



**VOTE
7**

NATIONAL TREASURY



**BUDGET
2017**
**ESTIMATES
OF NATIONAL
EXPENDITURE**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2017

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2017 is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. Compared to the Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

Foreword

The 2017 Budget is presented at a time when indications are that the global economy could grow moderately better than the last forecast. Global GDP is expected to grow at 3.4 per cent in 2017, 0.3 percentage points higher than 2016. But uncertainty persists. The trade policies that the United States of America will pursue are unclear. The exact nature of Britain's exit from the European Union and economic impact are unknown. There is also evidence that globalisation is losing favour in some parts of the world and protectionism is growing. The global economy could be very different in future, depending on how these trends evolve.

Given the uncertainty, we have revised down South Africa's GDP growth projections and expect that tax revenue will be lower over the MTEF period as a result. We have also reduced the expenditure ceiling by R10.3 billion in 2017/18 and R15.9 billion in 2018/19, in line with government's fiscal objective of reducing the deficit, achieving a primary surplus and stabilising debt. Since its introduction in 2012, the expenditure ceiling in each financial year has never been breached.

Government is committed to delivering on its priorities despite the lowered revenue forecast and expenditure ceiling. It is critical that we allocate our limited resources wisely and use them effectively. In the 2017 Budget process, measures were taken to free-up resources and baselines were reduced across all departments by R7.5 billion in 2017/18, R7 billion in 2018/19 and R6.7 billion in 2019/20. The contingency reserve was also drawn down, and provisionally reserved funds were reallocated. However, the bulk of the funds allocated to priority areas within and across functions were reprioritised from lower-priority budget areas.

To ensure that funding remains focused on frontline service delivery, efforts have been intensified to improve efficiency in expenditure. Budget limits on compensation of employees introduced in the 2016 Appropriation Act are carried over to 2017. Departments will manage personnel headcount and employee earnings in line with these budget allocations.

Overall non-interest expenditure is still set to grow by an annual average of 1.4 per cent in real terms, from R1.24 trillion in 2017/18 to R1.43 trillion in 2019/20. Proposals in the budget include net increases in funding for the Post-School Education and Training, Basic Education, Economic Affairs and Health functions. The Post-School Education and Training function is the fastest growing, at 9.4 per cent over the medium term. The funding is mainly for universities to subsidise fee increases and for the National Student Financial Aid Scheme.

The publication is a concrete expression of the collaborative effort of highly dedicated civil servants across government throughout the process to prepare the Budget. We are particularly appreciative of this, as well as the contributions from the Ministers' Committee on the Budget and the Directors-General in central government. We are also thankful to all National Treasury staff who, under the expert guidance and leadership of the Minister of Finance, Pravin Gordhan, and his Deputy, Mcebisi Jonas, worked tirelessly to produce this crucial document.

The wide-ranging coverage of the Estimates of National Expenditure provides a coherent and summarised account of the prioritisation, spending plans and service delivery commitments of all 40 national votes and of government agencies. These plans constitute an important mechanism through which Parliament and the public hold institutions, including the National Treasury and its entities, to account.

Within the current difficult fiscal context not everything we believe would be beneficial to do, can be done now. Thus it is imperative that activities planned on budget be done effectively and efficiently.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2017 MTEF period is from 2017/18 to 2019/20.

The ENE publications contain information on: what government institutions aim to achieve over the medium term, and why; how they plan to spend their budget allocations in support of this; and what outputs and outcomes the spending is intended to produce. The publications also provide information on how institutions have spent their budgets in previous years, tables with performance data and targets, personnel data and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and the entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. Summary data tables at the end of each vote contain data on infrastructure, provincial and municipal conditional grants, departmental public private partnerships, donor funding, and expenditure at the level of site service delivery, where applicable.

