506)	(434 674)	(90 410)		
Economic classification											
Current payments	283 290	275 241	91 659	337 497	6.0%	9.8%	377 300	398 973	418 389	7.4%	13.0%
Compensation of employees	–	–	5 444	–	–	0.1%	–	–	–	–	–
Goods and services	283 290	275 241	86 215	337 497	6.0%	9.7%	377 300	398 973	418 389	7.4%	13.0%
of which:											
Administrative fees	–	–	496	–	–	–	–	–	–	–	–
Advertising	–	–	64	–	–	–	–	–	–	–	–
Minor assets	–	–	568	–	–	–	–	–	–	–	–
Catering: Departmental activities	–	–	19	–	–	–	–	–	–	–	–
Communication	–	–	52	–	–	–	–	–	–	–	–

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

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Expenditure/Total: Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Expenditure/Total: Average (%)
R thousand											
Computer services	–	–	147	–	–	–	–	–	–	–	–
Consultants: Business and advisory services	283 290	275 241	83 049	337 497	6.0%	9.7%	377 300	398 973	418 389	7.4%	13.0%
Contractors	–	–	83	–	–	–	–	–	–	–	–
Entertainment	–	–	2	–	–	–	–	–	–	–	–
Consumable supplies	–	–	60	–	–	–	–	–	–	–	–
Consumables: Stationery, printing and office supplies	–	–	24	–	–	–	–	–	–	–	–
Operating leases	–	–	89	–	–	–	–	–	–	–	–
Travel and subsistence	–	–	773	–	–	–	–	–	–	–	–
Training and development	–	–	18	–	–	–	–	–	–	–	–
Operating payments	–	–	42	–	–	–	–	–	–	–	–
Venues and facilities	–	–	729	–	–	–	–	–	–	–	–
Transfers and subsidies	1 699 295	2 162 076	2 800 681	2 437 096	12.8%	90.2%	2 257 418	2 498 047	3 016 134	7.4%	87.0%
Provinces and municipalities	1 056 345	1 149 233	1 398 953	1 435 256	10.8%	50.0%	1 486 540	1 598 289	1 690 990	5.6%	52.9%
Departmental agencies and accounts	98 410	109 638	138 052	1 001 840	116.7%	13.4%	770 878	899 758	1 325 144	9.8%	34.0%
Higher education institutions	9 000	10 000	–	–	-100.0%	0.2%	–	–	–	–	–
Public corporations and private enterprises	535 540	893 205	1 263 676	–	-100.0%	26.7%	–	–	–	–	–
Payments for capital assets	–	–	1 008	–	–	–	–	–	–	–	–
Buildings and other fixed structures	–	–	7	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	1 001	–	–	–	–	–	–	–	–
Total	1 982 585	2 437 317	2 893 348	2 774 593	11.9%	100.0%	2 634 718	2 897 020	3 434 523	7.4%	100.0%
Proportion of total programme expenditure to vote expenditure	9.4%	9.7%	11.1%	9.7%	–	–	9.3%	9.3%	10.6%	–	–
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	98 222	109 310	137 677	1 001 293	116.8%	13.3%	770 171	899 016	1 324 359	9.8%	34.0%
Government Technical Advisory Centre	98 222	109 310	107 677	1 001 293	116.8%	13.1%	770 171	899 016	1 324 359	9.8%	34.0%
Neighbourhood development partnership grant - Indirect	–	–	30 000	–	–	0.3%	–	–	–	–	–
Capital	188	328	375	547	42.8%	–	707	742	785	12.8%	–
Government Technical Advisory Centre	188	328	375	547	42.8%	–	707	742	785	12.8%	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	478 213	523 298	553 563	576 956	6.5%	21.1%	595 735	642 780	680 061	5.6%	21.3%
Local government financial management grant	402 753	424 798	449 138	452 491	4.0%	17.1%	465 264	502 006	531 122	5.5%	16.6%
Infrastructure skills development grant	75 460	98 500	104 425	124 465	18.2%	4.0%	130 471	140 774	148 939	6.2%	4.6%
Capital	578 132	625 935	845 390	858 300	14.1%	28.8%	890 805	955 509	1 010 929	5.6%	31.6%
Integrated city development grant	–	40 000	255 000	251 300	–	5.4%	266 805	292 119	309 062	7.1%	9.5%
Neighbourhood development partnership grant	578 132	585 935	590 390	607 000	1.6%	23.4%	624 000	663 390	701 867	5.0%	22.1%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	535 540	893 205	1 263 676	–	-100.0%	26.7%	–	–	–	–	–
Development Bank of Southern Africa	535 540	893 205	1 164 888	–	-100.0%	25.7%	–	–	–	–	–
Municipal Finance Improvement Programme	–	–	98 788	–	–	1.0%	–	–	–	–	–
Higher education institutions											
Current	9 000	10 000	–	–	-100.0%	0.2%	–	–	–	–	–
University of Cape Town	9 000	10 000	–	–	-100.0%	0.2%	–	–	–	–	–

Programme 9: Revenue Administration

Programme purpose

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

Objectives

- Centralise registration, accreditation and licensing capabilities over the medium term by:
 - improving the South African Revenue Service's registration database

- moving the customs service into the unified trader and traveller master database using online registration and entity level risk assessment.
- Contribute to revenue generation and improved compliance over the medium term by:
 - ensuring that 90 per cent of all annual import declarations are submitted by 10 per cent of traders, as per the South African Revenue Service’s targets
 - increasing annual trader declarations by 50 per cent.
- Manage migration, customs and land borderline control services, and efficiently coordinate other departments in ports of entry by:
 - establishing a border management agency over the medium term
 - achieving a 100 per cent success rate in investigative audits, and seizures of counterfeit cigarettes, counterfeit CDs and DVDs, clothing, drug cases, and medicament on an ongoing basis.
- Manage the South African Revenue Service’s R89.7 billion debtors book efficiently through a quality assurance system intended to provide users with integrated debt management solutions on an ongoing basis.

Subprogramme

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

Expenditure trends and estimates

Table 7.20 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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
South African Revenue Service	9 149 374	9 534 393	9 440 321	9 334 439	0.7%	100.0%	10 009 151	11 078 483	1 037 097	5.7%	100.0%
Total	9 149 374	9 534 393	9 440 321	9 334 439	0.7%	100.0%	10 009 151	11 078 483	1 037 097	5.7%	100.0%
Change to 2015 Budget estimate				(100 000)			(424 396)	(337 128)	(549 422)		
Economic classification											
Transfers and subsidies	9 149 374	9 534 393	9 440 321	9 334 439	0.7%	100.0%	10 009 151	11 078 483	1 037 097	5.7%	100.0%
Departmental agencies and accounts	9 149 374	9 534 393	9 440 321	9 334 439	0.7%	100.0%	10 009 151	11 078 483	1 037 097	5.7%	100.0%
Total	9 149 374	9 534 393	9 440 321	9 334 439	0.7%	100.0%	10 009 151	11 078 483	1 037 097	5.7%	100.0%
Proportion of total programme expenditure to vote expenditure	43.5%	38.0%	36.1%	32.5%	–	–	35.2%	35.6%	34.2%	–	–
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8 299 708	8 676 298	8 596 216	8 390 995	0.4%	90.7%	8 965 796	9 936 922	9 829 325	5.4%	89.5%
South African Revenue Service	8 299 708	8 676 298	8 596 216	8 390 995	0.4%	90.7%	8 965 796	9 936 922	9 829 325	5.4%	89.5%
Capital	849 666	858 095	844 105	943 444	3.6%	9.3%	1 043 355	1 141 561	1 207 772	8.6%	10.5%
South African Revenue Service	849 666	858 095	844 105	943 444	3.6%	9.3%	1 043 355	1 141 561	1 207 772	8.6%	10.5%

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 international organisations as part of a web of nodal points for information exchange on an ongoing basis
- collaborating with the financial action task force, which reports to the G20 summit processes and several standard setting bodies, on an ongoing basis
- processing requests from national and international law enforcement authorities over the medium term.

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average (%)
R thousand											
Financial Intelligence Centre	197 314	241 000	198 080	239 488	6.7%	5.1%	256 372	270 191	285 862	6.1%	5.3%
Secret Services	3 784 807	3 933 554	4 168 170	4 322 574	4.5%	94.9%	4 556 115	4 799 834	5 078 223	5.5%	94.7%
Total	3 982 121	4 174 554	4 366 250	4 562 062	4.6%	100.0%	4 812 487	5 070 025	5 364 085	5.5%	100.0%
Change to 2015 Budget estimate				19 257			19 457	36 343	38 450		
Economic classification											
Transfers and subsidies	3 982 121	4 174 554	4 366 250	4 562 062	4.6%	100.0%	4 812 487	5 070 025	5 364 085	5.5%	100.0%
Departmental agencies and accounts	3 982 121	4 174 554	4 366 250	4 562 062	4.6%	100.0%	4 812 487	5 070 025	5 364 085	5.5%	100.0%
Total	3 982 121	4 174 554	4 366 250	4 562 062	4.6%	100.0%	4 812 487	5 070 025	5 364 085	5.5%	100.0%
Proportion of total programme expenditure to vote expenditure	18.9%	16.6%	16.7%	15.9%	–	–	16.9%	16.3%	16.6%	–	–
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	3 709 958	3 660 309	4 068 085	4 242 027	4.6%	91.8%	4 392 282	4 631 128	4 899 731	4.9%	91.7%
Financial Intelligence Centre	124 814	175 041	186 651	226 664	22.0%	4.2%	239 641	254 941	269 727	6.0%	5.0%
Secret Services	3 585 144	3 485 268	3 881 434	4 015 363	3.8%	87.6%	4 152 641	4 376 187	4 630 004	4.9%	86.7%
Capital	272 163	514 245	298 165	320 035	5.5%	8.2%	420 205	438 897	464 354	13.2%	8.3%
Financial Intelligence Centre	72 500	65 959	11 429	12 824	-43.9%	1.0%	16 731	15 250	16 135	8.0%	0.3%
Secret Services	199 663	448 286	286 736	307 211	15.4%	7.3%	403 474	423 647	448 219	13.4%	8.0%

Entities

Development Bank of Southern Africa

Mandate

The Development Bank of Southern Africa was reconstituted in terms of the Development Bank of Southern Africa Act (1997) as a development finance institution with the primary purpose of promoting economic development and growth. The bank also promotes human 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Cost to income ratio (bank wide)	Administration	Outcome 12: An efficient, effective and development oriented public service	48.9%	28.4%	34%	44%	41%	38%	37%
Total value of disbursements to infrastructure related projects per year	Development finance		R9.2bn	R12.7bn	R13bn	R17.8bn	R22bn	R26.4bn	R31.8bn
Value of bank wide net profit/(loss) per year	Development finance		R825.9m	R787m ²	R1.2bn	R911m	R1.1bn	R1.2bn	R1.5bn
Number of schools completed per year for which the bank has provided financial support as part of the accelerated schools infrastructure delivery initiative	Non-financing development activities		17	32	23	49	– ³	– ³	– ³
Number of houses completed per year for which the bank has provided financial support (Elliotdale housing scheme)	Non-financing development activities		110	770	241	80	80	80	80

1. As the responsibility for the Employment Creation Facilitation Fund has been moved from the bank, the related outputs have been removed and will be reflected in the department's selected performance indicators table.

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

3. This indicator will be phased out from 2015/16.

Expenditure analysis

In line with the national development plan's vision of social development, the Development Bank of Southern Africa 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.

The bank'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. Investment in infrastructure is not just essential for faster economic growth and higher employment, it also provides inclusive growth, proving citizens with the means to improve their lives and boost their income. This is in line with the national development plan's vision of strengthened financial services, and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium term strategic framework.

Over the medium term, the bank will drive investments in sectors such as energy, transport and logistics, water, ICT, health, and education, and aims to disburse R17.8 billion in 2015/16, increasing to R31.8 billion in 2018/19. The bank will actively support infrastructure development in municipalities by aiming to address backlogs and expedite the delivery of essential social services in support of sustainable living conditions and improved quality of life within communities. As such, the bank will seek to increase its annual infrastructure lending support from R6 billion in 2015/16 to R7.5 billion in 2017/18. To complement these funding activities, it will also set aside between R180 million and R197 million per year over the medium term to provide interest subsidies to secondary and under-resourced municipalities to ensure that they can access funding at affordable rates, and provide planning and implementation support for the origination of infrastructure projects in selected under-capacitated municipalities.

In line with the cost containment directive from National Treasury, the bank is trying to curb operational spending without adversely affecting its business. Still, expenditure on interest is expected to increase from R4.1 billion in 2016/17 to R6.7 billion in 2018/19, in line with the funding requirements for growth in planned disbursements. Depreciation is expected to remain constant at R29 million over the medium term. Other operating expenditure, such as auditors' remuneration, communication costs, legal costs, and travel and subsistence, is expected to increase in line with inflation over the medium term.

The number of personnel decreased from 839 in 2012/13 to 549 in 2014/15 as a result of the strategy and organisational reviews undertaken by the bank to streamline operations and improve efficiency. After the implementation of these reviews, the bank reported a profit of R787 million in 2013/14 as opposed to a loss of R825.9 million reported in 2012/13. At the end of October 2015, the bank had 663 funded posts, of which 86 were vacant due to a shortage in the supply of many of the critical business skills required by the bank to deliver on its strategy. Over the medium term, the bank will aim to fill these vacant posts to ensure it is adequately capacitated to deliver on its mandate. Spending on compensation of employees is expected to increase at an average annual rate of 11.8 per cent from R842.5 million in 2016/17 to R1.1 billion in 2018/19.

Revenue is expected to increase from R6.5 billion in 2015/16 to R12.8 billion in 2018/19, driven by an expected increase in the repayment of developmental loan disbursements and the planned effective management of the non-performing loan book, which is expected to affect net loan impairments. National Treasury approved a R7.9 billion recapitalisation between 2013/14 and 2015/16 to support the bank's refocused mandate to drive infrastructure funding by increasing municipal lending, state owned enterprise infrastructure planning, regional lending, and public-private partnerships.

Programmes/objectives/activities

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

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17	2017/18	2018/19			
Administration	1 691 147	1 433 451	1 109 730	1 293 232	-8.6%	26.7%	1 395 698	1 488 964	1 652 537	8.5%	18.6%
Development finance	3 861 854	3 126 322	3 747 920	4 147 885	2.4%	71.5%	5 429 117	7 120 004	9 351 612	31.1%	78.5%
Non-financing development activities	-	88 043	118 093	166 399	-	1.8%	208 408	248 530	343 490	27.3%	2.9%
Total	5 553 001	4 647 816	4 975 743	5 607 516	0.3%	100.0%	7 033 223	8 857 498	11 347 639	26.5%	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									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	4 517 160	4 727 087	4 604 964	5 434 858	5 261 335	6 189 884	5 895 021	6 518 529	112.8%
Sale of goods and services other than capital assets	198 953	188 010	154 043	334 630	163 470	232 928	199 423	358 659	155.6%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>198 953</i>	<i>188 010</i>	<i>154 043</i>	<i>334 630</i>	<i>163 470</i>	<i>232 928</i>	<i>199 423</i>	<i>358 659</i>	<i>155.6%</i>
Other non-tax revenue	4 318 207	4 539 077	4 450 921	5 100 228	5 097 865	5 956 956	5 695 598	6 159 870	111.2%
Transfers received	300 000	-							
Total revenue	4 817 160	4 727 087	4 604 964	5 434 858	5 261 335	6 189 884	5 895 021	6 518 529	111.1%
Expenses									
Current expenses	3 814 736	5 398 393	4 005 988	4 609 947	4 700 576	4 931 676	5 321 516	5 321 516	113.6%
Compensation of employees	608 493	654 307	564 334	561 597	628 241	607 271	772 668	772 668	100.9%
Goods and services	645 479	2 282 800	688 292	1 541 964	1 132 943	1 296 368	1 052 463	1 052 463	175.4%
Depreciation	23 963	19 378	19 647	18 627	23 847	25 108	29 000	29 000	95.5%
Interest, dividends and rent on land	2 536 801	2 441 908	2 733 715	2 487 759	2 915 545	3 002 929	3 467 385	3 467 385	97.8%
Transfers and subsidies	292 010	154 608	79 562	37 869	117 289	44 067	286 000	286 000	67.4%
Total expenses	4 106 746	5 553 001	4 085 550	4 647 816	4 817 865	4 975 743	5 607 516	5 607 516	111.6%
Surplus/(Deficit)	710 414	(825 914)	519 414	787 042	443 470	1 214 141	287 505	911 013	-
Statement of financial position									
Carrying value of assets	792 851	556 797	567 719	544 733	578 352	580 388	521 594	616 055	93.4%
Acquisition of assets	(762 227)	(10 057)	-	-	-	-	(18 515)	-	1.3%
Investments	9 132 475	9 388 142	9 155 809	8 150 867	8 190 298	8 203 599	9 032 401	5 246 283	87.3%
Loans	44 256 421	42 619 769	52 538 200	50 848 978	56 862 588	58 030 609	72 036 423	72 504 941	99.3%
Receivables and prepayments	108 007	148 386	314 857	145 296	305 731	227 880	120 000	146 701	78.7%
Cash and cash equivalents	436 945	1 252 142	5 413 899	4 135 667	796 884	3 901 663	1 195 296	3 108 765	158.1%
Total assets	54 726 700	53 965 236	67 990 484	63 825 541	66 733 853	70 944 139	82 905 714	81 622 745	99.3%
Accumulated surplus/(deficit)	766 350	11 031 631	10 867 757	11 496 416	11 681 090	12 460 565	13 690 881	13 322 523	130.5%
Capital and reserves	17 913 022	5 674 094	5 360 327	6 004 157	5 360 327	6 322 120	6 000 368	6 134 426	69.7%
Capital reserve fund	-	-	7 752 186	2 400 000	5 100 000	4 900 000	8 100 000	7 900 000	72.5%
Borrowings	31 156 120	36 159 187	43 015 217	42 887 154	43 597 439	46 163 476	54 063 110	52 722 367	103.6%
Deferred income	4 000 000	-	-	-	-	-	-	-	-
Trade and other payables	628 420	796 594	994 997	813 665	837 836	811 755	900 000	1 142 017	106.0%
Provisions	262 788	299 430	-	221 049	152 000	283 123	147 055	398 311	213.9%
Derivatives financial instruments	-	4 300	-	3 100	5 161	3 100	4 300	3 100	143.7%
Total equity and liabilities	54 726 700	53 965 236	67 990 484	63 825 541	66 733 853	70 944 139	82 905 714	81 622 745	99.3%

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		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
					2015/16	2012/13 - 2015/16	2016/17		
R thousand									
Revenue									
Non-tax revenue		6 518 529	11.3%	100.0%	8 092 786	10 102 172	12 843 637	25.4%	100.0%
Sale of goods and services other than capital assets		358 659	24.0%	4.8%	411 815	522 996	585 296	17.7%	5.1%
of which:									
Sales by market establishment		358 659	24.0%	4.8%	411 815	522 996	585 296	17.7%	5.1%
Other non-tax revenue		6 159 870	10.7%	95.2%	7 680 971	9 579 176	12 258 341	25.8%	94.9%
Total revenue		6 518 529	11.3%	100.0%	8 092 786	10 102 172	12 843 637	25.4%	100.0%
Expenses									
Current expenses		5 321 516	-0.5%	97.6%	6 739 723	8 554 998	11 034 639	27.5%	168.5%
Compensation of employees		772 668	5.7%	12.5%	842 534	933 119	1 078 578	11.8%	11.5%
Goods and services		1 052 463	-22.7%	29.8%	1 302 515	1 615 951	1 870 675	21.1%	18.1%
Depreciation		29 000	14.4%	0.4%	29 000	29 000	29 000	-	0.4%
Interest, dividends and rent on land		3 467 385	12.4%	54.9%	4 565 674	5 976 928	8 056 386	32.4%	66.5%
Transfers and subsidies		286 000	22.8%	2.4%	193 500	302 500	313 000	3.1%	3.5%
Total expenses		5 607 516	0.3%	100.0%	6 933 223	8 857 498	11 347 639	26.5%	100.0%
Surplus/(Deficit)		911 013	(2)	-	1 159 563	1 244 674	1 495 998	18.0%	-
Statement of financial position									
Carrying value of assets		616 055	3.4%	0.9%	612 055	608 055	604 055	-0.7%	0.6%
Investments		5 246 283	-17.6%	12.0%	5 057 226	5 328 590	6 558 978	7.7%	5.2%
Loans		72 504 941	19.4%	82.3%	87 063 900	104 096 144	123 885 750	19.6%	89.5%
Receivables and prepayments		146 701	-0.4%	0.3%	151 921	157 401	157 401	2.4%	0.1%
Cash and cash equivalents		3 108 765	35.4%	4.5%	4 276 574	5 447 525	7 046 148	31.4%	4.5%
Total assets		81 622 745	14.8%	100.0%	97 161 676	115 637 715	138 252 332	19.2%	100.0%
Accumulated surplus/(deficit)		13 322 523	6.5%	18.1%	14 382 073	15 626 749	18 784 543	12.1%	14.6%
Capital and reserves		6 134 426	2.6%	9.1%	6 134 429	6 134 429	4 472 632	-10.0%	5.6%
Capital reserve fund		7 900 000	-	5.1%	7 900 000	7 900 000	7 900 000	-	7.6%
Borrowings		52 722 367	13.4%	66.0%	67 072 152	84 163 037	105 281 657	25.9%	70.6%
Trade and other payables		1 142 017	12.8%	1.3%	1 238 099	1 342 251	1 342 251	5.5%	1.2%
Provisions		398 311	10.0%	0.4%	431 823	468 149	468 149	5.5%	0.4%
Derivatives financial instruments		3 100	-10.3%	0.0%	3 100	3 100	3 100	-	0.0%
Total equity and liabilities		81 622 745	14.8%	100.0%	97 161 676	115 637 715	138 252 332	39.1%	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 2016		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 (%)			
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19		
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	663	663	549 607.3	1.1	663	772.7	1.2	663	842.5	1.3	663	933.1	1.4	663	1 078.6	1.6	11.8%	100.0%
1 - 6	19	19	19 3.3	0.2	19	3.5	0.2	19	3.7	0.2	19	4.0	0.2	19	4.2	0.2	6.0%	2.9%
7 - 10	168	168	168 75.3	0.4	168	79.8	0.5	168	84.6	0.5	168	89.7	0.5	168	95.1	0.6	6.0%	25.3%
11 - 12	253	253	139 128.7	0.9	253	335.8	1.3	253	379.5	1.5	253	442.3	1.7	253	558.3	2.2	18.5%	38.2%
13 - 16	215	215	215 377.7	1.8	215	329.9	1.5	215	349.7	1.6	215	370.7	1.7	215	392.9	1.8	6.0%	32.4%
17 - 22	8	8	8 22.2	2.8	8	23.6	2.9	8	25.0	3.1	8	26.5	3.3	8	28.1	3.5	6.0%	1.2%

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; the growth of the agricultural sectors and better use of land; rural development and job creation; and commercial agriculture and food security.

Selected performance indicators

Table 7.27 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Cost to income ratio	Administration	Outcome 7: Comprehensive rural development and land reform	67.7%	59.5% ¹	55%	67%	62%	60%	61%
Capital adequacy ratio	Administration		24.4%	26%	37%	34%	32%	27%	26%
Value of development loan book disbursements	Administration		R654.6m	R819.3m	R769.1m	R700m	R735m	R772m	R811m
Value of business and corporate banking loans	Business and corporate banking		R22.6m	R24.6m	R31.5m	R34.4m	R36.1m	R37.9m	R39.8m
Value of development loan book disbursements	Business and corporate banking		R373.7m	R595.9m	R456.9m	R370m	R388.4m	R408m	R428.6m
Value of retail commercial banking loans	Retail commercial banking		R4.5m	R4.9m	R5.7m	R5.8m	R6.1m	R6.4m	R6.8m
Value of development loan book disbursements	Retail commercial banking		R171m ²	R134.4m	R107.7m	R130m	R136.5m	R143.4m	R150.6m
Value of retail emerging markets loans	Retail emerging markets		R247.5m	R391.2m	R489m	R504m	R529m	R556m	R583m

1. The percentage excludes discontinued operations.

2. The 2012/13 figure was restated to reflect the actual outcome. Projections are subject to revision.

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 will focus on playing a pivotal role in advancing agriculture and rural development over the medium term. The bank is implementing significant changes that will enhance operating efficiencies, and mitigate lending and enterprise risks. This includes a number of executive appointments to improve operational performance and accountability, and a redesign of the organisational structure to improve operational efficiency and provide a clear vision of the strategic initiatives earmarked for the near future. This is in line with the national development plan's vision of creating more jobs through agricultural development, and outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium term strategic framework.

In building a sustainable institution while making a developmental impact through disbursing funds to deserving projects, total expenditure over the medium term is expected to increase from R3.6 billion in 2016/17 to R4.3 billion in 2018/19 at an average annual rate of 10.7 per cent. This expenditure will support the bank's income generating divisions in areas such as compensation of employees, which is expected to increase from R351.8 million in 2015/16 to R493.5 million in 2018/19 at an average annual rate of 11.9 per cent, driven mainly by the organisational redesign and salary increases in line with inflation. The number of personnel in the bank is expected to remain constant over the medium term at 546.

Consulting costs are expected to increase from R28 million in 2016/17 to R31 million in 2018/19 due to the implementation of the organisational redesign. Previously, the bank was understaffed in certain critical areas and had to rely heavily on consultants, but this has since changed following the successful recruitment of key personnel. With the new structure in place, the use of consultants is limited mainly to specialised areas in which the bank does not have capacity such as actuarial valuations, law, technical accounting, and the organisational review process on an ad hoc basis.

The bank derives more than 90 per cent of its revenue from interest income, which means that a stable and high quality loan book plays a significant role in its sustainability. The diversification of revenue streams is paramount for the future sustainability of the bank because of the potentially adverse impact of fluctuations in interest rates. The main drivers of these income streams are loans to corporate clients, commercial farming, subsistence farming, and investments.

Programmes/objectives/activities

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

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	508 731	415 142	352 907	477 068	-2.1%	18.3%	419 613	445 949	474 772	-0.2%	12.2%
Business & Corporate Banking	1 055 365	1 336 555	1 766 514	2 163 084	27.0%	62.6%	2 562 936	2 880 379	3 083 447	12.5%	70.7%
Retail commercial banking	394 210	425 763	464 184	479 568	6.8%	18.1%	578 954	641 196	670 310	11.8%	15.7%
Retail emerging markets	18 000	20 806	29 154	42 517	33.2%	1.1%	49 503	55 024	57 245	10.4%	1.4%
Total	1 976 306	2 198 266	2 612 759	3 162 237	17.0%	100.0%	3 611 005	4 022 549	4 285 773	10.7%	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									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	1 798 992	2 280 896	2 247 525	2 592 608	2 641 788	2 905 117	3 375 614	3 268 762	109.8%
Sale of goods and services other than capital assets	68 157	21 753	37 344	24 377	38 236	(116 785)	33 034	(178 776)	-141.1%
<i>of which:</i>									
Administrative fees	54 590	-	26 563	-	26 867	(164 156)	22 369	(194 567)	-275.1%
Sales by market establishment	13 567	21 753	10 781	24 377	11 370	47 371	10 665	15 790	235.6%
Other non-tax revenue	1 730 835	2 259 143	2 210 181	2 568 231	2 603 551	3 021 902	3 342 580	3 447 538	114.3%
Total revenue	1 798 992	2 280 896	2 247 525	2 592 608	2 641 788	2 905 117	3 375 614	3 268 762	109.8%
Expenses									
Current expenses	1 729 123	1 952 948	1 967 226	2 170 808	2 454 783	2 574 496	3 116 009	3 116 009	105.9%
Compensation of employees	388 948	359 834	393 715	381 349	399 021	343 561	351 781	351 781	93.7%
Goods and services	218 374	325 509	205 931	213 185	201 935	165 990	264 847	264 847	108.8%
Depreciation	22 347	25 042	25 271	16 108	26 847	18 163	12 104	12 104	82.5%
Interest, dividends and rent on land	1 099 454	1 242 564	1 342 309	1 560 166	1 826 979	2 046 782	2 487 277	2 487 277	108.6%
Total expenses	1 757 480	1 976 306	1 994 684	2 198 266	2 482 919	2 612 759	3 162 236	3 162 236	105.9%
Surplus/(Deficit)	41 511	304 590	252 841	394 342	158 869	292 358	213 378	106 526	-
Statement of financial position									
Carrying value of assets	326 918	227 494	144 632	218 168	227 363	224 292	207 161	213 897	97.5%
Acquisition of assets	(94 885)	(11 820)	(12 777)	(5 213)	(6 452)	(5 903)	(8 514)	(5 849)	23.5%
Investments	1 239 991	1 326 163	332 139	1 372 659	1 428 131	1 637 693	806 050	440 496	125.5%
Inventory	276 086	143 873	181 409	-	183 511	240	-	-	22.5%
Receivables and prepayments	19 036 027	27 129 258	28 355 412	33 706 851	33 147 816	37 027 559	36 716 602	40 068 359	117.6%
Cash and cash equivalents	1 300 000	1 891 383	2 000 000	1 474 854	2 898 793	1 605 673	1 365 134	1 400 000	84.2%
Non-current assets held for sale	129 900	52 332	136 076	52 567	-	53 092	41 581	53 593	68.8%
Total assets	22 308 921	30 782 006	31 149 668	36 825 099	37 885 614	40 548 549	39 136 528	42 176 344	115.2%
Accumulated surplus/(deficit)	4 797 908	5 995 615	6 155 974	2 790 615	6 879 144	3 085 332	6 641 453	1 922 954	56.4%
Capital and reserves	122 930	135 449	112 242	137 135	135 449	134 775	137 135	134 775	106.8%
Capital reserve fund	-	-	-	3 897 655	-	4 397 655	-	4 397 655	-
Borrowings	15 957 958	23 003 501	24 000 886	4 214 723	29 824 542	6 373 522	-	6 940 185	58.1%
Finance lease	619 437	-	-	-	-	-	-	-	-
Trade and other payables	205 747	935 280	185 783	253 714	207 080	647 720	227 093	365 379	266.7%
Provisions	604 941	712 161	685 825	1 017 571	791 662	495 683	606 372	742 012	110.4%
Derivatives financial instruments	-	-	8 957	24 513 686	47 737	25 413 862	31 524 475	27 673 383	245.7%
Total equity and liabilities	22 308 921	30 782 006	31 149 667	36 825 099	37 885 614	40 548 549	39 136 528	42 176 344	115.2%

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		Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
Revised estimate	2012/13 - 2015/16			2016/17	2017/18	2018/19		
R thousand	2015/16							
Revenue								
Non-tax revenue	3 268 762	12.7%	100.0%	3 794 322	4 262 205	4 525 999	11.5%	100.0%
Sale of goods and services other than capital assets	(178 776)	-301.8%	-1.9%	(223 902)	(240 387)	(250 406)	11.9%	-5.6%
of which:								
Administrative fees	(194 567)	-	-2.9%	(240 561)	(257 970)	(269 043)	11.4%	-6.1%
Sales by market establishment	15 790	-10.1%	1.0%	16 659	17 582	18 637	5.7%	0.4%
Other non-tax revenue	3 447 538	15.1%	101.9%	4 018 224	4 502 593	4 776 405	11.5%	105.6%
Total revenue	3 268 762	12.7%	100.0%	3 794 322	4 262 205	4 525 999	11.5%	100.0%
Expenses								
Current expenses	3 116 009	16.9%	98.7%	3 562 193	3 970 990	4 231 089	10.7%	165.3%
Compensation of employees	351 781	-0.8%	15.0%	431 360	461 193	493 478	11.9%	11.5%
Goods and services	264 847	-6.6%	10.2%	161 884	172 459	196 057	-9.5%	5.4%
Depreciation	12 104	-21.5%	0.8%	12 770	13 478	-	-100.0%	0.3%
Interest, dividends and rent on land	2 487 277	26.0%	72.7%	2 956 179	3 323 860	3 541 554	12.5%	81.4%
Total expenses	3 162 236	17.0%	100.0%	3 611 005	4 022 549	4 285 772	10.7%	100.0%
Surplus/(Deficit)	106 526	-	-	183 318	239 657	240 227	31.1%	-
Statement of financial position								
Carrying value of assets	213 897	-2.0%	0.6%	216 783	219 920	223 319	1.4%	0.5%
of which:								
Acquisition of assets	(5 849)	-20.9%	-0.0%	(4 521)	(4 747)	(4 984)	-5.2%	-0.0%
Investments	440 496	-30.7%	3.3%	491 195	544 727	601 495	10.9%	1.1%
Receivables and prepayments	40 068 359	13.9%	91.5%	41 990 260	44 114 099	46 312 719	4.9%	94.4%
Cash and cash equivalents	1 400 000	-9.5%	4.4%	1 780 272	1 876 805	2 021 247	13.0%	3.9%
Non-current assets held for sale	53 593	0.8%	0.1%	53 057	52 526	52 001	-1.0%	0.1%
Total assets	42 176 344	11.1%	100.0%	44 531 568	46 808 077	49 210 781	5.3%	100.0%
Accumulated surplus/(deficit)	1 922 954	-31.5%	9.8%	2 055 706	2 241 443	2 423 437	8.0%	4.7%
Capital and reserves	134 775	-0.2%	0.4%	134 775	134 775	134 775	-	0.3%
Capital reserve fund	4 397 655	-	8.0%	4 397 655	4 397 655	4 397 655	-	9.7%
Borrowings	6 940 185	-32.9%	29.6%	7 297 611	7 684 716	8 211 474	5.8%	16.5%
Trade and other payables	365 379	-26.9%	1.5%	385 484	406 839	431 250	5.7%	0.9%
Provisions	742 012	1.4%	2.0%	781 477	823 708	869 654	5.4%	1.8%
Derivatives financial instruments	27 673 383	-	48.7%	29 478 860	31 118 940	32 742 536	5.8%	66.2%
Total equity and liabilities	42 176 344	11.1%	100.0%	44 531 567	46 808 077	49 210 781	30.7%	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 2016		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 (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
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	546	546	542	343.6	0.6	546	351.8	0.6	546	431.4	0.8	546	461.2	0.8	546	493.5	0.9	11.9%	100.0%
1 - 6	44	44	44	6.1	0.1	44	6.1	0.1	44	7.0	0.2	44	7.5	0.2	44	8.0	0.2	9.3%	8.1%
7 - 10	382	382	382	205.1	0.5	382	203.4	0.5	382	244.7	0.6	382	261.7	0.7	382	280.0	0.7	11.2%	70.0%
11 - 12	84	84	84	74.6	0.9	84	72.8	0.9	84	91.3	1.1	84	97.6	1.2	84	104.4	1.2	12.8%	15.4%
13 - 16	26	26	26	37.9	1.5	26	36.6	1.4	26	46.9	1.8	26	50.2	1.9	26	53.7	2.1	13.6%	4.8%
17 - 22	10	10	6	19.9	3.3	10	32.8	3.3	10	41.4	4.1	10	44.3	4.4	10	47.4	4.7	13.0%	1.8%

1. Rand million.

South African Revenue Service

Mandate

The mandate of the South African Revenue Service, 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 by 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Customs revenue collected per year	Operations	Outcome 12: An efficient, effective and development oriented public service	R151.1bn	R180.2bn	R202.2bn	R182.6bn	- 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		23.8% (20.7m)	20% (20.7m)	21% (20.7m)	30% (20.7m)	35% (20.7m)	35% (20.7m)	30% (20.7m)
Revenue collected (excluding customs revenue) per year	Operations		R672bn	R714.8bn	R791.5bn	R898.7bn	- ¹	- ¹	- ¹
Percentage of compliance of personal income tax filing per year (number of personal income tax returns submitted in tax year versus the total number of personal income tax returns required in tax year)	Large business centre		86.2% (4.89m)	84% (4.89m)	91.6% (4.89m)	92% (4.89m)	92.3% (4.89m)	92.5% (4.89m)	92.5% (4.89m)

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

Expenditure analysis

The focus of the South African Revenue Service 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. Further focus will be on 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.

The modernisation programme continues to enable the organisation to increase its revenue collection capability and build resilience in its key processes and systems, and has resulted in major efficiency and productivity gains over the past three years. Some of these gains include greater compliance, the combatting of illicit trade activities, improved turnaround times, and an improved experience for taxpayers and traders. The organisation will continue to modernise its systems over the medium term, with an emphasis on ensuring that the modernised infrastructure does not become obsolete and keeps up with the evolving legislative, tax, and customs compliance environment. Capital expenditure is expected to increase from R330 million in 2016/17 to R599 million in 2017/18 before decreasing to R259 million in 2018/19 as the modernisation programme is finalised.

The organisation's Footprint initiative will make its services more accessible to the majority of taxpayers, traders, and the general South African public. It seeks to provide funding for the acquisition of additional mobile units, new branch offices and the associated infrastructure requirements, and the renovation of the existing branch network where appropriate. Planned routine and preventative maintenance activities will be undertaken to ensure that the buildings within the portfolio are compliant with the applicable legislation, and are functional to support business imperatives. The expansion has been necessary for the service to deliver on its mandate.

As the service's work is labour intensive, the biggest contributor to its operational costs is compensation of employees, which accounts for more than 66.1 per cent of expected total expenditure over the medium term, increasing from R7.1 billion in 2016/17 to R7.7 billion 2018/19. In 2015/16, the number of personnel in the service increased from 14 038 to 15 048 as a result of the approved graduate recruitment plan, and the expansion of the Footprint initiative in all 9 provinces. The number of personnel in the agency is expected to remain fairly constant at 14 116 over the medium term. Expenditure on compensation of employees is expected to grow steadily at an average annual rate of 4.8 per cent over the medium term.

Total spending grew by 9.5 per cent in 2014/15 and 12.7 per cent in 2015/16. The increase in expenditure was mainly a result of planned spending on capital expenditure, including R223 million for the replacement of obsolete technology. Over the medium term, revenue is expected to increase from R10.4 billion in 2016/17 to R11.4 billion in 2018/19 at an average annual rate of 5.2 per cent due to inflationary adjustments.

Programmes/objectives/activities

Table 7.33 South African Revenue Service 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 (%)
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17		
Administration	2 693 370	2 709 589	3 245 815	4 103 337	15.1%	33.6%	4 166 259	4 356 561	4 236 597	1.1%	38.4%
Tax and customs enforcement investigations	333 402	390 276	841 129	865 915	37.5%	6.3%	897 203	957 221	1 012 773	5.4%	8.5%
Operations	5 210 628	5 107 528	4 952 382	4 722 830	-3.2%	53.6%	5 034 501	5 389 539	5 672 021	6.3%	47.3%
Large Business Centre	323 652	340 367	344 872	337 739	1.4%	3.6%	391 471	418 028	442 384	9.4%	3.6%
Modernisation and impactful initiatives	136 217	141 243	115 702	659 806	69.2%	2.6%	11 337	82 211	-	-100.0%	1.7%
African Tax Administration Forum	-	8 019	12 606	14 820	-	0.1%	15 713	16 648	17 615	5.9%	0.1%
Tax Ombud	-	2 353	11 039	28 465	-	0.1%	29 414	31 318	33 135	5.2%	0.3%
Tax Committee	-	2 475	4 225	3 568	-	0.0%	3 776	3 997	4 226	5.8%	0.0%
Advisory Committee	-	-	-	3 496	-	0.0%	3 699	3 913	4 140	5.8%	0.0%
Total	8 697 269	8 701 851	9 527 769	10 739 977	7.3%	100.0%	10 553 372	11 259 435	11 422 892	2.1%	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 (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16	
Revenue									
Non-tax revenue	298 000	434 988	310 000	479 999	310 000	525 532	360 308	473 870	149.8%
Sale of goods and services other than capital assets	238 000	234 014	250 000	339 822	250 000	305 716	265 856	297 447	117.2%
of which:									
Administrative fees	238 000	234 014	250 000	339 822	250 000	305 716	265 856	297 447	117.2%
Other non-tax revenue	60 000	200 974	60 000	140 177	60 000	219 816	94 452	176 423	268.7%
Transfers received	9 194 374	9 149 374	9 534 393	9 534 393	9 440 321	9 440 321	9 434 439	9 334 439	99.6%
Total revenue	9 492 374	9 584 362	9 844 393	10 014 392	9 750 321	9 965 853	9 794 747	9 808 309	101.3%
Expenses									
Current expenses	9 351 583	8 697 202	9 568 929	8 701 851	9 693 113	9 527 769	10 964 824	10 739 977	95.2%
Compensation of employees	6 002 823	5 821 216	6 253 806	5 841 936	6 442 508	6 467 533	7 104 139	6 718 790	96.3%
Goods and services	2 732 799	2 354 319	2 775 753	2 290 383	2 685 305	2 423 844	3 185 514	3 383 095	91.8%
Depreciation	599 186	506 180	526 591	562 976	558 324	629 697	670 421	633 275	99.0%
Interest, dividends and rent on land	16 775	15 487	12 779	6 556	6 976	6 696	4 749	4 816	81.3%
Transfers and subsidies	-	66	-	-	-	-	-	-	-
Total expenses	9 351 583	8 697 268	9 568 929	8 701 851	9 693 113	9 527 769	10 964 824	10 739 977	95.2%
Surplus/(Deficit)	140 791	887 094	275 464	1 312 541	57 208	438 084	(1 170 076)	(931 668)	-
Statement of financial position									
Carrying value of assets	2 207 917	2 612 584	2 641 313	2 749 234	3 751 803	2 712 920	3 413 921	3 830 034	99.1%
Acquisition of assets	(733 914)	(1 284 818)	(1 284 081)	(652 259)	(756 827)	(534 806)	(874 904)	(1 750 389)	115.7%
Loans	-	66 559	75 218	74 699	56 559	81 017	71 554	71 017	144.2%
Accrued investment interest	-	-	-	-	-	31 014	-	41 269	-
Receivables and prepayments	212 037	149 788	142 071	111 742	155 478	138 705	140 212	131 450	81.8%
Cash and cash equivalents	1 839 999	1 732 375	1 509 519	2 901 681	1 684 019	3 415 120	1 983 607	1 228 613	132.2%
Total assets	4 259 953	4 561 306	4 368 121	5 837 356	5 647 859	6 378 776	5 609 294	5 302 382	111.0%
Accumulated surplus/(deficit)	2 593 573	2 864 634	2 564 444	4 177 175	3 790 154	4 615 258	3 900 895	3 683 590	119.4%
Capital and reserves	102 598	92 618	77 142	124 482	93 468	190 151	151 993	397 573	189.3%
Finance lease	394 641	28 795	132 616	23 312	7 279	21 579	20 277	12 326	15.5%
Deferred income	481	606	244	110	606	393	127	-	76.1%
Trade and other payables	708 417	874 414	926 105	841 446	953 476	840 894	927 663	591 006	89.5%
Provisions	460 243	399 000	466 166	670 831	802 876	710 501	608 340	617 887	102.6%
Total equity and liabilities	4 259 953	4 561 306	4 368 121	5 837 356	5 647 859	6 378 776	5 609 294	5 302 382	111.0%