A separate 2017 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2017 ENE Overview contains a narrative explanation and budget-wide 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 | 2017/18 | | | | | 2018/19 | 2019/20 |
|--|--|------------------|-------------------------|-----------------------------|-------------------------------|------------------|------------------|
| | Total | Current payments | Transfers and subsidies | Payments for capital assets | Payments for financial assets | Total | Total |
| MTEF allocation | | | | | | | |
| Administration | 414.3 | 404.0 | 3.9 | 6.5 | – | 456.3 | 560.0 |
| Economic Policy, Tax, Financial Regulation and Research | 139.6 | 106.9 | 31.9 | 0.8 | – | 142.5 | 149.5 |
| Public Finance and Budget Management | 286.1 | 233.7 | 50.6 | 1.8 | – | 291.2 | 310.4 |
| Asset and Liability Management | 102.4 | 101.7 | – | 0.7 | – | 139.4 | 110.6 |
| Financial Accounting and Supply Chain Management Systems | 1 087.9 | 983.2 | 99.4 | 5.3 | – | 1 207.2 | 1 091.2 |
| International Financial Relations | 5 836.8 | 52.2 | 914.9 | 0.6 | 4 869.1 | 5 911.1 | 6 246.4 |
| Civil and Military Pensions, Contributions to Funds and Other Benefits | 4 835.0 | 65.2 | 4 769.8 | – | – | 5 160.9 | 5 571.3 |
| Technical Support and Development Finance | 2 873.3 | 389.3 | 2 484.1 | – | – | 3 230.3 | 3 410.0 |
| Revenue Administration | 10 218.2 | – | 10 218.2 | – | – | 10 560.2 | 10 972.1 |
| Financial Intelligence and State Security | 5 005.6 | – | 5 005.6 | – | – | 5 296.0 | 5 592.5 |
| Subtotal | 30 799.2 | 2 336.1 | 23 578.4 | 15.7 | 4 869.1 | 32 395.0 | 34 014.0 |
| Direct charge against the National Revenue Fund | | | | | | | |
| Provincial equitable share | 441 331.1 | – | 441 331.1 | – | – | 471 522.5 | 506 103.7 |
| Debt-service costs | 162 353.1 | 162 353.1 | – | – | – | 180 651.5 | 197 319.8 |
| General fuel levy sharing with metropolitan municipalities | 11 785.0 | – | 11 785.0 | – | – | 12 468.6 | 13 166.8 |
| National Revenue Fund payments | 387.6 | – | – | – | 387.6 | – | – |
| Total expenditure estimates | 646 656.0 | 164 689.2 | 476 694.5 | 15.7 | 5 256.7 | 697 037.6 | 750 604.2 |
| 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 site service delivery, where appropriate.

Vote purpose

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

Mandate

National Treasury's legislative mandate is based on section 216(1) of the Constitution, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of 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 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 of national 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 | | |
|---|--|---|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Net loan debt as a percentage of GDP | Asset and Liability Management | Outcome 4: Decent employment through inclusive growth | 38.1% (R1.4tr) | 41% (R1.6tr) | 44.2% (R1.8tr) | 45.5% (R2tr) | 47.0% (R2.2tr) | 47.6% (R2.4tr) | 48.2% (R2.7tr) |
| Value of government gross annual borrowing | Asset and Liability Management | | R201.2bn | R215.3bn | R200.4bn | R243.4bn | R220.9bn | R224.2bn | R284.4bn |
| Cost to service debt as a percentage of GDP | Asset and Liability Management | | 2.8% (R101.2bn) | 3% (R114.8bn) | 3.2% (R128.8bn) | 3.3% (R146.3bn) | 3.4% (R162.4bn) | 3.5% (R180.7bn) | 3.6% (R197.3bn) |
| 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 | 24 | 40 | 78 | 43 | 43 | 43 | 43 |
| Number of individuals trained per year to assist with the implementation of financial management reforms | Financial Accounting and Supply Chain Management Systems | | 267 | 350 | 312 | 750 | 740 | 740 | 740 |
| Number of transversal term contracts renewed per year for national procurement ² | Financial Accounting and Supply Chain Management Systems | | 18 | 16 | 16 | 17 | 17 | 11 | 15 |
| Total number of precinct plans completed | Technical Support and Development Finance | Outcome 8: Sustainable human settlements and improved quality of household life | - ¹ | - ¹ | 10 | 4 | 8 | 12 | 18 |
| Total number of catalytic projects approved | Technical Support and Development Finance | | - ¹ | 317 | 352 | 360 | 380 | 400 | 420 |
| Total estimated third-party investment leveraged for neighbourhood development | Technical Support and Development Finance | | R1.9bn | R2.5bn | R4.2bn | R4bn | R4.3bn | R4.5bn | R4.8bn |
| Number of integrated projects in integration zones identified for planning per year | Technical Support and Development Finance | | 12 | 14 | 10 | 12 | 12 | 12 | 12 |
| Number of integrated projects in integration zones under implementation per year | Technical Support and Development Finance | | 3 | 3 | 3 | 8 | 10 | 12 | 12 |
| Total number of new jobs contracted for approved and active projects in the Jobs Fund (cumulative) | Technical Support and Development Finance | Outcome 4: Decent employment through inclusive growth | 65 121 | 132 725 | 119 888 | 150 000 | 150 000 | 150 000 | 150 000 |
| Number of placements contracted with project partners on the Jobs Fund (cumulative inception to date and still active) per year | Technical Support and Development Finance | | 11 328 | 84 513 | 85 851 | 70 000 | 70 000 | 70 000 | 70 000 |

1. No historical data available.

2. Indicator wording revised. Previously recorded as 'percentage of identified transversal contracts with strategic sourcing principles introduced per year'.

Expenditure analysis

The National Development Plan (NDP) recognises that faster, broad-based growth is needed to transform the economy, create jobs, and reduce poverty and inequality in South Africa. Outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium-term strategic framework gives expression to this vision, with National Treasury's work contributing to its realisation. Over the medium term, the Treasury will continue prioritising infrastructure investment to ease bottlenecks and raise the economy's potential growth rate. The department will also continue working on preventing South Africa's credit rating from being downgraded to sub-investment grade.

The department's strategic focus over the medium term period will continue to be on 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.

The Treasury is responsible for the main statutory transfers to provincial governments, and plans to transfer R441.3 billion in 2017/18, R471.5 billion in 2018/19 and R506.1 billion in 2019/20 for the provincial equitable share. Cabinet has approved a reduction to the transfer of R500 million in 2017/18, and increases of R2.5 billion in 2018/19 and R3.7 billion in 2019/20. The department also provides for the *Civil and Military Pensions, Contributions to Funds and Other Benefits* programme, with about half of the funds transferred as government's contribution to medical schemes. Cabinet has approved additional funding of R453.1 million in 2017/18, R524.8 million in 2018/19 and R675.6 million in 2019/20 for post-retirement medical subsidies to provide medical assistance to employees who leave the public service due to retirement, including early retirement from age 50, death, and discharge as a result of poor health or injury on duty.

Servicing of government debt and distributing the general fuel levy to metropolitan municipalities are the department's other core responsibilities. The Treasury will spend a projected R162.4 billion in 2017/18, R180.7 billion in 2018/19 and R197.3 billion in 2019/20 to service government debt. Cabinet has approved increased funding of R426.1 million in 2017/18, R2.1 billion in 2018/19 and R8.8 billion in 2019/20 to cater for higher debt-service costs. The distribution of the general fuel levy to metropolitan municipalities is projected at R11.8 billion in 2017/18, R12.5 billion in 2018/19 and R13.2 billion in 2019/20.

The ceiling for the department's spending on compensation of employees is projected at R2.5 billion over the medium term, after Cabinet-approved reductions of R8.9 million in 2017/18, R9.2 million in 2018/19 and R9.7 million in 2019/20. The reductions were made to lower the national aggregate expenditure ceiling.

Managing future spending growth and fiscal risk

Over the medium term, the Treasury will continue to manage the national budget preparation process and facilitate the Division of Revenue Act process. These activities are budgeted for in the *Public Finance and Budget Management* programme at a projected cost of R727.9 million over the medium term period. Due to the deterioration in the economic outlook, government is committed to its fiscal policy position of reducing the budget deficit and stabilising debt.

Reviewing tax policy

The Treasury will facilitate the introduction of a tax on beverages with high sugar content to assist in reducing excessive sugar intake and combating the rising levels of obesity and diabetes. The department will also support the implementation of a tyre levy to encourage waste reduction, reuse, treatment and recycling. These tax policies will be introduced from the beginning of 2017/18. Projected revenue of R9.5 billion will be raised through increases in excise duties, the general fuel levy and environmental taxes over the medium term. Spending over the medium term is projected at R29.7 million in 2017/18, R30 million in 2018/19 and R31 million in 2019/20 in the *Tax Policy* subprogramme of the *Economic Policy, Tax, Financial Regulation and Research* programme.