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		Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
Revised estimate	2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
R thousand								
Revenue								
Non-tax revenue	473 870	2.9%	4.9%	367 766	368 753	374 396	-7.6%	3.7%
Sale of goods and services other than capital assets	297 447	8.3%	3.0%	300 422	303 426	306 460	1.0%	2.8%
of which:								
Administrative fees	297 447	8.3%	3.0%	300 422	303 426	306 460	1.0%	2.8%
Other non-tax revenue	176 423	-4.3%	1.9%	67 344	65 327	67 936	-27.2%	0.9%
Transfers received	9 334 439	0.7%	95.1%	10 009 151	11 078 483	11 037 097	5.7%	96.3%
Total revenue	9 808 309	0.8%	100.0%	10 376 917	11 447 236	11 411 493	5.2%	100.0%
Expenses								
Current expenses	10 739 977	7.3%	100.0%	10 553 372	11 259 435	11 422 892	2.1%	118.0%
Compensation of employees	6 718 790	4.9%	66.1%	7 073 862	7 557 570	7 733 362	4.8%	66.1%
Goods and services	3 383 095	12.8%	27.6%	2 946 031	3 251 040	3 367 961	-0.1%	29.4%
Depreciation	633 275	7.8%	6.2%	530 709	448 599	320 035	-20.3%	4.4%
Interest, dividends and rent on land	4 816	-32.3%	0.1%	2 771	2 226	1 534	-31.7%	0.0%
Total expenses	10 739 977	7.3%	100.0%	10 553 372	11 259 435	11 422 892	2.1%	100.0%
Surplus/(Deficit)	(931 668)	(2)	-	(176 456)	187 800	(11 399)	-77.0%	-
Statement of financial position								
Carrying value of assets	3 830 034	13.6%	54.8%	3 653 578	3 841 379	3 829 981	-0.0%	72.7%
of which:								
Acquisition of assets	(1 750 389)	10.9%	-20.2%	(354 253)	(636 400)	(308 637)	-43.9%	-14.5%
Loans	71 017	2.2%	1.3%	61 017	51 017	41 017	-16.7%	1.1%
Accrued investment interest	41 269	-	0.3%	42 510	41 190	40 295	-0.8%	0.8%
Receivables and prepayments	131 450	-4.3%	2.5%	133 711	135 971	139 233	1.9%	2.6%
Cash and cash equivalents	1 228 613	-10.8%	41.1%	1 167 122	1 259 401	1 105 742	-3.5%	22.8%
Total assets	5 302 382	5.1%	100.0%	5 057 938	5 328 958	5 156 268	-0.9%	100.0%
Accumulated surplus/(deficit)	3 683 590	8.7%	69.0%	3 507 134	3 694 935	3 683 538	-0.0%	69.9%
Capital and reserves	397 573	62.5%	3.7%	397 573	397 573	397 573	-	7.6%
Finance lease	12 326	-24.6%	0.4%	7 232	3 376	846	-59.1%	0.1%
Trade and other payables	591 006	-12.2%	14.5%	496 952	551 533	620 873	1.7%	10.8%
Provisions	617 887	15.7%	10.8%	649 047	681 541	453 438	-9.8%	11.5%
Total equity and liabilities	5 302 382	5.1%	100.0%	5 057 938	5 328 958	5 156 268	-67.2%	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 2016		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 (%)						
		2014/15	2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19											
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
South African Revenue Service																			
Salary level	15 048	15 048	14 038	6 467.5	0.5	15 048	6 718.8	0.4	14 116	7 073.9	0.5	14 116	7 557.6	0.5	14 116	7 733.4	0.5	4.8%	100.0%
1 – 6	668	668	578	86.3	0.1	668	93.5	0.1	541	93.4	0.2	541	99.8	0.2	541	102.1	0.2	3.0%	4.0%
7 – 10	9 905	9 905	9 421	2 972.5	0.3	9 905	2 980.6	0.3	9 371	3 112.5	0.3	9 371	3 325.3	0.4	9 371	3 402.7	0.4	4.5%	66.2%
11 – 12	2 579	2 579	2 340	1 493.2	0.6	2 579	1 646.7	0.6	2 373	1 677.8	0.7	2 373	1 792.5	0.8	2 373	1 834.2	0.8	3.7%	16.9%
13 – 16	1 857	1 857	1 657	1 817.4	1.1	1 857	1 903.8	1.0	1 772	2 028.7	1.1	1 772	2 167.4	1.2	1 772	2 217.8	1.3	5.2%	12.5%
17 – 22	39	39	42	98.2	2.3	39	94.2	2.4	59	161.5	2.7	59	172.5	2.9	59	176.5	3.0	23.3%	0.4%

1. Rand million.

Accounting Standards Board

Mandate

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

Selected performance indicators

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

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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		20	27	13	12	12	12	12

1. 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. This is done through the development of a comprehensive reporting framework with a standard of generally recognised accounting practice for each material item of revenue, expenses, assets and liabilities. This 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 (including discussion and consultation papers) relating to the setting of standards for generally recognised accounting practice for all spheres of government in each year over the medium term. The board will also perform post-implementation reviews of selected standards by embarking on road shows to create awareness and assess whether stakeholders understand what needs to be implemented for decision making and accountability purposes. 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.

In engagements with stakeholders, especially with local municipalities, and during the post-implementation reviews, it became clear that it was necessary for the standards to be translated. The translation of the standards is a compliance matter in terms of the Use of Official Languages Act (2012). The board has thus been allocated R5.7 million over the medium term (R2 million in 2016/17, R1.7 million in 2017/18, and R2 million in 2018/19) for the translation and post-implementation review of the standards. Spending on goods and services over the medium term, mainly on travel for post-implementation reviews and other administrative items such as stationery, is expected to increase from R3 million in 2016/17 to R3.5 million in 2018/19, at an average annual rate of 9.5 per cent. This is due to additional funding allocated for the translation of the standards into isiZulu, Sesotho and Afrikaans, and post-implementation reviews.

The board's expenditure over the medium term is expected to increase from R12.7 million in 2016/17 to R14.5 million in 2018/19, mainly due to inflationary adjustments. The board's largest cost driver, compensation of employees, is expected to account for 75.7 per cent of total expenditure over the medium term, increasing from R9.6 million in 2016/17 to R11 million in 2018/19. The board plans to retain its current number of 7 personnel over the medium term to maintain its ability to meet its core objectives.

Revenue over the medium term is expected to increase from R12.6 million in 2016/17 to R14.4 million in 2018/19, at an average annual rate of 8.2 per cent, mainly due to inflationary adjustments.

Programmes/objectives/activities

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

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	9 265	10 019	11 992	11 526	7.6%	100.0%	12 715	13 628	14 518	8.0%	100.0%
Total	9 265	10 019	11 992	11 526	7.6%	100.0%	12 715	13 628	14 518	8.0%	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	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	63	143	110	219	110	333	150	115	187.1%
Other non-tax revenue	63	143	110	219	110	333	150	115	187.1%
Transfers received	9 469	9 096	9 830	9 951	10 250	11 499	10 612	11 274	104.1%
Total revenue	9 532	9 239	9 940	10 170	10 360	11 832	10 762	11 389	105.0%
Expenses									
Current expenses	9 598	9 265	10 040	10 019	10 414	11 992	10 426	11 526	105.7%
Compensation of employees	7 063	6 275	7 164	6 675	7 470	7 650	8 689	8 767	96.6%
Goods and services	2 469	2 906	2 850	3 278	2 890	4 258	1 661	2 683	133.0%
Depreciation	66	84	26	66	54	84	76	76	139.8%
Total expenses	9 598	9 265	10 040	10 019	10 414	11 992	10 426	11 526	105.7%
Surplus/(Deficit)	(66)	(26)	(100)	151	(54)	(160)	336	(137)	-
Statement of financial position									
Carrying value of assets	50	207	14	282	96	198	120	122	288.9%
Acquisition of assets	-	(58)	-	(141)	-	-	-	-	-
Receivables and prepayments	51	98	62	99	99	90	97	55	110.7%
Cash and cash equivalents	369	1 819	-	2 736	-	908	-	394	1 587.3%
Total assets	470	2 124	76	3 117	195	1 196	217	571	731.5%
Accumulated surplus/(deficit)	243	207	-	358	96	198	120	137	196.1%
Capital reserve fund	-	1 139	-	1 250	-	-	-	-	-
Trade and other payables	112	520	76	1 259	-	679	97	97	896.5%
Provisions	115	258	-	250	-	319	-	337	1 012.2%
Total equity and liabilities	470	2 124	76	3 117	96	1 196	217	571	815.8%

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 (%)	
	2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19	
Revenue									
Non-tax revenue	115	-7.0%	1.9%	60	49	25	-39.9%	0.5%	
Other non-tax revenue	115	-7.0%	1.9%	60	49	25	-39.9%	0.5%	
Transfers received	11 274	7.4%	98.1%	12 517	13 463	14 414	8.5%	99.5%	
Total revenue	11 389	7.2%	100.0%	12 577	13 512	14 439	8.2%	100.0%	
Expenses									
Current expenses	11 526	7.6%	100.0%	12 715	13 628	14 518	8.0%	124.7%	
Compensation of employees	8 767	11.8%	68.6%	9 634	10 287	10 985	7.8%	75.7%	
Goods and services	2 683	-2.6%	30.7%	3 035	3 319	3 518	9.5%	23.9%	
Depreciation	76	-3.3%	0.7%	46	22	15	-41.8%	0.3%	
Total expenses	11 526	7.6%	100.0%	12 715	13 628	14 518	8.0%	100.0%	
Surplus/(Deficit)	(137)	1	-	(138)	(116)	(79)	-16.8%	-	
Statement of financial position									
Carrying value of assets	122	-16.2%	14.2%	77	55	40	-31.0%	13.0%	
Receivables and prepayments	55	-17.5%	6.2%	55	55	55	-	9.9%	
Cash and cash equivalents	394	-39.9%	79.6%	460	481	384	-0.9%	77.1%	
Total assets	571	-35.5%	100.0%	592	591	479	-5.7%	100.0%	
Accumulated surplus/(deficit)	137	-12.9%	15.4%	138	116	79	-16.8%	20.9%	
Trade and other payables	97	-42.9%	34.7%	97	97	-	-100.0%	12.4%	
Provisions	337	9.3%	26.5%	357	378	400	5.9%	66.7%	
Total equity and liabilities	571	-35.5%	100.0%	592	591	479	-110.9%	100.0%	

Personnel information

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

Number of posts estimated for 31 March 2016		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 (%)
		2014/15			2015/16			2016/17			2017/18			2018/19				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Accounting Standards Board		7	7.7	1.1	7	8.8	1.3	7	9.6	1.4	7	10.3	1.5	7	11.0	1.6	7.8%	100.0%
Salary level		7	7.7	1.1	7	8.8	1.3	7	9.6	1.4	7	10.3	1.5	7	11.0	1.6	7.8%	100.0%
1 – 6	1	1	0.1	0.1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	7.0%	14.3%
7 – 10	1	1	0.5	0.5	1	0.5	0.5	1	0.5	0.5	1	0.6	0.6	1	0.6	0.6	6.9%	14.3%
11 – 12	2	2	1.5	0.8	2	2.2	1.1	2	2.4	1.2	2	2.5	1.3	2	2.7	1.4	7.1%	28.6%
13 – 16	2	2	3.2	1.6	2	3.5	1.8	2	4.0	2.0	2	4.2	2.1	2	4.5	2.3	8.5%	28.6%
17 – 22	1	1	2.3	2.3	1	2.4	2.4	1	2.6	2.6	1	2.8	2.8	1	2.9	2.9	7.6%	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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of on-site inspections conducted on cooperative financial institutions per year ¹	Supervision unit	Outcome 5: A skilled and capable workforce to support an inclusive growth path	-2	18	19	16	16	16	16
Number of off-site reports of cooperative financial institutions processed per year ¹	Supervision unit		-2	70	60	60	60	60	70
Number of cooperative financial institutions using the banking platform per year	Capacity building and information		-2	-4	-4	10	15	20	20
Number of cooperative financial institutions managers and board members trained per year	Capacity building and information		29	386 ³	300	100	120	120	120
Number of cooperative financial institutions provided with direct technical assistance per year	Capacity building and information		-2	2	1	15	15	15	15
Number of organised groups assisted with the establishment of a cooperative financial institution per year	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 onwards.

2. No historical data is available as these are new indicators.

3. The increase is due to the grant received from the Banking Sector Education and Training Authority in 2013/14 to train more board members and managers. The target was restated as per the agency's 2013/14 audited annual report.

4. Achievement has been restated to zero due to the banking platform not yet being functional because of funding difficulties.

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 to providing South Africans with access to affordable financial services. The objectives of the agency are in line with outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium term strategic framework, and seek to strengthen the regulation of financial institutions to ensure that savings are protected and expand opportunities for historically excluded and vulnerable groups, small business, and cooperatives. In

doing this, the agency contributes to developing capacity and stability in the cooperative financial institutions sector, and ensures sustainable growth.

The agency's focus over the medium term will be on viability and growth. The agency will ensure a strong network within the cooperative financial institutions sector; collaborate with the sector to build an integrated national cooperative banking system consisting of primary financial cooperatives; assist cooperative financial institutions to improve their operational capabilities and service offering to the sector; accelerate the establishment of an in-house ICT banking platform to improve the operational efficiencies of cooperative financial institutions; and conduct site visits to applicant cooperative financial institutions to gain insight into their operations as part of the supervisory process. These initiatives are expected to drive an increase in expenditure on goods and services from R5 million in 2016/17 to R7.5 million in 2018/19.

Major activities over the medium term are the development and maintenance of an online application system, which will require extensive travel to perform on-site inspections, examinations and assessments of cooperative financial institutions. The agency uses consultancy services mainly for the banking platform project and to provide training, as it does not have these specialised skills internally. Expenditure on consultants is expected to increase from R700 000 in 2015/16 to R1.5 million in 2018/19 due to the banking platform project, and the development of training materials for cooperative financial institutions. The agency has 16 funded posts, of which 15 are filled. Expenditure on compensation of employees is expected to increase from 11.7 million in 2016/17 to R13 million in 2018/19, at an average annual rate of 5.8 per cent, to allow for inflationary increases.

The agency derives 98.9 per cent of its revenue through a transfer from National Treasury. This is expected to increase over the medium term from R16.5 million in 2016/17 to R20.4 million in 2018/19, due to the establishment of a stabilisation fund to protect deposits of members of cooperative financial institutions, and the banking platform project.

Programmes/objectives/activities

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

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	4 466	5 839	5 945	5 904	9.8%	31.0%	5 531	6 090	6 631	3.9%	32.3%
Supervision unit	2 855	3 843	4 445	5 157	21.8%	22.5%	5 190	5 802	6 071	5.6%	29.7%
Capacity building and information	5 038	10 007	12 335	7 366	13.5%	46.5%	5 977	7 390	7 853	2.2%	38.1%
Total	12 359	19 689	22 725	18 427	14.2%	100.0%	16 698	19 282	20 555	3.7%	100.0%

Statements of historical financial performance

Table 7.44 Cooperative Banks Development Agency statements of historical financial performance

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	-	256	-	492	-	438	171	386	919.3%
Sale of goods and services other than capital assets	-	21	-	12	-	4	4	5	1 050.0%
<i>of which:</i>									
Administrative fees	-	7	-	7	-	-	-	-	-
Sales by market establishment	-	14	-	5	-	4	4	5	700.0%
Other non-tax revenue	-	235	-	480	-	434	167	381	916.2%
Transfers received	16 000	16 894	16 236	19 540	16 838	21 568	18 013	18 041	113.3%
Total revenue	16 000	17 150	16 236	20 032	16 838	22 006	18 184	18 427	115.4%
Expenses									
Current expenses	15 850	11 465	16 156	16 385	16 787	17 995	17 727	17 727	95.6%
Compensation of employees	6 826	5 716	7 583	9 080	8 783	9 952	10 930	10 930	104.6%
Goods and services	9 024	5 683	8 573	7 225	8 004	7 927	6 747	6 747	85.3%
Depreciation	-	66	-	80	-	116	50	50	624.0%
Transfers and subsidies	-	894	-	3 304	-	4 730	700	700	1 375.4%
Total expenses	15 850	12 359	16 156	19 689	16 787	22 725	18 427	18 427	108.9%
Surplus/(Deficit)	150	4 791	80	343	51	(719)	(243)	-	-

Table 7.44 Cooperative Banks Development Agency statements of historical financial performance

Statement of financial position									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Carrying value of assets	256	142	489	250	244	168	170	252	70.1%
Acquisition of assets	(150)	(135)	(80)	(155)	(50)	(33)	(70)	(70)	112.3%
Receivables and prepayments	19	742	20	337	22	549	5	583	3 350.1%
Cash and cash equivalents	31	6 051	800	7 855	2 043	14 138	1 742	1 956	649.9%
Total assets	306	6 935	1 309	8 442	2 309	14 855	1 917	2 791	565.4%
Accumulated surplus/(deficit)	(631)	305	159	586	164	696	148	378	-1 226.4%
Capital and reserves	-	1 151	-	1 212	1 242	1 490	706	1 350	267.1%
Deferred income	-	580	-	636	-	7 536	-	-	-
Trade and other payables	804	4 515	550	5 419	578	4 391	606	606	588.3%
Provisions	133	384	600	589	326	742	457	457	143.3%
Total equity and liabilities	306	6 935	1 309	8 442	2 309	14 855	1 917	2 791	565.3%

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								
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	386	14.7%	2.0%	226	7	162	-25.1%	1.1%
Sale of goods and services other than capital assets	5	-38.0%	0.1%	5	7	7	14.0%	0.0%
<i>of which:</i>								
Sales by market establishment	5	-29.1%	0.0%	5	7	7	14.0%	0.0%
Other non-tax revenue	381	17.5%	2.0%	221	-	155	-25.9%	1.0%
Transfers received	18 041	2.2%	98.0%	16 472	19 275	20 393	4.2%	98.9%
Total revenue	18 427	2.4%	100.0%	16 698	19 282	20 555	3.7%	100.0%
Expenses								
Current expenses	17 727	15.6%	87.8%	16 698	19 282	20 555	5.1%	100.5%
Compensation of employees	10 930	24.1%	48.9%	11 696	12 457	12 962	5.8%	64.3%
Goods and services	6 747	5.9%	38.5%	4 952	6 772	7 537	3.8%	34.5%
Depreciation	50	-8.8%	0.4%	50	53	56	3.9%	0.3%
Transfers and subsidies	700	-7.8%	12.2%	-	-	-	-100.0%	0.9%
Total expenses	18 427	14.2%	100.0%	16 698	19 282	20 555	3.7%	100.0%
Surplus/(Deficit)	-	(1)	-	-	-	-	-	-
Statement of financial position								
Carrying value of assets	252	21.1%	3.8%	232	250	365	13.1%	9.1%
<i>of which:</i>								
Acquisition of assets	(70)	-19.7%	-1.6%	(30)	(70)	(110)	16.3%	-2.4%
Receivables and prepayments	583	-7.7%	9.8%	617	5	4	-81.0%	9.8%
Cash and cash equivalents	1 956	-31.4%	86.4%	2 614	2 904	2 513	8.7%	81.2%
Total assets	2 791	-26.2%	100.0%	3 463	3 159	2 882	1.1%	100.0%
Accumulated surplus/(deficit)	378	7.4%	7.4%	849	255	369	-0.8%	14.7%
Capital and reserves	1 350	5.5%	22.3%	1 430	1 530	1 618	6.2%	48.6%
Trade and other payables	606	-48.8%	45.1%	700	845	350	-16.7%	20.2%
Provisions	457	6.0%	8.5%	484	529	545	6.0%	16.5%
Total equity and liabilities	2 791	-26.2%	100.0%	3 463	3 159	2 882	-5.3%	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 2016		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 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19							
Cooperative Banks Development Agency		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Salary level	16	16	28	10.0	0.4	15	10.9	0.7	16	11.7	0.7	16	12.5	0.8	16	13.0	0.8	5.8%	100.0%
1 – 6	–	–	11	0.2	0.0	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	4	4	6	2.1	0.3	4	2.1	0.5	4	2.2	0.6	4	2.4	0.6	4	2.5	0.6	6.5%	25.4%
11 – 12	9	9	8	4.6	0.6	8	5.6	0.7	9	6.0	0.7	9	6.4	0.7	9	6.6	0.7	5.7%	55.5%
13 – 16	3	3	3	3.1	1.0	3	3.2	1.1	3	3.5	1.2	3	3.7	1.2	3	3.8	1.3	5.7%	19.1%

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 2015/16	Projections		
			2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
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	18	18	18	18	18
Number of peer reviewed book chapters and publications produced per year	Research		12	11	26	12	12	12	12
Number of public hearings on local government per year	Research		3	3	3	1	3	3	3

Expenditure analysis

The main focus of the Financial and Fiscal Commission over the medium term will be on generating and disseminating influential policy recommendations to strengthen intergovernmental systems. Stronger intergovernmental systems will contribute to 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. In addition, the commission will also pay close attention to the impact of government spending on food security, the identification of fiscal policies for national development that government could use to consolidate spending, and the sustainability of the country's fiscal policy. This is in line with outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium term strategic framework.