Supporting sustainable employment

The department supports innovative and partnership-based approaches to sustainable employment creation; job seeker support and enterprise development through the Jobs Fund; and research into employment, income distribution and inclusive growth. The Jobs Fund has recently completed a funding round that will provide financial assistance to support new and innovative initiatives that have high potential for direct job creation in the short to medium term or are focused on reducing barriers to job creation. Each funding round usually takes about nine months. At its inception in 2011, the total budget for the fund was set at R9 billion (including the operational budget), which is ringfenced until the completion of the fund's work in 2023 for the creation of 150 000 permanent jobs.

An amount of R6.5 billion has so far been allocated to a portfolio of 125 approved employment-generating initiatives, and 84 040 new permanent jobs have been created by 99 implementing projects and an additional 48 708 unemployed individuals have been placed in permanent employment. Initiatives supported by the Jobs Fund have resulted in the direct employment of 132 748 people in sustainable jobs. In addition, 169 042 people have benefited from work readiness and technical training interventions. Cabinet has approved a reduction of R408.7 million over the medium term period for the Jobs Fund. Current estimates suggest that the fund will exceed the target of 150 000 jobs as 88.5 per cent of the target has already been met. Spending is projected at R3.3 billion over the medium term in the *Employment Creation Facilitation* subprogramme in the *Technical Support and Development Finance* programme.

Supporting infrastructure development and economically integrated cities and communities

The *neighbourhood development partnership grant* has been successfully funding neighbourhood development projects to improve the quality of life of residents in targeted areas, generally townships. Capital funding is reserved for projects that contribute to spatial transformation, and assists 18 metropolitan and secondary city municipalities to plan and develop inclusive and productive cities. Such projects use catalytic infrastructure (development and upgrading of roads, water, sewerage, energy infrastructure, public transport facilities, and

community and government facilities) to attract third-party investment to township nodes in strategic integration zones.

The grant has developed and implemented a two-stage capital funding approval process, portfolio management system and baseline management approach that optimises funding. The first funding approval is for project planning and the second is for implementation. This process reduces the risk of contingent project liabilities that result in slow spending due to factors such as procurement delays. Over the medium term, the grant will support an estimated 18 urban hub precinct plans that will prioritise 80 catalytic infrastructure projects. Spending over the medium term is projected at R691.1 million in 2017/18, R731.2 million in 2018/19 and R772.2 million in 2019/20 in the *Urban Development and Support* subprogramme in the *Technical Support and Development Finance* programme.

The *integrated city development grant* provides a financial incentive for metropolitan municipalities to integrate and focus their use of investment available for infrastructure investment and regulatory instruments to achieve more compact and efficient urban spaces. In the eight metropolitan municipalities, 25 strategic integration zones have been identified. Cities are currently undertaking more detailed planning and the implementation of catalytic integrated development projects within these prioritised areas. Projects that are being implemented are located in inner-city areas in Johannesburg (inner-city core and Hillbrow), East London (Buffalo City) and Ekurhuleni (Kempton Park central business district); in township areas such as Jabulani, Soweto; and in well-located transport corridors such as the Voortrekker Road Corridor (Cape Town). This funding has also contributed to the development of large land and housing projects such as Cornubia in eThekweni. Over the medium term period, the grant allocation is projected at R292.1 million in 2017/18, R309.1 million in 2018/19 and R326.4 million in 2019/20 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, the programme has projected to train 300 officials on infrastructure delivery management system initiatives and 27 in capacity improvement initiatives to be undertaken to support infrastructure delivery. The allocation over the medium term is projected at R90 million in 2017/18, R93.1 million in 2018/19 and R98.3 million in 2019/20 in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme.

The *infrastructure skills development grant* supports municipalities by recruiting and training unemployed graduates, and developing professionals, as per the requirements of statutory councils within the built environment sector. The grant funds the training of 315 graduates from various municipalities, and 138 graduates have completed the training, with 114 having been permanently appointed. To support this, the grant's allocation over the medium term is projected at R140.8 million in 2017/18, R148.9 million in 2018/19 and R157.3 million in 2019/20 in the *Infrastructure Development Support* subprogramme in the *Technical Support and Development Finance* programme.

Making government procurement more efficient

Through the Office of the Chief Procurement Officer, the Treasury is effecting government procurement more efficiently by means of the implementation of current short and medium-term reforms with the objective of improving government spending patterns, increased efficiency and minimised opportunities for corruption in the public sector.

The draft Public Procurement Bill is the short-term reform and is expected to be completed by March 2017. The objective of the bill is to consolidate the fragmented legal and policy environment, and to provide a flexible, agile and expanded scope of service delivery, empowerment, savings strategies and contract management. This legislation will establish a single public procurement authority as an oversight custodian to implement procurement in terms of section 217 of the Constitution.

The establishment of the central supplier database is not only to reduce administrative red tape when doing business with government, but to enhance compliance in procurement practices. About 9 000 suppliers employed by the state were identified through the database in 2015/16. About 12 000 identification numbers of deceased persons were also identified as suppliers fraudulently doing business with the state. Furthermore, 45 000 bank accounts were detected as those not being linked to the same supplier registered on the database.

Through these initiatives, in 2016/17, actual savings of R675 million (R400 million on cell phones and R275 million on vehicles) have since been secured through the negotiated leveraged procurement of mobile telecommunication services, which translates to 40 per cent, and a centralised vehicle procurement contract that has been negotiated.

The procurement of mobile telecommunication services was leveraged through aggregation and consolidation of the highest spending departments, thereby redefining specification requirements for government by using a wholesale model rather than an individual subscription contract per user. This also meant buying bulk voice, data and SMS bundles in an enterprise architecture solution and open competitive bidding in the market. The vehicle contract is expected to save the state between R1 billion and R1.5 billion per year over the medium term, depending on the type of vehicles acquired.

The Office of the Chief Procurement Officer currently manages 69 contracts for use across government, which comprises approximately 24 000 items at an estimated value of R61 billion. These contracts include medical equipment and consumables, vehicle and related services, agricultural products, education materials, textiles and support services. Over the medium term, the office will also lead the digitisation of procurement processes. Several procurement processes will be automated and will contribute to simplifying and speeding up procurement processes and activities. The procurement processes themselves are also anticipated to provide government with additional savings.

Cabinet approved additional funding of R64.9 million in 2017/18, R157.2 million in 2018/19 and R101.3 million in 2019/20 in support of the Office of the Chief Procurement Officer to fulfil its key mandate in terms of modernising the state procurement system to be fair, transparent, equitable, competitive and cost effective. Spending in this regard is projected at R164.7 million in 2017/18, R260.5 million in 2018/19 and R214.4 million in 2019/20 in the *Office of the Chief Procurement Officer* subprogramme in the *Financial Accounting and Supply Chain Management Systems* programme.

Strengthening government financial management

The procurement of the integrated financial management system will alleviate constraints in policy implementation as a result of ageing and obsolete software and hardware. The system will transform practices by providing centrally hosted and integrated financial, supply chain and human resources management systems. The Treasury purchased software licences for the integrated financial management system for R461 million in 2016/17, and will aim to complete the centralised design of the system, plan and procure the hardware (including hosting infrastructure), and implement the software in 2017/18. Cabinet has approved additional funding of R130 million in 2017/18 and R120 million in 2018/19 for the system. Spending over the medium term is projected at R353.5 million in 2017/18, R350.1 million in 2018/19 and R243 million in 2019/20 in the *Financial Systems* subprogramme in the *Financial Accounting and Supply Chain Management Systems* programme.

Through the *local government financial management grant*, the Treasury promotes and supports reforms in financial management and the building of capacity at municipalities to improve the implementation of the Municipal Finance Management Act (2003). The funds disbursed through the grant augment municipal resources to address capacity constraints in financial management, and the progress of municipalities in this regard is monitored through regular reports to the Treasury. The grant allocation is R502 million in 2017/18, R531.1 million in 2018/19 and R560.9 million in 2019/20 in the *Local Government Financial Management Support* subprogramme in the *Technical Support and Development Finance* programme.