As the commission addresses network and hardware shortcomings in its ICT services over the medium term, expenditure on goods and services is expected to increase from R17.7 million in 2016/17 to R21.8 million in 2018/19. The commission uses consultants for its research, human resource management, and internal audit functions. Due to the specialised research skills required for the commission to conduct policy research and briefings in its areas of expertise, spending on consultancy services is expected to increase from R4.6 million in 2015/16 to R5.5 million in 2018/19.

The commission had 36 funded posts at the end of October 2015, of which 3 were vacant. It expects to fill the vacant positions over the medium term to address the current gaps in its human resource capacity, and to ensure that it continues to deliver sound fiscal policy research and briefings. The appointment of a chairperson and a chief executive officer, in line with the amended Financial and Fiscal Act (1997), will thus drive an expected

increase in expenditure on compensation of employees from R27.1 million in 2016/17 to R31.3 million in 2018/19.

Programmes/objectives/activities

Table 7.48 Financial and Fiscal Commission 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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Administration	18 904	20 398	26 997	25 302	10.2%	56.7%	24 712	30 309	31 410	7.5%	58.8%
Research	16 447	18 515	18 288	15 960	-1.0%	43.3%	20 233	20 444	21 806	11.0%	41.2%
Total	35 351	38 913	45 285	41 262	5.3%	100.0%	44 945	50 753	53 216	8.9%	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		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	125	226	258	130	106	1 013	106	106	247.7%
Other non-tax revenue	125	226	258	130	106	1 013	106	106	247.7%
Transfers received	37 268	37 268	38 767	40 195	39 488	44 516	40 884	41 156	104.3%
Total revenue	37 393	37 494	39 025	40 325	39 594	45 529	40 990	41 262	104.8%
Expenses									
Current expenses	34 393	35 351	39 025	38 913	39 594	45 285	40 661	41 261	104.6%
Compensation of employees	19 618	20 383	19 496	20 809	24 100	21 947	23 192	23 792	100.6%
Goods and services	14 461	14 655	19 199	17 773	15 202	23 254	17 383	17 383	110.3%
Depreciation	314	313	331	331	292	84	87	87	79.6%
Total expenses	34 393	35 351	39 025	38 913	39 594	45 285	40 661	41 261	104.6%
Surplus/(Deficit)	3 000	2 143	-	1 412	-	244	329	-	-
Statement of financial position									
Carrying value of assets	718	1 023	790	736	754	709	385	744	121.3%
Acquisition of assets	(305)	(365)	(128)	(250)	(136)	(68)	(250)	(72)	92.2%
Receivables and prepayments	52	156	40	450	57	144	144	144	305.1%
Cash and cash equivalents	(25)	1 263	200	2 048	21	3 305	3 656	3 470	261.8%
Total assets	745	2 442	1 030	3 234	832	4 158	4 185	4 359	209.0%
Accumulated surplus/(deficit)	(974)	(1 593)	(1 736)	(181)	(5 368)	63	(394)	104	19.0%
Capital and reserves	919	919	919	919	919	919	919	919	100.0%
Trade and other payables	400	2 213	1 447	1 534	4 617	1 882	2 781	1 975	82.2%
Provisions	400	903	400	962	663	1 294	879	1 361	193.0%
Total equity and liabilities	745	2 442	1 030	3 234	832	4 158	4 185	4 359	209.0%

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	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
		2012/13	2015/16		2016/17	2017/18	2018/19		
Revenue									
Non-tax revenue	106	-22.3%	0.9%	106	106	106	-	-	0.2%
Other non-tax revenue	106	-22.3%	0.9%	106	106	106	-	-	0.2%
Transfers received	41 156	3.4%	99.1%	44 839	50 647	53 110	8.9%	8.9%	99.8%
Total revenue	41 262	3.2%	100.0%	44 945	50 753	53 216	8.9%	8.9%	100.0%
Expenses									
Current expenses	41 261	5.3%	100.0%	44 945	50 753	53 216	8.9%	8.9%	120.3%
Compensation of employees	23 792	5.3%	54.3%	27 142	28 988	31 337	9.6%	9.6%	58.5%
Goods and services	17 383	5.9%	45.2%	17 720	21 685	21 800	7.8%	7.8%	41.3%
Depreciation	87	-34.9%	0.5%	83	81	79	-3.0%	-3.0%	0.2%
Total expenses	41 261	5.3%	100.0%	44 945	50 753	53 216	8.9%	8.9%	100.0%
Surplus/(Deficit)	-	(1)	-	-	-	-	-	-	-

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 (%)
				2015/16	2012/13 - 2015/16	2016/17		
R thousand								
Carrying value of assets of which:	744	-10.1%	24.7%	791	836	885	5.9%	17.1%
Acquisition of assets	(72)	-41.7%	-6.5%	(77)	(81)	(86)	5.9%	-1.7%
Receivables and prepayments	144	-2.6%	6.8%	144	144	144	-	3.0%
Cash and cash equivalents	3 470	40.1%	68.5%	3 685	3 899	4 125	5.9%	79.8%
Total assets	4 359	21.3%	100.0%	4 620	4 880	5 154	5.7%	100.0%
Accumulated surplus/(deficit)	104	-140.3%	-16.7%	158	212	270	37.4%	3.8%
Capital and reserves	919	-	27.3%	919	919	919	-	19.4%
Trade and other payables	1 975	-3.7%	57.2%	2 098	2 219	2 348	5.9%	45.4%
Provisions	1 361	14.6%	32.3%	1 445	1 529	1 618	5.9%	31.3%
Total equity and liabilities	4 359	21.3%	100.0%	4 620	4 879	5 155	49.3%	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 2016		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 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19								
Financial and Fiscal Commission		31	36	29	21.9	0.8	31	23.8	0.8	36	27.1	0.8	36	29.0	0.8	36	31.3	0.9	9.6%	100.0%
Salary level																				
1 – 6	1	1	1	0.2	0.2	1	0.1	0.1	1	0.1	0.1	1	0.2	0.2	1	0.2	0.2	6.9%	2.9%	
7 – 10	10	13	10	5.0	0.5	10	4.8	0.5	13	5.8	0.4	13	6.2	0.5	13	7.2	0.6	14.3%	35.1%	
11 – 12	10	10	10	8.2	0.8	10	8.1	0.8	10	8.7	0.9	10	9.3	0.9	10	9.9	1.0	6.9%	28.9%	
13 – 16	10	12	8	8.6	1.1	10	10.7	1.1	12	13.3	1.1	12	14.0	1.2	12	14.0	1.2	9.4%	33.1%	

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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of cases disseminated for investigation per year	Delivery of intelligence on financial crimes related to regulatory services in terms of the Financial Intelligence Centre Act (2001)	Outcome 3: All people in South Africa are and feel safe	761	837	837	921	-1	-1	-1
Number of national and international law enforcement investigations contributed to upon request per year	Delivery of intelligence on financial crimes related to regulatory services in terms of the Financial Intelligence Centre Act (2001)		980	1 078	1 078	1 186	-1	-1	-1
Value of funds blocked as suspected proceeds of crime in the financial system per year	Delivery of intelligence on financial crimes related to regulatory services in terms of the Financial Intelligence Centre Act (2001)		R12m	R13.2m	R13.2m	R181m	R200m	R210m	R220m
Number of judicial actions contributed to per year	Delivery of intelligence on financial crimes related to regulatory services in terms of the Financial Intelligence Centre Act (2001)		-2	-2	22	20	22	24	26

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

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of accountable/reporting Institutions registered in terms of the Financial Intelligence Centre Act (2001) per year	Enablement of financial intelligence regulatory capabilities	Outcome 3: All people in South Africa are and feel safe	21 866	22 959	24 107	- ¹	- ¹	- ¹	- ¹
Number of Financial Intelligence Centre inspection reports issued per year	Enablement of financial intelligence regulatory capabilities		220	150	130	132	132	138	138
Total number of requests from international counterparts	Enablement of financial intelligence regulatory capabilities		131	- ¹					

1. These indicators will be discontinued from the respective years.

2. No historical data is available as the centre began contributing to judicial actions in 2014/15.

Expenditure analysis

Over the medium term, the Financial Intelligence Centre will continue to focus on combating crime and protecting national security as its main area of contribution to the achievement of the national development plan's vision of building a resilient anti-corruption system, and outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium term strategic framework. The centre's main functions are to gather information and carry out financial intelligence on the proceeds of crime, money laundering, and the financing of terrorism; establish and maintain a robust regime to combat money laundering and the financing of terrorism in the private sector; and evolve domestic policy and legislation to promote national interest. To ensure supervision and enforcement in terms of the Financial Intelligence Centre Act (2001), the centre will perform risk based compliance inspections on all financial services providers at an expected cost of R22.1 million over the medium term.

The centre requires a stable analytical system to gather information and produce financial intelligence on the proceeds of crime. Over the medium term, the centre will be stabilising and maintaining its ICT network, systems and analytics solutions to increase the capability, reliability, and quality of information provided to clients such as the South African Revenue Service. Investment in ICT infrastructure will improve the centre's efficiency and effectiveness, and will result in estimated expenditure of R60 million over the MTEF period as it expands its analytical capacity.

Increased support to the criminal justice system will continue to be reflected through the centre's blocking of suspected irregular funds and contributions to legal action. The value of suspected proceeds of crime blocked by the centre each year varies due to the unpredictability of the monetary value of cases investigated, although the value of these blocked funds over the medium term is estimated to be between R235 million and R250 million.

The centre will continue to respond to requests for technical assistance from countries within the Eastern and Southern Africa Anti-Money Laundering Group region. In 2015/16, the centre set itself the target of responding to 80 per cent of requests for technical assistance from the region, reflecting its commitment to assisting other African countries, while also working in the national interest.

To improve specialised compliance, analysis, investigating and IT capacity, the centre plans to increase its number of personnel from 196 in 2015/16 to 203 over the medium term. Expenditure on compensation of employees is expected to increase from R164.4 million in 2016/17 to R188.4 million in 2018/19 due to inflationary adjustments. Total expenditure is expected to increase from R270.7 million in 2016/17 to R306.8 million in 2018/19.

Programmes/objectives/activities

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

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	47 824	57 857	40 164	50 188	1.6%	22.1%	47 998	49 826	53 775	2.3%	18.0%
Delivery of intelligence on financial crimes and regulatory services related to the Financial Intelligence Centre Act (2001)	99 850	114 895	125 597	136 577	11.0%	53.5%	149 273	157 172	168 179	7.2%	54.5%
Enablement of financial intelligence regulatory capabilities	49 039	49 405	49 686	70 624	12.9%	24.4%	73 383	79 152	84 809	6.3%	27.5%
Total	196 713	222 157	215 447	257 388	9.4%	100.0%	270 655	286 150	306 764	6.0%	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	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	1 340	1 305	1 399	1 367	830	1 872	830	1 800	144.2%
Other non-tax revenue	1 340	1 305	1 399	1 367	830	1 872	830	1 800	144.2%
Transfers received	142 325	197 314	201 000	243 424	198 080	212 723	216 488	239 488	117.8%
Total revenue	143 665	198 619	202 399	244 791	198 910	214 595	217 318	241 288	118.0%
Expenses									
Current expenses	143 665	196 713	202 399	222 157	198 910	215 447	221 664	257 388	116.3%
Compensation of employees	83 368	117 335	128 537	130 580	130 181	122 007	140 975	142 623	106.1%
Goods and services	45 563	63 687	67 924	71 424	68 639	65 925	80 621	86 162	109.3%
Depreciation	14 587	15 583	5 938	20 004	–	27 162	–	28 499	444.6%
Interest, dividends and rent on land	148	108	–	149	90	354	68	104	233.7%
Total expenses	143 665	196 713	202 399	222 157	198 910	215 447	221 664	257 388	116.3%
Surplus/(Deficit)	–	1 906	–	22 634	–	(852)	(4 346)	(16 100)	–
Statement of financial position									
Carrying value of assets	60 964	36 206	74 732	95 168	52 985	82 606	108 101	91 606	103.0%
Acquisition of assets	(16 309)	(13 741)	(52 783)	(79 256)	–	(14 383)	(22 620)	(32 460)	152.5%
Inventory	242	200	242	217	200	99	217	99	68.3%
Receivables and prepayments	2 675	29 571	2 675	5 822	22 676	5 121	5 594	4 216	133.0%
Cash and cash equivalents	45 965	19 651	–	40 577	–	34 905	10 000	147	170.2%
Total assets	109 846	85 628	77 649	141 784	75 861	122 731	123 912	96 068	115.2%
Accumulated surplus/(deficit)	94 872	65 110	53 505	87 464	64 827	86 612	107 827	69 110	96.0%
Capital and reserves	21	–	–	–	–	–	–	–	–
Finance lease	1 281	877	370	218	–	434	–	217	105.8%
Trade and other payables	13 673	14 011	23 006	42 442	11 034	30 713	6 417	19 020	196.2%
Provisions	–	5 630	–	11 660	–	4 972	9 669	7 721	310.1%
Total equity and liabilities	109 847	85 628	77 649	141 784	75 861	122 731	123 912	96 068	115.2%

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 (%)	
				2015/16	2012/13 - 2015/16	2016/17			2017/18
Revenue									
Non-tax revenue	1 800	11.3%	0.7%	1 500	1 500	1 500	-5.9%	0.6%	
Other non-tax revenue	1 800	11.3%	0.7%	1 500	1 500	1 500	-5.9%	0.6%	
Transfers received	239 488	6.7%	99.3%	256 372	270 191	285 862	6.1%	99.4%	
Total revenue	241 288	6.7%	100.0%	257 872	271 691	287 362	6.0%	100.0%	

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 (%)
					2015/16	2012/13 - 2015/16	2016/17		
R thousand									
Expenses									
Current expenses		257 388	9.4%	100.0%	270 655	286 150	306 764	6.0%	146.8%
Compensation of employees		142 623	6.7%	57.6%	164 580	176 153	188 388	9.7%	59.8%
Goods and services		86 162	10.6%	32.2%	76 077	78 498	85 302	-0.3%	29.2%
Depreciation		28 499	22.3%	10.2%	29 924	31 420	32 991	5.0%	11.0%
Interest, dividends and rent on land		104	-1.3%	0.1%	73	78	83	-7.2%	0.0%
Total expenses		257 388	9.4%	100.0%	270 655	286 150	306 764	6.0%	100.0%
Surplus/(Deficit)		(16 100)	(3)	-	(12 783)	(14 459)	(19 402)	6.4%	-
Statement of financial position									
Carrying value of assets		91 606	36.3%	68.0%	86 729	73 631	57 375	-14.4%	96.6%
of which:									
Acquisition of assets		(32 460)	33.2%	-29.4%	(21 236)	(21 980)	(21 525)	-12.8%	-30.7%
Inventory		99	-20.9%	0.1%	99	99	99	-	0.1%
Receivables and prepayments		4 216	-47.8%	11.8%	2 350	1 759	1 787	-24.9%	3.1%
Cash and cash equivalents		147	-80.4%	20.0%	147	147	148	0.0%	0.2%
Total assets		96 068	3.9%	100.0%	89 325	75 636	59 408	-14.8%	100.0%
Accumulated surplus/(deficit)		69 110	2.0%	70.1%	56 327	41 868	22 466	-31.2%	57.0%
Finance lease		217	-37.2%	0.4%	558	-	-	-100.0%	0.2%
Trade and other payables		19 020	10.7%	22.8%	21 510	21 358	22 991	6.5%	27.7%
Provisions		7 721	11.1%	6.7%	10 930	12 410	13 951	21.8%	15.0%
Total equity and liabilities		96 068	3.9%	100.0%	89 325	75 636	59 409	-102.9%	100.0%

Personnel information

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

Number of posts estimated for 31 March 2016			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 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)										
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19													
			2014/15	2014/15	2014/15	2015/16	2015/16	2015/16	2016/17	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2017/18	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
Financial Intelligence Centre			203	203	166	122.0	0.7	196	142.6	0.7	203	164.6	0.8	203	176.2	0.9	203	188.4	0.9	9.7%	100.0%					
Salary level	203	203	166	122.0	0.7	196	142.6	0.7	203	164.6	0.8	203	176.2	0.9	203	188.4	0.9	9.7%	100.0%							
1 – 6	16	16	11	1.5	0.1	17	2.5	0.1	16	2.7	0.2	16	2.9	0.2	16	3.1	0.2	6.4%	8.1%							
7 – 10	78	78	62	27.4	0.4	75	32.2	0.4	78	37.3	0.5	78	39.9	0.5	78	42.7	0.5	9.9%	38.4%							
11 – 12	57	57	48	40.3	0.8	52	44.7	0.9	57	54.1	0.9	57	57.9	1.0	57	62.0	1.1	11.5%	27.7%							
13 – 16	48	48	41	45.6	1.1	48	55.6	1.2	48	62.0	1.3	48	66.3	1.4	48	70.9	1.5	8.5%	23.9%							
17 – 22	4	4	4	7.2	1.8	4	7.7	1.9	4	8.5	2.1	4	9.1	2.3	4	9.7	2.4	8.0%	2.0%							

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:

- promote and maintain a sound financial investment environment in South Africa
- supervise and enforce compliance with laws regulating financial institutions and the provision of financial services
- ensure that regulated entities comply with the relevant legislation and with capital adequacy requirements, to promote the financial soundness of these entities and protect the investing community
- 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue collected from companies in the financial services sector per year	Administration	Outcome 6: An efficient, competitive and responsive economic infrastructure network	R521.4m	R576.8m	R625.4m	R644.9m	R721.7m	R756.2m	R792.5m
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 3: All people in South Africa are and feel safe	10 958	10 158	9 715	10 469	10 550	10 550	10 550
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)	Outcome 11: Create a better South Africa, a better Africa and a better world	186	186	182	184	186	186	186
Number of retirement funds and friendly societies supervised per year	Supervise retirement funds and friendly societies		6 056	5 132	5 337	5 513	5 600	5 650	5 700
Number of collective investment schemes supervised per year	Supervise the collective investment schemes in securities in terms of Collective Investment Schemes Control Act (2002)		103	120	140	145	160	170	175
Number of credit rating agencies supervised per year	Regulate credit rating agencies	Outcome 12: An efficient, effective and development oriented public service	-1	-1	4	4	4	4	4

1. No historical data is available as this indicator was introduced in 2014/15.

Expenditure analysis

The national development plan envisages the establishment of sound infrastructure, human resources, and regulatory frameworks by 2030. This is also in line with outcome 6 (an efficient, competitive and responsive infrastructure network) of government's 2014-2019 medium strategic framework.

The focus of the Financial Services Board over the medium term will be on the preparation and implementation of the twin peaks regulation model, which aims to provide a comprehensive framework for regulating the financial sector through the establishment of two regulatory authorities. These will be a prudential authority within the South African Reserve Bank, responsible for overseeing 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. The transition to this new model means the board's regulatory mandate will change, and this is expected to be finalised by the end of 2015/16. After the transition, the board will operate as the Financial Sector Conduct Authority.

The number of personnel in the board is expected to increase from 538 to 624 over the medium term, mainly due to restructuring as a result of the implementation of the twin peaks model, the enhancement of ICT skills within the board, and the enforcement of applicable laws and regulations. Accordingly, expenditure on compensation of employees is expected to increase from R406 million in 2016/17 to R443.3 million in 2018/19.

The board uses consultants for legal regulatory matters, the implementation of solvency assessment management projects, initiatives for the fair treatment of customers, and the enhancement of ICT infrastructure. Although spending on consultants is expected to increase from R51.1 million in 2016/17 to R53.3 million in 2018/19, in line with inflation, the need for consultants will be reduced as these projects and initiatives are expected to be finalised over the medium term. Total expenditure is expected to increase from R719.2 million in 2016/17 to R793.4 million in 2018/19, at an average annual rate of 4.8 per cent.

The board generates revenue through levies raised from financial institutions, and fees charged for services relating to the licensing of financial institutions. Revenue is expected to increase from R719.2 million in 2016/17 to R793.4 million in 2018/19, in line with inflation. Growth in revenue is mainly due to increases in rates and the levy base.

Programmes/objectives/activities

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 (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		
Administration	178 870	191 140	207 072	266 480	14.2%	35.8%	262 203	273 275	284 808	2.2%	36.8%
Supervise the financial advisory and intermediary activities in the financial services sector in terms of the Financial Advisory and Intermediary Act (2002)	121 785	123 074	119 997	139 555	4.6%	21.6%	152 985	160 011	168 685	6.5%	21.0%
Supervise the long term and short term insurance industries in terms of the Long Term Insurance Act (1998)	76 188	85 913	86 368	96 628	8.2%	14.8%	102 426	107 547	112 924	5.3%	14.2%
Supervise retirement funds and friendly societies	106 843	106 356	108 542	118 640	3.6%	18.9%	130 067	141 081	148 135	7.7%	18.2%
Supervise the collective investment schemes in securities in terms of the Collective Investment Schemes Control Act (2002)	18 267	23 413	21 592	31 366	19.7%	4.0%	33 248	34 908	36 655	5.3%	4.6%
Supervise the South African licensed exchanges, central securities depositories and clearing houses in terms of the Securities Act (2004)	10 554	10 759	14 482	15 507	13.7%	2.2%	16 437	17 259	18 122	5.3%	2.3%
Combat market abuse in terms of the Securities Act (2004)	10 482	12 679	11 587	14 039	10.2%	2.1%	14 882	15 626	16 407	5.3%	2.1%
Regulate credit rating agencies	–	3 254	4 403	6 598	–	0.6%	6 994	7 344	7 710	5.3%	1.0%
Total	522 989	556 588	574 043	688 813	9.6%	100.0%	719 242	757 051	793 447	4.8%	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	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/ Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2012/13 - 2015/16	
Revenue									
Non-tax revenue	506 157	539 340	531 654	585 750	588 681	634 259	642 006	644 911	106.0%
Sale of goods and services other than capital assets	469 322	458 511	492 788	511 405	543 637	557 172	583 780	595 286	101.6%
<i>of which:</i>									
Sales by market establishment	469 322	458 511	492 788	511 405	543 637	557 172	583 780	595 286	101.6%
Other non-tax revenue	36 835	80 830	38 866	74 345	45 044	77 087	58 226	49 625	157.5%
Total revenue	506 157	539 340	531 654	585 750	588 681	634 259	642 006	644 911	106.0%
Expenses									
Current expenses	503 382	455 112	456 034	485 681	512 601	494 477	598 253	598 253	98.2%
Compensation of employees	289 787	284 844	299 848	288 201	339 314	324 814	400 808	400 808	97.7%
Goods and services	202 637	161 630	144 300	188 178	162 967	159 403	186 895	186 895	99.9%
Depreciation	10 958	8 638	11 886	9 302	10 320	10 260	10 550	10 550	88.6%
Transfers and subsidies	–	67 877	68 389	70 907	76 079	79 567	90 560	90 560	131.4%
Total expenses	503 382	522 989	524 423	556 588	588 680	574 043	688 813	688 813	101.6%
Surplus/(Deficit)	2 775	16 351	7 231	29 162	–	60 216	(46 807)	(43 902)	–
Statement of financial position									
Carrying value of assets	34 208	29 626	31 474	37 758	27 881	34 247	45 922	56 296	113.2%
Acquisition of assets	(5 506)	(3 459)	(20 245)	(17 488)	(9 800)	(7 171)	(10 709)	(25 709)	116.4%
Investments	38 383	47 596	38 883	54 248	33 433	66 632	62 658	69 964	137.5%
Inventory	65	65	30	–	–	–	–	–	68.4%
Accrued investment interest	–	541	–	101	450	466	210	210	199.7%
Receivables and prepayments	34 543	19 869	36 442	16 191	17 650	28 426	15 488	15 488	76.8%
Cash and cash equivalents	160 224	167 203	143 545	180 254	193 300	238 793	183 777	189 702	114.0%
Total assets	267 423	264 900	250 374	288 552	272 714	368 565	308 054	331 659	114.1%
Accumulated surplus/(deficit)	107 281	93 705	100 049	115 058	92 000	162 873	108 356	118 137	120.1%
Capital and reserves	78 534	61 451	65 588	69 260	79 231	81 662	83 193	83 193	96.4%
Trade and other payables	56 493	57 156	59 601	49 535	38 499	62 998	54 704	63 341	111.3%
Provisions	25 114	52 588	25 137	54 699	62 984	61 032	61 802	66 989	134.4%
Total equity and liabilities	267 422	264 900	250 374	288 552	272 714	368 565	308 054	331 659	114.1%

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 (%)
R thousand	2015/16				2012/13 - 2015/16	2016/17	2017/18		
Revenue									
Non-tax revenue		644 911	6.1%	100.0%	719 241	757 050	793 446	7.2%	100.0%
Sale of goods and services other than capital assets		595 286	9.1%	88.1%	659 844	693 260	726 022	6.8%	91.8%
of which:									
Sales by market establishment		595 286	9.1%	88.1%	659 844	693 260	726 022	6.8%	91.8%
Other non-tax revenue		49 625	-15.0%	11.9%	59 397	63 789	67 424	10.8%	8.2%
Total revenue		644 911	6.1%	100.0%	719 241	757 050	793 446	7.2%	100.0%
Expenses									
Current expenses		598 253	9.5%	86.8%	621 550	649 333	679 671	4.3%	114.8%
Compensation of employees		400 808	12.1%	55.3%	405 963	424 232	443 323	3.4%	56.6%
Goods and services		186 895	5.0%	29.9%	204 404	213 352	224 012	6.2%	28.0%
Depreciation		10 550	6.9%	1.7%	11 183	11 749	12 336	5.4%	1.5%
Transfers and subsidies		90 560	10.1%	13.2%	97 691	107 717	113 776	7.9%	13.8%
Total expenses		688 813	9.6%	100.0%	719 241	757 050	793 447	4.8%	100.0%
Surplus/(Deficit)		(43 902)	(2)	-	-	-	-	-100.0%	-
Statement of financial position									
Carrying value of assets		56 296	23.9%	12.6%	57 299	48 718	51 154	-3.1%	16.2%
of which:									
Acquisition of assets		(25 709)	95.2%	-4.3%	(29 044)	(42 181)	(44 290)	19.9%	-10.7%
Investments		69 964	13.7%	19.0%	73 462	77 135	80 992	5.0%	22.9%
Accrued investment interest		210	-27.1%	0.1%	216	223	234	3.7%	0.1%
Receivables and prepayments		15 488	-8.0%	6.4%	15 952	16 431	17 252	3.7%	4.9%
Cash and cash equivalents		189 702	4.3%	61.9%	183 944	177 123	185 725	-0.7%	55.9%
Total assets		331 659	7.8%	100.0%	330 874	319 630	335 357	0.4%	100.0%
Accumulated surplus/(deficit)		118 137	8.0%	38.8%	104 723	95 254	99 459	-5.6%	31.7%
Capital and reserves		83 193	10.6%	23.6%	85 688	88 259	92 672	3.7%	26.6%
Trade and other payables		63 341	3.5%	18.7%	75 270	68 697	72 435	4.6%	21.2%
Provisions		66 989	8.4%	18.9%	65 192	67 420	70 791	1.9%	20.5%
Total equity and liabilities		331 659	7.8%	100.0%	330 874	319 630	335 357	4.5%	100.0%

Personnel information

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

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19			
		Number	Cost		Number	Cost		Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Financial Services Board		538	324.8	0.6	624	400.8	0.6	624	406.0	0.7	624	424.2	0.7	624	443.3	0.7	3.4%	100.0%	
Salary level																			
1 - 6	25	25	49	6.9	0.1	25	3.7	0.1	25	3.9	0.2	25	4.1	0.2	25	4.3	0.2	4.4%	4.0%
7 - 10	332	332	272	88.6	0.3	332	113.6	0.3	332	100.5	0.3	332	105.0	0.3	332	109.7	0.3	-1.1%	53.2%
11 - 12	129	129	102	70.9	0.7	129	90.3	0.7	129	97.4	0.8	129	101.8	0.8	129	106.4	0.8	5.6%	20.7%
13 - 16	116	116	97	109.3	1.1	116	138.8	1.2	116	144.9	1.2	116	151.4	1.3	116	158.2	1.4	4.5%	18.6%
17 - 22	22	22	18	49.2	2.7	22	54.4	2.5	22	59.2	2.7	22	61.9	2.8	22	64.7	2.9	6.0%	3.5%

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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of members receiving special pensions per year	Civil and military pension	Outcome 12: An efficient, effective and development oriented public service	7 752	7 800	7 900	8 000	8 150	8 200	8 282
Number of beneficiaries receiving post-retirement medical benefits per year	Civil and military pension		80 592	85 086	88 086	91 086	94 086	95 025	95 977
Amount of contributions to medical aid schemes paid on behalf of members per year	Civil and military pension		R1.4bn	R1.6bn	R1.7bn	R1.9bn	R2bn	R2.2bn	R2.2bn
Amount of military pension benefits paid to beneficiaries per year	Civil and military pension		R547m	R563m	R597m	R633m	R671m	R690m	R697m
Number of beneficiaries paid per year due to withdrawal from the fund	Employee benefit		54 607	58 850	62 000	61 500	61 000	60 000	60 600
Number of beneficiaries paid for funeral benefits per year	Employee benefit		18 417	23 500	24 500	26 000	27 000	27 500	27 775
Value of benefits paid due to withdrawal from the fund per year	Employee benefit		R44.5m	R50m	R57m	R65m	R75m	R83m	R95m

Expenditure analysis

In line with the national development plan's vision of building a capable and developmental state, and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium term strategic framework, the focus of the Government Pensions Administration Agency over the medium term will continue to be on the modernisation project in the business enablement programme until its final stages in 2017/18 and 2018/19. 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 to enhance staff productivity, speed up the processing of claims, and effectively manage pension queries.

In line with government's call to reduce spending on consultants, the agency will be appointing consultants on fixed term contracts for the duration of the modernisation programme. As a result, expenditure over the medium term on goods and services such as computer services, computer maintenance, and ICT consultants is expected to decrease from R739.5 million in 2016/17 to R643.7 million in 2018/19.

To improve efficiency and turnaround times in the operations of the agency, the number of personnel is expected to increase from 1 115 in 2015/16 to 1 467 over the medium term. As a result, expenditure on compensation of employees is expected to increase from R431 million in 2016/17 to R482.8 million in 2018/19, in line with inflation.

The agency receives 93 per cent of its funding from the Government Employees Pension Fund and 7 per cent from National Treasury. Total revenue over the medium term is expected to be R3.6 billion.

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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	286 875	216 810	294 853	364 918	8.4%	37.7%	308 485	314 340	333 936	-2.9%	26.5%
Civil and military pension	44 237	51 858	53 878	61 181	11.4%	6.9%	65 038	69 163	72 622	5.9%	5.4%
Employee benefit	62 394	74 161	72 582	76 908	7.2%	9.5%	87 328	92 090	97 222	8.1%	7.2%
Client relationship management	120 924	138 529	138 503	313 346	37.4%	21.0%	265 005	254 180	251 645	-7.0%	21.7%
Business enablement	13 694	166 490	245 530	572 142	247.0%	25.0%	591 317	427 351	387 189	-12.2%	39.2%
Total	528 124	647 848	805 346	1 388 495	38.0%	100.0%	1 317 173	1 157 124	1 142 614	-6.3%	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 (%)
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	666 670	522 445	741 126	793 493	1 289 602	918 355	1 388 495	1 388 495	88.7%
Sale of goods and services other than capital assets	666 670	521 566	741 126	793 210	1 289 602	918 000	1 388 495	1 388 495	88.6%
<i>of which:</i>									
Administrative fees	666 670	521 566	741 126	793 210	1 289 602	918 000	1 388 495	1 388 495	88.6%
Other non-tax revenue	-	879	-	283	-	355	-	-	-
Total revenue	666 670	522 445	741 126	793 493	1 289 602	918 355	1 388 495	1 388 495	88.7%
Expenses									
Current expenses	666 670	528 124	741 126	647 848	1 289 602	805 346	1 388 495	1 388 495	82.5%
Compensation of employees	343 445	295 547	399 158	330 304	465 684	382 948	481 706	481 706	88.2%
Goods and services	302 650	217 994	310 498	305 160	730 770	397 947	785 184	785 184	80.1%
Depreciation	20 575	14 583	31 470	12 384	93 148	24 451	121 605	121 605	64.9%
Total expenses	666 670	528 124	741 126	647 848	1 289 602	805 346	1 388 495	1 388 495	82.5%
Surplus/(Deficit)	-	(5 679)	-	145 645	-	113 009	-	-	-
Statement of financial position									
Carrying value of assets	42 989	27 597	45 952	164 560	93 148	250 790	69 575	69 575	203.7%
Acquisition of assets	(20 077)	(9 170)	(47 924)	(150 183)	(93 147)	(110 654)	(69 575)	(69 575)	147.2%
Inventory	830	388	500	817	1 168	566	1 368	1 368	81.2%
Receivables and prepayments	26 000	13 078	16 500	137 061	15 300	68 305	15 800	15 800	318.3%
Cash and cash equivalents	-	48 199	23 200	29 012	12 352	50 161	12 622	12 622	290.6%
Total assets	69 819	89 262	86 152	331 450	121 968	369 822	99 365	99 365	235.9%
Accumulated surplus/(deficit)	31 349	21 289	26 968	166 934	26 968	279 943	5 843	5 843	520.2%
Capital and reserves	1 696	-	-	-	-	-	-	-	-
Trade and other payables	18 750	45 651	32 500	141 422	70 000	67 706	71 000	71 000	169.5%
Provisions	18 024	22 322	26 684	23 094	25 000	22 173	22 522	22 522	97.7%
Total equity and liabilities	69 819	89 262	86 152	331 450	121 968	369 822	99 365	99 365	235.9%

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 (%)	
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	1 388 495	38.5%	100.0%	1 317 173	1 157 124	1 142 614	-6.3%	100.0%	
Sale of goods and services other than capital assets	1 388 495	38.6%	99.9%	1 317 173	1 157 124	1 142 614	-6.3%	100.0%	
<i>of which:</i>									
Administrative fees	1 388 495	38.6%	99.9%	1 317 173	1 157 124	1 142 614	-6.3%	100.0%	
Total revenue	1 388 495	38.5%	100.0%	1 317 173	1 157 124	1 142 614	-6.3%	100.0%	
Expenses									
Current expenses	1 388 495	38.0%	100.0%	1 317 173	1 157 124	1 142 614	-6.3%	160.8%	
Compensation of employees	481 706	17.7%	47.3%	430 953	457 110	482 783	0.1%	37.3%	
Goods and services	785 184	53.3%	48.6%	739 537	683 986	643 673	-6.4%	57.0%	
Depreciation	121 605	102.8%	4.1%	146 683	16 028	16 158	-49.0%	5.7%	
Total expenses	1 388 495	38.0%	100.0%	1 317 173	1 157 124	1 142 614	-6.3%	100.0%	
Surplus/(Deficit)	-	(1)	-	-	-	-	-	-	
Statement of financial position									
Carrying value of assets	69 575	36.1%	54.6%	71 626	78 636	-	-100.0%	-	
<i>of which:</i>									
Acquisition of assets	(69 575)	96.5%	-38.9%	(146 683)	(16 028)	(16 158)	-38.5%	-	
Inventory	1 368	52.2%	0.6%	1 100	1 370	-	-100.0%	-	
Receivables and prepayments	15 800	6.5%	22.6%	14 791	15 300	-	-100.0%	-	
Cash and cash equivalents	12 622	-36.0%	22.3%	12 000	11 100	-	-100.0%	-	
Total assets	99 365	3.6%	100.0%	99 517	106 406	-	-100.0%	-	
Accumulated surplus/(deficit)	5 843	-35.0%	38.9%	5 843	5 843	-	-100.0%	-	
Trade and other payables	71 000	15.9%	45.9%	71 152	74 541	-	-100.0%	-	
Provisions	22 522	0.3%	15.2%	22 522	26 022	-	-100.0%	-	
Total equity and liabilities	99 365	3.6%	100.0%	99 517	106 406	-	-300.0%	-	

Personnel information

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

Number of posts estimated for 31 March 2016		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 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate									Average growth rate (%)	Salary level/Total: Average (%)		
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17			2017/18			2018/19						
		2014/15			2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19			
Government Pensions Administration Agency		1 465	1 465	1 124	382.9	0.3	1 115	481.7	0.4	1 467	431.0	0.3	1 467	457.1	0.3	1 467	482.8	0.3	0.1%	100.0%
Salary level																				
1 – 6	845	845	639	75.3	0.1	622	175.1	0.3	830	167.1	0.2	830	178.3	0.2	830	188.3	0.2	2.4%	56.4%	
7 – 10	461	461	360	157.7	0.4	369	166.3	0.5	473	145.4	0.3	473	155.4	0.3	473	164.1	0.3	-0.4%	32.5%	
13 – 16	159	159	125	149.9	1.2	124	140.3	1.1	164	118.4	0.7	164	123.4	0.8	164	130.4	0.8	-2.4%	11.2%	

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. The centre's overarching objectives are to render consulting services to government departments and other organs of state; provide specialised procurement support for high impact government initiatives, render advice on 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			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of technical advisory projects supported per year	Technical and professional management services	Outcome 12: An efficient, effective and development oriented public service	90	95	100	100	100	100	100
Number of transactional advisory projects supported per year	Technical and professional management services	Outcome 6: An efficient, competitive and responsive infrastructure network	-1	-1	-1	10	12	15	17
Number of capital project appraisals analysed per year	Technical and professional management services		-2	-2	3	3	5	5	5
Number of expenditure reviews conducted per year	Technical and professional management services	Outcome 12: An efficient, effective and development oriented public service	-2	-2	-2	5	10	10	10
Number of other specialised procurement projects supported per year	Technical and professional management services	Outcome 6: An efficient, competitive and responsive infrastructure network	-2	-2	-2	10	10	10	10

1. No historical data is available as this is a new indicator.

2. No historical data is available as the centre began operating in 2014/15.

Expenditure analysis

In line with the national development plan's vision of increasing employment to 24 million by 2030, and outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework, the focus of the Government Technical Advisory Centre over the medium term will be on the continued provision of advisory services to government institutions and the management of the Jobs Fund.

Consultants are mainly used for a broad spectrum of technical support services related to management consulting, public finance matters, programme and project management, strategic planning and management, ICT related projects, specialised procurement, infrastructure advisory functions, and policy costing. As the centre focuses over the medium term on building internal capacity to implement the Jobs Fund and process grant applications, expenditure on consultants is expected to decrease from R863 million in 2016/17 to R365 million in 2018/19. Consultants constituted 90 per cent of expenditure on goods and services between 2012/13 and 2014/15, and this expenditure is expected to be reduced to an estimated 60 per cent of total expenditure over the medium term.

The centre has 69 personnel, all transferred from National Treasury from 2014/15. To assist the centre in achieving its objectives of supporting 300 technical assistance projects and 30 specialised procurement projects,

an application to increase the structure to 114 positions is awaiting approval from National Treasury. As a result, expenditure on compensation of employees is expected to increase from R103.3 million in 2016/17 to R115.2 million in 2018/19, in line with inflationary increases.

As regional offices are being planned for Western and Eastern Cape, lease payments are projected to increase from R6.7 million in 2015/16 to R11 million in 2018/19. Expenditure on travel and subsistence is projected to increase to R10 million in 2018/19 to allow for travel to these offices.

The centre is responsible for managing the Jobs Fund. The fund has been operationalised to the extent that the office is functional and personnel have been appointed to award grants. The fund aims to create 150 000 sustainable job opportunities over the medium term. It awards grants to organisations through a competitive application process where only the best ideas are funded. The fund ensures that funding allocations are transparent, open and competitive. It accepts applications from the private, public and non-governmental sectors during calls for proposals, and project partners are required to share both risk and costs by matching the grant fund allocation.

The centre generates 91 per cent of its revenue through management fees, 5.7 per cent through transfers from National Treasury, 2.2 per cent through investment income, and 1 per cent through donor funding. Over the medium term, revenue is expected to decrease slightly, from R2.3 billion in 2016/17 to R2.2 billion in 2018/19, mainly due to cost containment measures.