Strengthening the regulation of the financial sector

In 2016/17, an impact study of the twin peaks reforms was conducted by the Treasury on the Financial Sector Regulation Bill, which will establish the twin peaks institutional framework for financial regulation and supervision. It outlines the expected impact of the reforms on the national priorities of social cohesion, security, economic growth and investment, economic inclusion, and environmental sustainability. This is to ensure a stable and more inclusive financial sector, and improve support to increased economic growth.

The revised Financial Sector Regulation Bill was submitted for parliamentary approval in 2016/17. Over the medium term, the bill will establish a system of financial regulation by establishing a prudential authority and a financial sector conduct authority, and conferring powers on these entities; preserve and enhance financial

stability in South Africa by conferring powers on the South African Reserve Bank; establish a financial stability oversight committee; regulate and supervise financial product providers and financial services providers; and improve market conduct in order to protect financial customers.

Spending on these activities is projected at R24.6 million in 2017/18, R24.9 million in 2018/19 and R26.3 million in 2019/20 in the *Financial Sector Policy* subprogramme in the *Economic Policy, Tax, Financial Regulation and Research* programme.

Facilitating regional and international cooperation

The Brazil-Russia-India-China-South Africa (BRICS) New Development Bank was officially established in February 2016. National Treasury facilitated the transfer payment of the first capital instalment of R2.3 billion in December 2015, with the second capital instalment of R3.5 billion made in August 2016 for the South African government's capital contribution. The bank will focus on lending money to developing countries to help finance infrastructure projects. The bank's Africa Regional Centre was established in Johannesburg and has begun its recruitment process.

Over the medium term, the Treasury will represent South Africa's regional and global interests by maintaining its engagement with regional and international forums and institutions such as the BRICS group of countries, the G20, the Southern African Customs Union and the World Bank through strengthening and expanding South Africa's engagement in key institutions and with partners at selected policy forums, increasing capital participation (as appropriate) to more firmly anchor South Africa's role, and advancing governance reform and pressing for improved effectiveness in the delivery of institutional organisational mandates. Spending on these activities is projected at R4.5 billion in 2017/18, R4.5 billion in 2018/19 and R4.8 billion in 2019/20 in the *International Development Funding Institutions* subprogramme in the *International Financial Relations* programme.

Compensation to member countries of the Common Monetary Area for the use of the rand as currency in Namibia, Lesotho and Swaziland is expected to increase from R754.9 million in 2017/18 to R849.9 million in 2019/20, funded in the *African Integration and Support* subprogramme in the *International Financial Relations* programme.

Managing government's assets and liabilities

National Treasury is responsible for overseeing state-owned enterprises and enabling them to meet government's policy objectives in a financially and fiscally sustainable manner. The oversight and governance of state-owned enterprises unit compiles annual reviews of the corporate plans of all public entities listed in schedules 2 and 3B of the Public Finance Management Act (1999), including some selected schedule 3A entities. In addition to assessing the entities' alignment with government's priorities and their financial sustainability and soundness of governance, the review aims to identify possible risks and mitigate their possible effects. Similarly, the performance of public entities is evaluated through a review of their annual reports. Over the medium term, the Treasury will continue to compile submissions and review applications for borrowing limits in state-owned entities, and report on their compliance with statutes such as the Public Finance Management Act (1999), the Companies Act (2008), National Treasury Regulations and the King III report on corporate governance.

Over the medium term, the Treasury will continue to finance government's gross borrowing requirements in domestic and international capital markets, taking into consideration a risk-sensitive approach to debt financing and the management of the debt portfolio. Surplus cash will also be managed prudently to ensure government remains liquid. Spending on these activities is projected at R102.4 million in 2017/18, R139.4 million in 2018/19 and R110.6 million in 2019/20 in the *Asset and Liability Management* Programme.

Expenditure trends

Table 7.2 Vote expenditure trends by programme and economic classification

| Programmes | | | | | | | | | | | | | | |
|---|------------------|------------------------|------------------|------------------|------------------------|------------------|------------------|------------------------|------------------|------------------|------------------------|------------------|------