Programmes/objectives/activities

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

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
R thousand											
Administration	14 064	14 979	11 199	14 884	1.9%	2.3%	25 014	26 288	25 514	19.7%	1.1%
Technical and professional management services	140 030	149 134	220 765	309 704	30.3%	29.8%	293 087	291 322	296 963	-1.4%	13.9%
Employment facilitation	86 105	91 702	91 671	1 323 151	148.6%	30.9%	1 130 903	1 308 442	1 383 549	1.5%	60.1%
Independent power producer	191 212	211 762	241 892	302 682	16.5%	37.0%	865 000	585 000	443 000	13.5%	25.0%
Procurement programme account											
Total	431 411	467 577	565 527	1 950 420	65.4%	100.0%	2 314 005	2 211 053	2 149 026	3.3%	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									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
R thousand									
Revenue									
Non-tax revenue		348 099		384 672		613 422	505 087	954 856	455.6%
Sale of goods and services other than capital assets		347 712		374 077		608 777	504 887	954 656	452.6%
of which:									
Administrative fees		322 712		346 577		608 777	463 889	913 658	472.5%
Other sales		25 000		27 500		-	40 998	40 998	228.1%
Other non-tax revenue		387		10 595		4 645	200	200	7 913.5%
Transfers received		149 306		153 189		172 802	1 445 333	995 564	101.8%
Total revenue		497 405		537 861		786 224	1 950 420	1 950 420	193.4%
Expenses									
Current expenses		241 740		257 456		565 526	464 489	464 489	329.2%
Compensation of employees		46 261		49 270		35 060	99 435	99 435	231.3%
Goods and services		193 389		205 959		530 441	362 333	362 333	356.6%
Depreciation		2 090		2 227		25	2 721	2 721	259.6%
Transfers and subsidies		189 671		210 121		-	1 485 931	1 485 931	126.9%
Total expenses		431 411		467 577		565 526	1 950 420	1 950 420	175.1%
Surplus/(Deficit)		65 994		70 284		220 698	-	-	-

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

Statement of financial position								Outcome/ Budget Average (%)	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate		Revised estimate
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Carrying value of assets	-	-	-	-	-	306	-	-	-
Acquisition of assets	-	-	-	-	-	(330)	-	-	-
Receivables and prepayments	-	2 680	-	2 955	-	13 567	3 433	3 433	659.3%
Cash and cash equivalents	-	19 854	-	21 549	-	1 151 873	23 962	23 962	5 079.9%
Total assets	-	22 534	-	24 504	-	1 165 746	27 395	27 395	4 527.0%
Accumulated surplus/(deficit)	-	2 434	-	1 960	-	816 869	250	250	328 691.4%
Accrued interest	-	-	-	-	-	58 130	-	-	-
Trade and other payables	-	20 100	-	22 544	-	289 455	27 145	27 145	1 323.4%
Provisions	-	-	-	-	-	1 292	-	-	-
Total equity and liabilities	-	22 534	-	24 504	-	1 165 746	27 395	27 395	4 527.0%

Statements of estimates of financial performance and position**Table 7.71 Government Technical Advisory Centre statements of estimates of financial performance and position**

Statement of financial performance								Average growth rate (%)	Expend- iture/ Total: Average (%)
	Revised estimate	Average growth rate (%)	Expend- iture/ Total: Average (%)	Medium-term estimate			Average growth rate (%)		
R thousand	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	954 856	40.0%	67.1%	1 509 732	1 294 237	814 172	-5.2%	52.5%	
Sale of goods and services other than capital assets	954 656	40.0%	66.5%	1 501 979	1 281 959	804 093	-5.6%	52.1%	
of which:									
Administrative fees	913 658	41.5%	63.4%	1 455 016	1 232 648	752 316	-6.3%	50.0%	
Other sales	40 998	17.9%	3.1%	46 963	49 311	51 777	8.1%	2.2%	
Other non-tax revenue	200	-19.8%	0.7%	7 753	12 277	10 079	269.4%	0.3%	
Transfers received	995 564	88.2%	32.9%	812 159	929 234	1 344 361	10.5%	47.5%	
Total revenue	1 950 420	57.7%	100.0%	2 321 891	2 223 471	2 158 533	3.4%	100.0%	
Expenses									
Current expenses	464 489	24.3%	58.7%	1 314 005	1 036 173	868 973	23.2%	-	
Compensation of employees	99 435	29.1%	8.1%	103 303	109 751	115 239	5.0%	5.0%	
Goods and services	362 333	23.3%	50.3%	1 210 499	926 196	753 484	27.6%	37.0%	
Depreciation	2 721	9.2%	0.3%	202	226	250	-54.9%	0.0%	
Transfers and subsidies	1 485 931	98.6%	41.3%	1 000 000	1 174 880	1 280 053	-4.8%	58.0%	
Total expenses	1 950 420	65.4%	100.0%	2 314 005	2 211 053	2 149 026	3.3%	100.0%	
Surplus/(Deficit)	-	(1)	-	7 886	12 418	9 508	-	-	
Statement of financial position									
Carrying value of assets	-	-	0.0%	1 000	1 000	1 000	-	0.0%	
Receivables and prepayments	3 433	8.6%	9.4%	4 243	4 797	4 754	11.5%	3.3%	
Cash and cash equivalents	23 962	6.5%	90.6%	902 713	2 871 631	3 423 600	422.8%	96.6%	
Total assets	27 395	6.7%	100.0%	907 956	2 877 428	3 429 354	400.2%	100.0%	
Accumulated surplus/(deficit)	250	-53.2%	22.4%	836 000	2 830 000	3 399 000	2 286.9%	72.6%	
Trade and other payables	27 145	10.5%	76.3%	71 956	47 428	30 355	3.8%	27.4%	
Total equity and liabilities	27 395	6.7%	100.0%	907 956	2 877 428	3 429 355	2 290.7%	100.0%	

Personnel information**Table 7.72 Government Technical Advisory Centre personnel numbers and cost by salary level¹**

Number of posts estimated for 31 March 2016		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 2014/15			Revised estimate 2015/16			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2016/17		2017/18		2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Government Technical Advisory Centre																			
Salary level	117	69	137	35.1	0.3	117	99.4	0.8	114	103.3	0.9	114	109.8	1.0	114	115.2	1.0	5.0%	100.0%
1-6	3	3	3	0.4	0.1	3	0.7	0.2	3	0.8	0.3	3	0.8	0.3	3	0.9	0.3	7.0%	2.6%
7-10	25	16	21	4.4	0.2	25	9.5	0.4	25	10.2	0.4	25	11.0	0.4	25	11.7	0.5	7.2%	21.8%
11-12	30	18	42	7.9	0.2	30	20.5	0.7	30	22.1	0.7	30	23.7	0.8	30	25.4	0.8	7.4%	26.1%
13-16	59	32	71	22.3	0.3	59	68.8	1.2	56	70.3	1.3	56	74.2	1.3	56	77.3	1.4	4.0%	49.4%

1. Rand million.

Independent Regulatory Board for Auditors

Mandate

The Independent Regulatory Board for Auditors was established under the Auditing Profession Act (2005) and became operational in April 2006. The board is mandated to: protect the public by regulating audits performed by registered auditors; improve the development and maintenance of internationally comparable ethical 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 7.73 Independent Regulatory Board for Auditors performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of complaints initiated per year	Legal	Outcome 11: Create a better South Africa, a better Africa and a better world	85	68	95	95	95	95	95
Number of complaints closed per year	Legal		65	68	65	65	65	65	65
Number of disciplinary hearings per year	Legal		6	11	3	3	3	3	3
Number of inspections completed and planned per year: Firms	Inspections		22	25	25	25	25	25	25
Number of inspections completed and planned per year: Engagements	Inspections		440	500	500	500	500	500	500
Number of registered auditors per year	Registry	Outcome 6: An efficient, competitive and responsive economic infrastructure network	4 306	4 281	4 118	4 250	4 492	4 479	4 479
Number of approved registered auditors to issue BEE certificates per year	Registry		36	165	268	268	268	268	268

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 plans to focus over the medium term on enhancing the quality of financial reporting in the country by implementing effective regulatory oversight tools to protect the public. It plans to do this through regulating audits performed by registered auditors, and this will contribute immensely to instilling investor confidence, and, more generally, enhancing the environment in which the board operates. The board 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 implementation of a workflow process system, and the outsourcing of ICT management services drove an increase in current expenditure from R81.8 million in 2012/13 to R97.5 million in 2015/16. With the new workflow process system in place, expenditure is expected to increase from R103.3 million in 2016/17 to R117.6 million in 2018/19, in line with inflationary increases. Spending on compensation of employees is expected to increase from R66.9 million in 2016/17 to R77.8 million in 2018/19 due to inflationary adjustments.

The board will continue to participate in international auditing and assurance standards forums over the medium term, and continue to assist Southern African Development Community countries in developing regulatory frameworks for auditing, assurance, and other related standards. The board expects to spend R6.3 million on travel and subsistence to attend these forums over the medium term. The World Economic Forum's ranking of South Africa as number 1 out of 148 countries for its auditing standards (2010, 2011, 2012, 2013 and 2014) confirmed the board's recognition as a world class standard setter.

The board's revenue is expected to increase from R83.1 million in 2016/17 to R104 million in 2018/19. It expects to receive 37.7 per cent (R110.5 million) of its revenue from National Treasury, and the remaining 62.3 per cent (R173.7 million) from the registration of auditors and trainees, annual renewal charges, and fees for inspections of registered auditors.

Programmes/objectives/activities

Table 7.74 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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	22 965	29 971	30 149	33 790	13.7%	32.7%	35 147	37 190	38 961	4.9%	33.9%
Legal	20 099	17 648	18 101	14 774	-9.8%	20.1%	15 699	16 382	17 329	5.5%	15.0%
Education, training and professional development	9 538	13 343	12 715	7 410	-8.1%	12.2%	7 712	8 159	8 630	5.2%	7.5%
Inspections	13 050	14 759	19 272	21 459	18.0%	19.1%	21 834	23 470	24 826	5.0%	21.4%
Registry	1 615	1 761	1 745	10 546	86.9%	4.2%	12 849	13 607	16 395	15.8%	12.4%
Standards	7 105	7 806	9 277	9 538	10.3%	9.4%	10 095	10 878	11 504	6.4%	9.8%
Executive	7 403	-	-	-	-100.0%	2.3%	-	-	-	-	-
Total	81 775	85 289	91 259	97 517	6.0%	100.0%	103 336	109 686	117 645	6.5%	100.0%

Statements of historical financial performance and position

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

Statement of financial performance									Outcome/ Budget Average (%)
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	39 189	59 100	54 238	58 175	56 385	64 164	57 611	56 098	114.5%
Sale of goods and services other than capital assets	37 828	55 191	48 741	55 181	49 079	55 033	50 557	51 199	116.3%
<i>of which:</i>									
Administrative fees	85	1 905	500	1 448	1 385	1 702	562	1 671	265.6%
Sales by market establishment	37 743	53 286	48 241	53 733	47 694	53 331	49 995	49 528	114.3%
Other non-tax revenue	1 361	3 909	5 497	2 994	7 306	9 131	7 054	4 899	98.7%
Transfers received	32 208	32 208	32 933	32 933	34 577	34 577	35 838	29 999	95.7%
Total revenue	71 397	91 308	87 171	91 108	90 962	98 741	93 449	86 097	107.1%
Expenses									
Current expenses	71 397	81 775	86 299	85 289	90 962	91 259	97 517	97 517	102.8%
Compensation of employees	37 652	37 925	46 941	42 391	51 740	50 935	62 996	62 996	97.5%
Goods and services	31 014	41 757	37 092	40 381	36 724	38 764	31 639	31 639	111.8%
Depreciation	2 731	2 093	2 266	2 517	2 498	1 560	2 882	2 882	87.2%
Total expenses	71 397	81 775	86 299	85 289	90 962	91 259	97 517	97 517	102.8%
Surplus/(Deficit)	-	9 533	872	5 819	-	7 482	(4 068)	(11 420)	-
Statement of financial position									
Carrying value of assets	6 916	6 493	5 569	6 832	4 979	6 307	7 294	7 294	108.8%
Acquisition of assets	(1 600)	(898)	(1 637)	(2 874)	(1 637)	(1 050)	(1 119)	(1 119)	99.1%
Inventory	163	150	158	167	150	158	167	167	100.6%
Receivables and prepayments	1 902	5 330	1 477	6 880	2 100	4 575	6 488	6 488	194.5%
Cash and cash equivalents	4 990	32 289	24 758	37 390	21 388	38 092	24 433	24 433	174.9%
Non-current assets held for sale	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	100.0%
Total assets	23 971	54 262	41 962	61 269	38 617	59 132	48 382	48 382	145.8%
Accumulated surplus/(deficit)	7 272	16 269	13 270	20 415	7 531	25 180	12 818	12 818	182.6%
Capital and reserves	10 486	29 795	20 615	27 603	26 682	27 575	26 872	26 872	132.1%
Trade and other payables	6 213	8 198	8 077	13 251	4 404	6 377	8 692	8 692	133.3%
Total equity and liabilities	23 971	54 262	41 962	61 269	38 617	59 132	48 382	48 382	145.8%

Statements of estimates of financial performance and position

Table 7.76 Independent Regulatory Board for Auditors 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 (%)
	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue								
Non-tax revenue	56 098	-1.7%	64.7%	54 143	57 517	62 118	3.5%	62.3%
Sale of goods and services other than capital assets	51 199	-2.5%	59.1%	52 164	55 783	60 245	5.6%	59.4%
<i>of which:</i>								
Administrative fees	1 671	-4.3%	1.8%	1 765	1 864	2 013	6.4%	2.0%
Sales by market establishment	49 528	-2.4%	57.2%	50 399	53 919	58 232	5.5%	57.4%
Other non-tax revenue	4 899	7.8%	5.6%	1 979	1 734	1 873	-27.4%	2.9%
Transfers received	29 999	-2.3%	35.3%	28 978	39 624	41 922	11.8%	37.7%
Total revenue	86 097	-1.9%	100.0%	83 121	97 141	104 040	6.5%	100.0%

Table 7.76 Independent Regulatory Board for Auditors statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
Revised estimate	2015/16			2012/13 - 2015/16	2016/17	2017/18		
R thousand								
Expenses								
Current expenses	97 517	6.0%	100.0%	103 336	109 685	117 645	6.5%	126.8%
Compensation of employees	62 996	18.4%	54.1%	66 933	71 631	77 789	7.3%	65.2%
Goods and services	31 639	-8.8%	43.3%	34 778	36 429	38 231	6.5%	33.0%
Depreciation	2 882	11.3%	2.5%	1 625	1 625	1 625	-17.4%	1.8%
Total expenses	97 517	6.0%	100.0%	103 336	109 685	117 645	6.5%	100.0%
Surplus/(Deficit)	(11 420)	(2)	-	(20 215)	(12 544)	(13 605)	6.0%	-
Statement of financial position								
Carrying value of assets	7 294	4.0%	12.2%	3 586	3 689	3 689	-20.3%	18.5%
of which:								
Acquisition of assets	(1 119)	7.6%	-2.6%	(1 119)	(1 119)	(1 119)	-	-5.1%
Inventory	167	3.6%	0.3%	173	173	173	1.2%	0.8%
Receivables and prepayments	6 488	6.8%	10.5%	2 185	2 345	2 345	-28.8%	12.6%
Cash and cash equivalents	24 433	-8.9%	58.9%	10 645	-	-	-100.0%	22.6%
Non-current assets held for sale	10 000	-	18.1%	10 000	10 000	10 000	-	45.4%
Total assets	48 382	-3.8%	100.0%	26 589	16 207	16 207	-30.6%	100.0%
Accumulated surplus/(deficit)	12 818	-7.6%	33.1%	-	-	(5 096)	-173.5%	-1.2%
Capital and reserves	26 872	-3.4%	50.5%	21 436	10 608	10 000	-28.1%	65.8%
Borrowings	-	-	-	-	126	5 830	-	9.2%
Trade and other payables	8 692	2.0%	16.4%	5 153	5 473	5 473	-14.3%	26.2%
Total equity and liabilities	48 382	-3.8%	100.0%	26 589	16 207	16 207	-215.9%	100.0%

Personnel information

Table 7.77 Independent Regulatory Board for Auditors personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)					
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				Unit Cost	2015/16 - 2018/19			
Independent Regulatory Board for Auditors		84	84	84	50.9	0.6	84	63.0	0.7	84	66.9	0.8	84	71.6	0.9	84	77.8	0.9	7.3%	100.0%
Salary level		84	84	84	50.9	0.6	84	63.0	0.7	84	66.9	0.8	84	71.6	0.9	84	77.8	0.9	7.3%	100.0%
1 - 6	11	11	11	11	1.2	0.1	11	1.4	0.1	11	1.5	0.1	11	1.7	0.2	10	1.6	0.2	4.6%	12.8%
7 - 10	28	28	28	28	7.3	0.3	28	9.4	0.3	28	10.4	0.4	28	11.1	0.4	26	10.3	0.4	3.3%	32.7%
11 - 12	7	7	7	7	11.9	1.7	7	5.5	0.8	7	6.1	0.9	1	0.8	0.8	4	2.8	0.7	-20.3%	5.7%
13 - 16	35	35	35	35	23.3	0.7	35	39.4	1.1	34	38.6	1.1	37	40.8	1.1	37	44.2	1.2	3.9%	42.6%
17 - 22	3	3	3	3	7.2	2.4	3	7.3	2.4	4	10.3	2.6	7	17.3	2.5	7	18.9	2.7	37.1%	6.3%

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 7.78 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
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	9 949	9 439	9 003	10 506	11 084	11 636	12 218
Number of cases justiciable per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		4 288	3 191	3 699	4 317	4 554	4 781	5 020
Number of cases settled per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		955	538	976	1 139	1 202	1 262	1 325

Table 7.78 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		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of cases dismissed 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	2 577	2 117	3 414	2 356	2 486	2 610	2 741
Number of cases referred to other forums per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		4 366	4 932	4 741	5 489	5 791	6 081	6 385
Number of determinations issued per year (including complaints received in previous years but determined in the financial year)	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		33	23	24	25	26	27	28
Number of cases carried over per year	Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers		2 051	1 852	1 369	2 061	2 174	2 283	2 397

Expenditure analysis

The Office of the Ombud for Financial Services Providers focuses on promoting consumer protection and enhancing the integrity of the financial services industry through resolving complaints impartially, expeditiously and economically. This contributes indirectly to outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium term strategic framework. The financial sector plays a vital role in the ongoing transformation of the country, making it possible for people to make daily economic transactions, save and preserve their wealth to meet future aspirations and retirement needs, and insure against personal disaster.

Over the medium term, the focus of the Office of the Ombud for Financial Services Providers will be on promoting consumer protection by engaging consumers and financial services providers through workshops, consultation, and adverts on radio and in print media. In doing this, the office aims to reduce the number of complaints, and improve confidence in the financial services industry.

The number of personnel in the office is expected to increase from 69 in 2015/16 to 71 in 2018/19, driving an expected increase in expenditure on compensation of employees from R28.3 million in 2016/17 to R32.3 million in 2018/19, at an average annual rate of 7.4 per cent. As the office's services are labour intensive, compensation of employees accounts for the bulk of expenditure. Total expenditure over the medium term is expected to increase from R43.4 million in 2016/17 to R49.2 million in 2018/19, in line with inflationary increases.

The office uses consultants mainly for assistance with the timeous resolution of appeals, IT services, risk management, and financial services due to a lack of internal capacity, or where capability is not available. Spending on consultants increased from R3 million in 2014/15 to R4.4 million in 2015/16 due to legal costs related to appeal and property syndication cases, and the use of translators related to property syndication cases. Spending on consultants is expected to decrease to R2.2 million over the medium term, mainly because many of the projects run by consultants will be completed and the organisation will have greater internal capacity.

The office generates most of its revenue from levies and fees that the Financial Services Board charges to regulate financial services providers on its behalf. Revenue increased between 2012/13 and 2015/16 due to an increase in the number and complexity of complaints received. Revenue is expected to increase from R43.4 million in 2016/17 to R49.2 million in 2018/19, in line with inflationary adjustments.

Programmes/objectives/activities

Table 7.79 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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	10 187	12 667	14 872	18 391	21.8%	40.0%	18 539	19 662	20 854	4.3%	42.3%
Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers	18 009	17 859	18 319	24 236	10.4%	56.6%	22 961	24 512	26 168	2.6%	53.5%
Enhanced stakeholder management	1 163	1 023	1 049	1 603	11.3%	3.5%	1 916	2 043	2 179	10.8%	4.2%
Total	29 359	31 549	34 240	44 230	14.6%	100.0%	43 416	46 217	49 201	3.6%	100.0%

Statements of historical financial performance and position

Table 7.80 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	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	102	34	165	198	-	24	-	-	96.0%
Sale of goods and services other than capital assets	102	34	165	198	-	24	-	-	96.0%
<i>of which:</i>									
Administrative fees	102	34	165	198	-	24	-	-	96.0%
Transfers received	28 966	26 910	35 751	28 709	31 771	35 798	38 820	43 423	99.7%
Total revenue	29 068	26 944	35 916	28 907	31 771	35 822	38 820	43 423	99.6%
Expenses									
Current expenses	29 061	29 359	35 313	31 549	37 302	34 240	38 730	44 230	99.3%
Compensation of employees	19 395	20 253	21 108	20 857	25 820	22 630	26 020	26 020	97.2%
Goods and services	8 966	8 375	13 510	9 802	10 427	10 685	11 661	17 161	103.3%
Depreciation	700	680	695	836	999	880	1 014	1 014	100.1%
Interest, dividends and rent on land	-	51	-	54	56	45	35	35	203.3%
Total expenses	29 061	29 359	35 313	31 549	37 302	34 240	38 730	44 230	99.3%
Surplus/(Deficit)	7	(2 415)	603	(2 642)	(5 531)	1 582	90	(807)	-
Statement of financial position									
Carrying value of assets	2 514	1 916	2 822	2 299	2 530	2 189	2 671	3 629	95.2%
Acquisition of assets	(1 469)	(923)	(1 402)	(1 279)	(1 484)	(795)	(1 244)	(2 454)	97.4%
Receivables and prepayments	5 076	3 112	1 633	602	472	2 617	670	725	89.9%
Cash and cash equivalents	1 150	467	595	278	79	211	362	222	53.9%
Total assets	8 740	5 495	5 050	3 179	3 081	5 017	3 703	4 576	88.8%
Accumulated surplus/(deficit)	5 738	3 953	2 701	1 311	1 153	2 893	335	2 086	103.2%
Capital and reserves	1 911	-	-	-	-	-	-	-	-
Finance lease	-	722	60	298	233	233	157	157	313.3%
Trade and other payables	1 091	87	1 775	401	924	1 122	1 910	1 524	55.0%
Provisions	-	609	514	647	771	741	720	780	138.5%
Derivatives financial instruments	-	124	-	522	-	28	581	29	121.0%
Total equity and liabilities	8 740	5 495	5 050	3 179	3 081	5 017	3 703	4 576	88.8%

Statements of estimates of financial performance and position

Table 7.81 Office of the Ombud for Financial Services Providers 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 (%)
		2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19		
Revenue									
Transfers received	43 423	17.3%	99.8%	43 416	46 217	49 201	4.3%	100.0%	
Total revenue	43 423	17.2%	100.0%	43 416	46 217	49 201	4.3%	100.0%	
Expenses									
Current expenses	44 230	14.6%	100.0%	43 416	46 217	49 201	3.6%	139.4%	
Compensation of employees	26 020	8.7%	65.0%	28 290	30 214	32 269	7.4%	63.7%	
Goods and services	17 161	27.0%	32.4%	14 087	14 904	15 769	-2.8%	33.9%	
Depreciation	1 014	14.2%	2.5%	1 014	1 073	1 135	3.8%	2.3%	
Interest, dividends and rent on land	35	-11.8%	0.1%	25	26	28	-7.2%	0.1%	
Total expenses	44 230	14.6%	100.0%	43 416	46 217	49 201	3.6%	100.0%	
Surplus/(Deficit)	(807)	-	-	-	-	-	-100.0%	-	
Statement of financial position									
Carrying value of assets	3 629	23.7%	57.5%	3 523	3 411	3 292	-3.2%	77.0%	
<i>of which:</i>									
Acquisition of assets	(2 454)	38.5%	-31.6%	(970)	(1 027)	(1 087)	-23.8%	-30.6%	
Receivables and prepayments	725	-38.5%	35.9%	770	814	861	5.9%	17.6%	
Cash and cash equivalents	222	-22.0%	6.6%	236	250	265	6.1%	5.4%	
Total assets	4 576	-5.9%	100.0%	4 529	4 475	4 418	-1.2%	100.0%	
Accumulated surplus/(deficit)	2 086	-19.2%	54.1%	2 086	2 086	2 086	-	46.4%	
Finance lease	157	-39.9%	7.6%	68	-	-	-100.0%	1.2%	
Trade and other payables	1 524	159.7%	17.5%	1 516	1 480	1 370	-3.5%	32.7%	
Provisions	780	8.6%	15.8%	828	876	927	5.9%	19.0%	
Derivatives financial instruments	29	-38.4%	5.0%	31	33	35	6.5%	0.7%	
Total equity and liabilities	4 576	-5.9%	100.0%	4 529	4 475	4 418	-91.1%	100.0%	

Personnel information

Table 7.82 Office of the Ombud for Financial Services Providers personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)	
		2014/15			2015/16			2016/17			2017/18			2018/19					
Office of the Ombud for Financial Services Providers		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Salary level	69	69	62	22.6	0.4	69	26.0	0.4	71	28.3	0.4	71	30.2	0.4	71	32.3	0.5	7.4%	100.0%
1 – 6	24	24	23	2.7	0.1	24	3.2	0.1	24	3.4	0.1	24	3.7	0.2	24	4.0	0.2	7.2%	34.0%
7 – 10	31	31	27	8.4	0.3	31	10.0	0.3	33	11.3	0.3	33	12.0	0.4	33	12.8	0.4	8.8%	46.1%
11 – 12	9	9	7	4.8	0.7	9	5.6	0.6	9	5.9	0.7	9	6.3	0.7	9	6.8	0.8	6.9%	12.8%
13 – 16	4	4	4	3.7	0.9	4	4.5	1.1	4	4.7	1.2	4	5.0	1.2	4	5.3	1.3	6.0%	5.7%
17 – 22	1	1	1	3.0	3.0	1	2.8	2.8	1	3.0	3.0	1	3.2	3.2	1	3.4	3.4	6.3%	1.4%

1. Rand million.

Office of the Pension 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 the 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 7.83 Office of the Pension Funds Adjudicator performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of valid complaints resolved within 9 months of lodging complaints per year	Dispose of complaints received	Outcome 12: An efficient, effective and development oriented public service	65% (1 881)	95% (4 765)	95% (4 134)	95% (3 648)	95% (3 648)	95% (3 648)	95% (3 648)
Number of complaints disposed through determinations, conciliation and settlements per year	Dispose of complaints received		4 127	4 751	4 351	3 840	3 840	3 840	3 840

Expenditure analysis

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

Over the medium term, the focus of the office will be on increasing the efficacy of its investigations to resolve complaints more expeditiously. Other areas of focus will be the development of staff through furthering their training and academic qualifications; the implementation of required systems and resources to improve the office's operating environment, including the acquisition of technologically advanced ICT infrastructure such as a case management system; and the effective management of and interaction with stakeholders and the public at large through road shows and honouring invitations from stakeholders.

In light of the recent increase in the number of complaints received, the office plans to appoint a deputy funds adjudicator, 2 case officers, an administration assistant, and an assistant adjudicator to address succession planning risks and maintain the standard of service delivery. The number of personnel in the office is thus expected to increase from 58 to 64 over the medium term, driving an increase in spending on compensation of

employees R33.7 million in 2016/17 to R37.9 million in 2018/19. Further expenditure of R3.1 million over the medium term relates to costs to set up the office's ICT infrastructure, and the related service costs, staff training, stakeholder outreach programmes, and travel. Total expenditure is expected to increase from R58.1 million in 2016/17 to R64.4 million in 2018/19 in line with inflationary increases.

The office receives revenue mainly in the form of transfers from the Financial Services Board. Other revenue consists of interest earned on cash resources. Revenue is expected to increase from R47.1 million in 2015/16 to R64.6 million in 2018/19, at an average annual rate of 11.1 per cent. The increase in funding required by the office is a result of the accumulated reserves used in previous periods, the increased costs associated with ICT services, and the appointment of additional staff to address succession planning.

Programmes/objectives/activities

Table 7.84 Office of the Pension Funds Adjudicator expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	7 057	4 468	4 650	5 072	-10.4%	11.8%	5 475	5 816	6 171	6.8%	9.6%
Dispose of complaints received	32 952	35 928	38 906	43 534	9.7%	82.7%	49 292	51 893	54 577	7.8%	84.6%
Achieve operational excellence	1 870	1 905	2 152	2 546	10.8%	4.6%	2 578	2 717	2 843	3.7%	4.6%
Effective stakeholder relationships	519	129	369	655	8.1%	0.9%	752	792	832	8.3%	1.3%
Total	42 398	42 430	46 077	51 807	6.9%	100.0%	58 097	61 218	64 423	7.5%	100.0%

Statements of historical financial performance and position

Table 7.85 Office of the Pension Funds Adjudicator 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 (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	118	216	177	10	10	11	10	10	78.5%
Other non-tax revenue	118	216	177	10	10	11	10	10	78.5%
Transfers received	45 397	40 968	43 134	42 198	44 308	43 769	47 023	47 137	96.8%
Total revenue	45 515	41 184	43 311	42 208	44 318	43 780	47 033	47 147	96.7%
Expenses									
Current expenses	43 419	42 398	42 878	42 430	46 905	46 077	51 807	51 807	98.8%
Compensation of employees	27 838	24 351	27 126	24 873	26 671	26 079	28 847	28 847	94.3%
Goods and services	14 813	16 580	14 212	14 729	15 908	16 979	18 520	18 520	105.3%
Depreciation	767	1 467	1 540	2 828	4 326	3 019	4 440	4 440	106.2%
Total expenses	43 419	42 398	42 878	42 430	46 905	46 077	51 807	51 807	98.8%
Surplus/(Deficit)	2 096	(1 214)	433	(222)	(2 587)	(2 297)	(4 774)	(4 660)	-
Statement of financial position									
Carrying value of assets	2 002	10 017	5 077	9 429	9 283	8 639	8 404	7 755	144.7%
Acquisition of assets	(448)	(8 738)	(3 593)	(2 371)	(3 000)	(2 181)	(2 585)	(3 585)	175.3%
Receivables and prepayments	3 811	2 810	1 800	3 172	629	2 140	349	703	133.9%
Cash and cash equivalents	2 443	1 543	1 723	1 882	1 000	1 371	500	500	93.5%
Total assets	8 256	14 370	8 600	14 483	10 912	12 150	9 253	8 958	135.0%
Accumulated surplus/(deficit)	6 053	11 086	4 300	10 808	8 927	8 511	2 594	4 005	157.3%
Trade and other payables	2 203	708	3 300	2 437	788	2 329	5 284	3 577	78.2%
Provisions	-	2 576	1 000	1 238	1 197	1 310	1 375	1 376	182.0%
Total equity and liabilities	8 256	14 370	8 600	14 483	10 912	12 150	9 253	8 958	135.0%

Statements of estimates of financial performance and position

Table 7.86 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	2015/16				2012/13 - 2015/16	2016/17	2017/18		
Revenue									
Non-tax revenue	10	-64.1%	0.1%	10	11	11	3.2%	0.0%	
Other non-tax revenue	10	-64.1%	0.1%	10	11	11	3.2%	0.0%	
Transfers received	47 137	4.8%	99.9%	54 275	61 500	64 575	11.1%	100.0%	
Total revenue	47 147	4.6%	100.0%	54 285	61 511	64 586	11.1%	100.0%	
Expenses									
Current expenses	51 807	6.9%	100.0%	58 097	61 218	64 423	7.5%	131.6%	
Compensation of employees	28 847	5.8%	57.1%	33 702	35 738	37 863	9.5%	57.7%	
Goods and services	18 520	3.8%	36.6%	20 495	21 580	22 660	7.0%	35.4%	
Depreciation	4 440	44.6%	6.3%	3 900	3 900	3 900	-4.2%	6.9%	
Total expenses	51 807	6.9%	100.0%	58 097	61 218	64 423	7.5%	100.0%	
Surplus/(Deficit)	(4 660)	1	-	(3 812)	293	163	-132.7%	-	
Statement of financial position									
Carrying value of assets	7 755	-8.2%	73.1%	6 334	4 434	2 534	-31.1%	74.9%	
of which:									
Acquisition of assets	(3 585)	-25.7%	-33.8%	(2 450)	(2 000)	(2 000)	-17.7%	-37.0%	
Receivables and prepayments	703	-37.0%	16.7%	733	764	1 883	38.9%	17.3%	
Cash and cash equivalents	500	-31.3%	10.1%	500	500	500	-	7.8%	
Total assets	8 958	-14.6%	100.0%	7 567	5 698	4 917	-18.1%	100.0%	
Accumulated surplus/(deficit)	4 005	-28.8%	66.6%	40	331	495	-50.2%	15.3%	
Trade and other payables	3 577	71.6%	20.2%	6 083	3 851	2 830	-7.5%	61.4%	
Provisions	1 376	-18.9%	13.2%	1 444	1 516	1 592	5.0%	23.4%	
Total equity and liabilities	8 958	-14.6%	100.0%	7 567	5 698	4 917	-52.7%	100.0%	

Personnel information

Table 7.87 Office of the Pension Funds Adjudicator personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
		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	56	56	58	26.1	0.4	58	28.8	0.5	64	33.7	0.5	64	35.7	0.6	64	37.9	0.6	9.5%	100.0%
1 - 6	4	4	11	1.1	0.1	8	1.2	0.2	6	1.0	0.2	6	1.0	0.2	5	0.9	0.2	-11.6%	10.1%
7 - 10	33	33	35	11.2	0.3	33	10.6	0.3	39	12.8	0.3	38	12.9	0.3	36	12.0	0.3	4.2%	58.4%
11 - 12	6	6	3	2.5	0.8	6	3.9	0.6	7	4.3	0.6	8	5.4	0.7	10	6.6	0.7	19.5%	12.4%
13 - 16	12	12	8	8.7	1.1	10	10.4	1.0	11	12.7	1.2	11	13.4	1.2	12	15.2	1.3	13.4%	17.6%
17 - 22	1	1	1	2.7	2.7	1	2.7	2.7	1	2.9	2.9	1	3.0	3.0	1	3.2	3.2	5.8%	1.6%

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

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Value of net profit after tax per year	Investments	Outcome 11: Create a better South Africa, a better Africa and a better world	R130m	R209m	R90m	R123m	R135m	R142m	R280m
Total amount of funds under management per year	Investments		R1.4tr	R1.6tr	R1.72tr	R1.82tr	R1.92tr	R2.02tr	R2.12tr
Percentage contribution of assets under management towards education, health, housing, infrastructure and environmental sustainability per year	Investments		– ¹	1.44% (R23m)	2.5% (R43m)	2.5% (R63.7m)	3.5% (R86.4m)	5.5% (R111.1m)	– ²
Percentage increase in the African and offshore investment portfolios per year	Investments		– ¹	0.81% (R12.9m)	1.5% (R25.8m)	2.5% (R45.5m)	3.5% (R67.2m)	4.5% (R90.9m)	– ²
Amount committed towards BEE development property investments (new developments, refurbishments and upgrades, and rural development investments) per year	Investments	Outcome 4: Decent employment through inclusive economic growth	– ¹	R45.7m	R1.5bn	R2bn	R2.5bn	R3bn	– ²

1. No historical data is available as these indicators were introduced in 2013/14.

2. Indicators are to be discontinued from 2018/19.

Expenditure analysis

The Public Investment Corporation has aimed to align its activities with the objectives of the national development plan through developmental investments that have significant social, economic and environmental benefits for the country and, most importantly, 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 makes these 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 supporting positive long term economic, social and environmental outcomes. As such, the corporation's developmental investments are focused on economic infrastructure, social infrastructure, sustainability projects, enterprise development, and SMMEs in manufacturing, tourism, and value chain mining and agro-processing. In 2013/14, the Isibaya Fund created in excess of 7 805 direct and indirect jobs, and sustained 78 636 jobs from the existing portfolio.

By disbursing student loans to increase the levels of qualifications and skills, the corporation will continue to focus on the development of social infrastructure. R15.8 billion has been allocated in the socioeconomic transformation programme for this, and this will be used for the training of interns in targeted areas such as investment, affordable housing and renewable energy.

As the corporation intensifies its investment activities, the value of the corporation's assets is expected to increase from R1.8 trillion in 2014/15 to R3 trillion in 2018/19, necessitating the appointment of additional asset managers to strengthen capacity. As a result, expenditure on compensation of employees is expected to increase from R682.2 million in 2016/17 to R761.6 million in 2018/19, at an average annual rate of 8.3 per cent, as the number of personnel grows from 405 to a projected 488 over the medium term. This number includes additional personnel that will be appointed to strengthen the corporation's media team, and the research department of the Isibaya Fund.

The corporation plans to commit about R7.5 billion towards development property investments over the medium term, including new developments, refurbishments and upgrades; and 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.

Expenditure as a whole is expected to increase from R1.1 billion in 2016/17 to R1.2 billion in 2018/19, mainly due to the expected significant increase in personnel numbers.

The corporation derives its revenue mainly through fees for managing its clients' assets, including the Government Employees Pension Fund, and from interest received, board fees, and other income. Between 2012/13 and 2015/16, revenue increased by 113.1 per cent from R523.7 million to R1.2 billion, mainly due to

an increase in the market value of assets under management and significant growth in the Isibaya portfolio. Revenue is expected to increase from R1.2 billion in 2015/16 to R1.4 billion in 2018/19, primarily due to the anticipated 10 per cent increase in management fees, growth of approximately 12 per cent in the equities portfolio, and the expected 3 per cent increase in assets under management for the consumer price index.

Programmes/objectives/activities

Table 7.89 Public Investment Corporation 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 (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
R thousand											
Administration	204 618	291 830	386 117	325 322	16.7%	46.3%	346 655	363 988	380 731	5.4%	33.2%
Investments	189 173	362 812	328 189	609 447	47.7%	53.7%	706 965	741 039	807 729	9.8%	66.8%
Total	393 791	654 642	714 306	934 769	33.4%	100.0%	1 053 620	1 105 027	1 188 460	8.3%	100.0%

Statements of historical financial performance and position

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

Statement of financial performance									Outcome/ Budget Average (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
R thousand	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	417 322	523 741	805 561	863 519	917 531	1 044 065	1 057 888	1 186 661	113.1%
Sale of goods and services other than capital assets	389 925	482 402	767 772	808 880	867 696	955 232	991 297	1 088 681	110.6%
of which:									
Sales by market establishment	389 925	482 402	767 772	808 880	867 696	955 232	991 297	1 088 681	110.6%
Other non-tax revenue	27 397	41 339	37 789	54 639	49 835	88 833	66 591	97 980	155.7%
Total revenue	417 322	523 741	805 561	863 519	917 531	1 044 065	1 057 888	1 186 661	113.1%
Expenses									
Current expenses	369 361	342 904	638 177	574 672	782 332	585 114	908 423	874 171	88.1%
Compensation of employees	240 621	229 850	422 382	441 196	510 966	422 447	621 763	598 775	94.2%
Goods and services	126 542	100 955	193 446	123 343	250 598	152 972	262 943	252 598	75.6%
Depreciation	2 198	12 094	22 349	10 118	20 768	9 680	23 717	22 798	79.2%
Interest, dividends and rent on land	-	5	-	15	-	15	-	-	-
Total expenses	383 405	393 791	685 044	654 642	824 069	714 306	963 547	934 769	94.4%
Surplus/(Deficit)	33 917	129 950	120 517	208 877	93 462	329 759	94 341	251 892	-
Statement of financial position									
Carrying value of assets	33 578	15 903	93 623	19 211	67 085	24 318	77 554	97 536	57.7%
Acquisition of assets	(6 415)	(3 647)	(24 986)	(13 429)	(62 338)	(15 039)	(34 187)	(55 980)	68.9%
Investments	282 681	346 858	336 839	586 821	658 575	549 563	824 260	1 058 263	120.9%
Receivables and prepayments	116 811	63 115	62 054	81 431	72 308	154 125	82 608	105 828	121.2%
Cash and cash equivalents	335 322	370 101	429 463	451 750	489 592	829 443	599 644	465 183	114.2%
Non-current assets held for sale	30 454	-	-	-	-	-	-	-	-
Taxation	-	20 431	9 715	67 763	57 818	83 491	15 161	7 158	216.3%
Total assets	798 846	816 408	931 694	1 206 976	1 345 378	1 640 940	1 599 227	1 733 968	115.5%
Accumulated surplus/(deficit)	305 037	459 442	545 961	668 319	637 386	998 078	843 133	1 227 649	143.8%
Capital and reserves	413 003	278 001	278 001	279 822	278 000	284 679	278 000	279 822	90.0%
Borrowings	760	-	-	-	-	-	-	-	-
Finance lease	24 695	704	-	356	-	294	-	27	5.6%
Trade and other payables	48 960	20 871	29 632	28 760	23 965	49 949	25 882	30 347	101.2%
Taxation	-	-	-	-	-	13 457	-	-	-
Provisions	6 391	57 390	78 100	229 719	406 027	294 483	452 212	196 123	82.5%
Total equity and liabilities	798 846	816 408	931 694	1 206 976	1 345 378	1 640 940	1 599 227	1 733 968	115.5%

Statements of estimates of financial performance and position

Table 7.91 Public Investment Corporation 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	2015/16				2012/13 - 2015/16	2016/17	2017/18		
Revenue									
Non-tax revenue	1 186 661	31.3%	100.0%	1 279 109	1 334 064	1 395 431	5.6%	100.0%	
Sale of goods and services other than capital assets	1 088 681	31.2%	92.3%	1 173 494	1 223 912	1 280 212	5.6%	91.7%	
<i>of which:</i>									
Sales by market establishment	1 088 681	31.2%	92.3%	1 173 494	1 223 912	1 280 212	5.6%	91.7%	
Other non-tax revenue	97 980	33.3%	7.7%	105 615	110 152	115 219	5.6%	8.3%	
Total revenue	1 186 661	31.3%	100.0%	1 279 109	1 334 064	1 395 431	5.6%	100.0%	
Expenses									
Current expenses	874 171	36.6%	87.6%	960 379	1 023 718	1 056 455	6.5%	161.7%	
Compensation of employees	598 775	37.6%	62.2%	682 211	728 105	761 599	8.3%	64.7%	
Goods and services	252 598	35.8%	23.2%	248 529	262 917	260 656	1.1%	24.1%	
Depreciation	22 798	23.5%	2.1%	29 639	32 696	34 200	14.5%	2.8%	
Total expenses	934 769	33.4%	100.0%	1 053 620	1 105 027	1 188 461	8.3%	100.0%	
Surplus/(Deficit)	251 892	-	-	225 489	229 037	206 970	-6.3%	-	
Statement of financial position									
Carrying value of assets	97 536	83.0%	2.7%	122 480	96 878	101 334	1.3%	5.1%	
<i>of which:</i>									
Acquisition of assets	(55 980)	148.5%	-1.4%	(49 944)	(56 564)	(59 166)	1.9%	-2.7%	
Investments	1 058 263	45.0%	46.4%	1 183 739	1 254 316	1 312 015	7.4%	58.5%	
Receivables and prepayments	105 828	18.8%	7.5%	112 124	118 796	124 261	5.5%	5.6%	
Cash and cash equivalents	465 183	7.9%	40.0%	561 371	732 736	766 442	18.1%	30.3%	
Taxation	7 158	-29.5%	3.4%	7 586	8 039	8 409	5.5%	0.4%	
Total assets	1 733 968	28.5%	100.0%	1 987 300	2 210 765	2 312 460	10.1%	100.0%	
Accumulated surplus/(deficit)	1 227 649	38.8%	60.8%	1 467 411	1 676 491	1 753 610	12.6%	74.1%	
Capital and reserves	279 822	0.2%	22.7%	279 822	279 822	292 694	1.5%	13.9%	
Finance lease	27	-66.3%	0.0%	24	22	23	-5.2%	0.0%	
Trade and other payables	30 347	13.3%	2.4%	32 152	34 065	35 632	5.5%	1.6%	
Provisions	196 123	50.6%	13.8%	207 891	220 365	230 502	5.5%	10.4%	
Total equity and liabilities	1 733 968	28.5%	100.0%	1 987 300	2 210 765	2 312 460	20.0%	100.0%	

Personnel information

Table 7.92 Public Investment Corporation personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)			
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost
Public Investment Corporation	488	550	422.4	0.8	405	598.8	1.5	488	682.2	1.4	488	728.1	1.5	488	761.6	1.6	8.3%	100.0%
Salary level	488	550	422.4	0.8	405	598.8	1.5	488	682.2	1.4	488	728.1	1.5	488	761.6	1.6	8.3%	100.0%
1 - 6	24	54	8.0	0.1	21	3.9	0.2	24	4.6	0.2	24	4.9	0.2	24	5.2	0.2	9.5%	5.0%
7 - 10	204	243	89.7	0.4	169	103.5	0.6	204	119.5	0.6	204	128.2	0.6	204	134.1	0.7	9.0%	41.8%
11 - 12	113	132	93.4	0.7	96	119.7	1.2	113	136.6	1.2	113	145.9	1.3	113	152.6	1.4	8.4%	23.3%
13 - 16	125	102	157.3	1.5	97	245.5	2.5	125	279.3	2.2	125	298.0	2.4	125	311.7	2.5	8.3%	25.2%
17 - 22	22	19	74.0	3.9	22	126.2	5.7	22	142.2	6.5	22	151.1	6.9	22	158.0	7.2	7.6%	4.7%

1. Rand million.

South African Airways

Mandate

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 is a public company governed by the South African Airways Act (2007). It is mandated to promote air links with South Africa's main business and tourism markets within the African continent and internationally. The airline is regarded as a strategic asset that will enable the state to preserve its ability to contribute to key domestic, intra-regional and international air linkages.

Expenditure analysis

Since the airline's long term turnaround strategy was developed in 2013, the competitive environment in the aviation industry has intensified, putting pressure on the airline's revenue and causing deterioration in its overall financial results and position. The airline continues to be in financial distress. In October 2014, the board of the

airline was reconstituted by the state, and the new board proposed a 90 day action plan to return the company to relative stability and to begin implementing key aspects of a refined turnaround strategy. Although the plan has resulted in decisions being taken to enable savings to be realised in 2016/17, the company is still anticipated to realise a net loss of about R4.4 billion for 2014/15, which will be confirmed when it releases its annual report for that year. Continued diligent implementation of the refined turnaround strategy, as detailed in the airline's 2015 corporate plan, will be required to make it successful. Additional guarantees have been received from government, bringing the total guarantee to R14.4 billion as at 31 January 2015. This is expected to enable the airline to fund operations on its path to achieving commercial and financial sustainability.

Aviation is a capital intensive, competitive and highly regulated industry that is extremely susceptible to macroeconomic volatility. In addition, the South African domestic market is unregulated in terms of pricing, frequency or marketing restrictions. There have been a number of new entrants locally, resulting in an oversupply of seats in the domestic market, pushing airfares downwards. As a result, more than 50 per cent of domestic seat supply in the past 12 months has come from low cost carriers. Long haul international markets are regulated by bilateral agreements between states, with specific frequencies assigned to designated carriers, and South Africa's relative geographic remoteness increases costs for carriers on these routes. However, the recently developed network and fleet plan aims to address these challenges and maximise the profit potential of the airline through encouraging greater efficiency.

Over the medium term, the airline will focus on achieving its strategic objective of providing excellent customer service to achieve the vision of being Africa's leading airline, with an emphasis on achieving and maintaining commercial sustainability. Key initiatives in pursuit of these objectives include the implementation of a new network and fleet plan, which could result in an improvement of up to R2.5 billion in annual earnings through optimising and adjusting existing operations; the achievement of up to R2.2 billion in additional cost savings by reducing costs by 25 per cent over the period; and a focus on performance management and accountability of all personnel, from shareholders to employees, to achieve positive operating profits.

The airline still has a high operating cost to revenue ratio of 107 per cent, reflecting a slight improvement from the 2012/13 ratio of 107.7 per cent. Fuel remains the airline's largest expense, accounting for an estimated 36 per cent of operational expenditure. The weakening of the rand against major currencies has also had a significant impact on fuel prices. Expenditure over the medium term is expected to increase at an average annual rate of 6.4 per cent from R35.6 billion in 2016/17 to R40.5 billion in 2018/19.

The airline derives its revenue from passenger travel, cargo, mail, and excess baggage services. As a result of an expected increase in fares, reflecting strong passenger demand and an increase in passenger numbers, revenue is expected to increase from R34.4 billion in 2016/17 to R40.5 billion in 2018/19. However, the growth in revenue has been surpassed by the growth in total costs, driven by fuel, labour and landing fees.

South African Special Risks Insurance Association

Mandate

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

Selected performance indicators

Table 7.93 South African Special Risks Insurance Association performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Value of gross written premium per year	Sustainable revenue growth: Gross written premium income growth	Outcome 11: Create a better South Africa, a better Africa and a better world	R1.2bn	R1.4bn	R1.52bn	R1.62bn	R1.74bn	R1.88bn	R1.2bn
Value of net underwriting profit per year	Sustainable revenue growth: Net underwriting profit growth		R325.8m	R789.9m	R249.5m	R339.6m	R358.1m	R367.6m	R387.2m
Percentage of all fast-tracked claims 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	85%	90%	90%	90%	90
Percentage of large loss claims per year finalised within 60 days	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time		-1	-1	60%	70%	70%	70%	70%
Average number of days per year for processing claims under R250 000	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time		75 days	30 days	30 days	30 days	30 days	30 days	30 days
Amount spent on awareness campaigns per year	Brand development: Increase brand awareness	Outcome 11: Create a better South Africa, a better Africa and a better world	R3.98m	R3.96m	R4.1m	R4.3m	-2	-2	-2
Average number of days per year for processing large claims	Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time		75 days	30 days	30 days	20 days	20 days	20 days	20 days

1. No historical data is available as these are new indicators introduced in 2014/15.

2. No further awareness campaigns are planned over the medium term.

Expenditure analysis

The South African Special Risk Insurance Association contributes to outcome 11 (create a better South Africa, a better Africa and a better world) of government's 2014-2019 medium term strategic framework 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 supporting continued investment in the education sector through school development projects.

The association's underwriting expenses comprise reinsurance premiums paid, claims paid, and administration and marketing expenses. Total expenditure over the medium term is expected to increase from R1.7 billion in 2016/17 to R2 billion in 2018/19 due to increases in underwriting expenses driven by premium growth and an expected increase in gross claims. However, expenditure on consultants is expected to decrease from R5.9 million in 2014/15 to R5.4 million in 2018/19 due to the solvency assessment management project, which aims to align the insurance industry with international standards and ensure compliance with the Financial Services Board's requirements; and a focus on reducing reliance on external consultants. To achieve this, the association plans to recruit more professional personnel to develop a skills base. Expenditure on compensation of employees is thus projected to increase from R58.2 million in 2016/17 to R66.8 million in 2018/19, although the number of personnel in the association is expected to decrease from 96 to 90 over the medium term, mainly due to the expiry of fixed term contracts that will not be renewed.

The association generates revenue from insurance premiums. Through intermediary short term insurers, cover is provided to individual, corporate and commercial customers. Over the medium term, revenue is expected to increase from R2.2 billion in 2016/17 to R2.6 billion in 2018/19, at an average annual rate of 7.8 per cent due to the introduction of new products, such as a web portal for customers.

Programmes/objectives/activities

Table 7.94 South African Special Risks Insurance Association 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 (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
Administration	367 775	547 508	539 143	546 300	14.1%	37.2%	582 770	619 764	661 174	6.6%	34.5%
Sustainable revenue growth: Gross written premium income growth	118 107	120 987	176 730	217 365	22.5%	11.5%	241 490	274 861	295 475	10.8%	14.7%
Sustainable revenue growth: Net underwriting profit growth	900 435	501 991	604 776	778 833	-4.7%	50.7%	846 606	917 107	997 827	8.6%	50.6%
Regulatory environment: Development and implementation of the solvency assessment and management (phase III) project plan	4 938	-	-	-	-100.0%	0.1%	-	-	-	-	-
Customer centricity: Provide superior customer service to external stakeholders: Treating customers fairly project	2 261	-	-	-	-100.0%	0.0%	-	-	-	-	-
Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time	1 988	2 366	2 902	-	-100.0%	0.1%	-	-	-	-	-
People, capacity and capability: Develop the South African Special Risks Insurance Association's skills base to reduce reliance on external consultants	2 055	2 199	3 926	3 466	19.0%	0.2%	3 673	3 894	4 127	6.0%	0.2%
Brand development: Increase brand awareness	-	-	-	500	-	0.0%	600	600	600	6.3%	0.0%
Innovation: Research special risk insurance products	-	-	-	2 500	-	0.0%	-	-	-	-100.0%	0.0%
Infrastructure and cost management: Achieve level 1-BBEE certification	-	-	368	100	-	0.0%	214	229	245	34.8%	0.0%
Total	1 397 559	1 175 051	1 327 845	1 549 064	3.5%	100.0%	1 675 353	1 816 455	1 959 449	8.1%	100.0%

Statements of historical financial performance and position

Table 7.95 South African Special Risks Insurance Association 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 (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	1 240 132	1 755 185	1 404 666	1 856 117	1 638 513	1 938 530	2 053 086	2 076 792	120.4%
Sale of goods and services other than capital assets	962 373	1 336 175	1 126 668	1 412 972	1 318 723	1 546 915	1 629 531	1 639 703	117.8%
of which:									
Sales by market establishment	962 373	1 336 175	1 126 668	1 412 972	1 318 723	1 546 915	1 629 531	1 639 703	117.8%
Other non-tax revenue	277 759	419 010	277 998	443 145	319 790	391 615	423 555	437 089	130.2%
Total revenue	1 240 132	1 755 185	1 404 666	1 860 977	1 638 513	1 938 530	2 053 086	2 076 792	120.4%
Expenses									
Current expenses	630 583	1 254 000	697 732	916 937	979 305	1 102 659	1 343 836	1 343 836	126.5%
Compensation of employees	28 567	27 690	28 407	41 616	43 033	48 708	53 430	53 430	111.7%
Goods and services	597 156	1 224 139	664 492	871 999	928 277	1 047 684	1 281 816	1 281 816	127.5%
Depreciation	4 860	2 171	4 833	3 322	7 995	6 266	8 590	8 590	77.4%
Total expenses	801 256	1 397 559	891 741	1 175 050	979 305	1 327 846	1 549 064	1 549 064	129.1%
Surplus/(Deficit)	438 876	357 626	512 925	685 927	659 208	610 684	504 022	527 728	-
Statement of financial position									
Carrying value of assets	74 383	38 476	72 317	51 019	45 209	54 198	59 947	60 511	81.1%
Acquisition of assets	(331 336)	(3 655)	(9 671)	(15 564)	(3 850)	(4 098)	(6 727)	(8 646)	9.1%
Investments	3 372 870	3 510 800	4 855 469	4 035 497	4 440 045	4 478 517	4 860 417	5 135 251	97.9%
Receivables and prepayments	228 698	298 411	243 868	151 927	149 689	145 617	140 150	131 451	95.4%
Cash and cash equivalents	1 232 634	1 251 964	467 129	1 240 288	858 499	1 344 566	979 755	784 235	130.6%
Non-current assets held for sale	-	-	-	-	-	36 000	-	-	-
Total assets	4 908 585	5 101 366	5 638 783	5 478 731	5 493 442	6 058 898	6 040 269	6 111 448	103.0%
Accumulated surplus/(deficit)	4 028 924	3 822 933	4 839 923	4 296 106	4 522 713	4 674 237	4 637 730	2 899 644	87.0%
Capital and reserves	-	245 142	-	350 610	263 372	377 385	399 032	2 428 242	513.5%
Deferred income	-	13 127	-	4 159	591	5 146	1 075	6 259	1 722.1%
Trade and other payables	879 661	1 012 879	124 774	759 301	642 771	921 222	978 478	723 542	130.1%
Taxation	-	6 232	54 694	56 627	56 995	69 361	16 024	44 765	138.6%
Provisions	-	1 053	-	11 928	7 000	11 547	7 930	8 996	224.5%
Total equity and liabilities	4 908 585	5 101 366	5 638 783	5 478 731	5 493 442	6 058 898	6 040 269	6 111 448	103.0%

Statements of estimates of financial performance and position

Table 7.96 South African Special Risks 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 (%)
					2015/16	2012/13 - 2015/16	2016/17		
R thousand									
Revenue									
Non-tax revenue		2 076 792	5.8%	99.9%	2 244 248	2 417 302	2 601 940	7.8%	100.0%
Sale of goods and services other than capital assets		1 639 703	7.1%	77.7%	1 767 599	1 901 937	2 044 582	7.6%	78.7%
of which:									
Sales by market establishment		1 639 703	7.1%	77.7%	1 767 599	1 901 937	2 044 582	7.6%	78.7%
Other non-tax revenue		437 089	1.4%	22.2%	476 649	515 365	557 358	8.4%	21.3%
Total revenue		2 076 792	5.8%	100.0%	2 244 248	2 417 302	2 601 940	7.8%	100.0%
Expenses									
Current expenses		1 343 836	2.3%	84.4%	1 454 117	1 582 792	1 709 590	8.4%	145.5%
Compensation of employees		53 430	24.5%	3.2%	58 189	62 537	66 810	7.7%	3.4%
Goods and services		1 281 816	1.5%	80.9%	1 388 430	1 516 291	1 642 298	8.6%	83.2%
Depreciation		8 590	58.2%	0.4%	7 498	3 963	482	-61.7%	0.3%
Total expenses		1 549 064	3.5%	100.0%	1 675 354	1 816 455	1 959 448	8.1%	100.0%
Surplus/(Deficit)		527 728	-	-	568 894	600 847	642 492	6.8%	-
Statement of financial position									
Carrying value of assets		60 511	16.3%	0.9%	66 611	72 691	77 052	8.4%	1.0%
of which:									
Acquisition of assets		(8 646)	33.2%	-0.1%	(2 877)	(3 340)	(7 287)	-5.5%	-0.1%
Investments		5 135 251	13.5%	75.1%	5 530 665	5 946 032	6 302 794	7.1%	83.7%
Receivables and prepayments		131 451	-23.9%	3.3%	140 658	149 390	158 353	6.4%	2.1%
Cash and cash equivalents		784 235	-14.4%	20.6%	883 466	949 746	1 006 731	8.7%	13.2%
Total assets		6 111 448	6.2%	100.0%	6 621 400	7 117 859	7 544 931	7.3%	100.0%
Accumulated surplus/(deficit)		2 899 644	-8.8%	69.5%	3 118 505	3 341 368	3 541 850	6.9%	47.1%
Capital and reserves		2 428 242	114.8%	14.3%	2 619 956	2 827 272	2 996 908	7.3%	39.7%
Deferred income		6 259	-21.9%	0.1%	6 748	7 260	7 696	7.1%	0.1%
Trade and other payables		723 542	-10.6%	15.2%	819 909	881 441	934 327	8.9%	12.2%
Taxation		44 765	92.9%	0.8%	46 656	50 219	53 232	5.9%	0.7%
Provisions		8 996	104.4%	0.1%	9 626	10 299	10 917	6.7%	0.1%
Total equity and liabilities		6 111 448	6.2%	100.0%	6 621 400	7 117 859	7 544 931	42.8%	100.0%

Personnel information

Table 7.97 South African Special Risks Insurance Association personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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	2014/15		2015/16			2016/17		2017/18		2018/19		2015/16 - 2018/19						
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
South African Special Risks Insurance Association																			
Salary level	81	89	75	48.7	0.6	81	53.4	0.7	96	58.2	0.6	90	62.5	0.7	90	66.8	0.7	7.7%	100.0%
1 - 6	19	19	11	1.2	0.1	19	1.3	0.1	21	1.4	0.1	20	1.5	0.1	20	1.6	0.1	7.7%	22.4%
7 - 10	33	38	34	15.8	0.5	33	17.4	0.5	41	18.9	0.5	37	20.3	0.5	37	21.7	0.6	7.7%	41.4%
11 - 12	23	26	22	20.3	0.9	23	22.3	1.0	28	24.3	0.9	27	26.1	1.0	27	27.9	1.0	7.7%	29.4%
13 - 16	6	6	8	11.4	1.4	6	12.5	2.1	6	13.6	2.3	6	14.6	2.4	6	15.6	2.6	7.7%	6.7%

1. Rand million.

Additional tables

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Conditional grants to municipalities							
Technical Support and Development Finance							
Integrated city development grant	–	40 000	255 000	251 300	266 805	292 119	309 062
Local government financial management grant	402 753	424 798	449 138	452 491	465 264	502 006	531 122
Neighbourhood development partnership grant	578 132	585 935	590 390	607 000	624 000	663 390	701 867
Infrastructure skills development grant	75 460	98 500	104 425	124 465	130 471	140 774	148 939
Total	1 056 345	1 149 233	1 398 953	1 435 256	1 486 540	1 598 289	1 690 990

1. Detail provided in the Division of Revenue Act (2016).

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		
				2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
R thousand										
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Neighbourhood Development partnership grant	Long term township regeneration planning, catalytic and third party nodal development	Various	9 000 000	578 132	585 935	590 390	607 000	624 000	663 390	701 867
Total			9 000 000	578 132	585 935	590 390	607 000	624 000	663 390	701 867

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		
							2012/13	2013/14	2014/15	2016/17	2017/18	2018/19
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	30	20	-	120	-	-
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	2 500	-	-	-	-	-
Organisation of Economic Cooperation and Development	United Nations Framework Convention on Climate Change	Technical Support and Development Finance	Once off	1 942	Goods and services	Attending of climate change expert group global forum	-	-	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	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	-	-

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		
							2012/13	2013/14		2014/15	2015/16	2016/17
R thousand Foreign In cash												
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	-	8 000	-	-	-	
European Union	Official development assistance programme (2)	Public Finance and Budget Management	4 years	20 678 738	Goods and services	Improvement of outcome orientated delivery systems by leveraging of the official development assistance programme	2 014	8 500	6 054 532	2 100	2 500	
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	-	-	-	-	
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	13 700	24 300	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	8 900	8 100	-	
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	14 801	14 184	6 605	29 278
Belgian Technical Cooperation	Training on non-accredited courses through the Gauteng City Region Academy	Financial Accounting and Supply Chain Management Systems	2 years	1 800	Goods and services	Training on non-accredited courses	-	-	-	1 000	800	
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 standard operating procedures in relation to the Municipal Finance Management Act (2003)	-	-	-	2 000	700	

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		
							2012/13	2013/14	2014/15	Estimate	2016/17	2017/18
R thousand Foreign In cash												
Japan International Cooperation Agency	Municipal minimum competency training	Financial Accounting and Supply Chain Management Systems	2 years	1 000	Goods and services	Training of 22 municipal officials on the minimum competency programme	-	-	-	600	400	-
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	4 800	28 000	12 000	6 850	-
European Union	Capacity building	Financial Accounting and Supply Chain Management Systems	3 years	72 600	Goods and services	Provision of support to institutional transformation and improvement process in the public sector	2 750	42 000	14 000	44 000	3 850	-
Deutsche Gesellschaft für Internationale Zusammenarbeit	Strengthening local government programme	Financial Accounting and Supply Chain Management Systems	4 years	10 810	Goods and services	Provision of support in the implementation of the Municipal Finance Management Act (2003)	-	800	800	800	-	-
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	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	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	-	-	-	-	-

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		
							2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
R thousand Foreign In cash													
Deutsche Gesellschaft für Internationale Zusammenarbeit	Governance support programme	Financial Accounting and Supply Chain Management Systems	4 years	5 754	Goods and services	Provision of support to the Office of the Accountant-General and Office of the Chief Procurement Officer on public finance management	-	1 000	2 554	2 200	-	-	-
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 of the official development assistance programme	-	-	13 950	13 950	-	-	-
European Union	Official development assistance programme (2)	Public Finance and Budget Management	3 years	39 380 396	Goods and services	Improvement of outcome orientated delivery systems by leveraging of the official development assistance programme	-	-	16 675 346	4 163 587	2 052 733	-	-
Total				60 742 146			44 941	135 752	22 904 483	4 350 691	2 095 788	29 278	-

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA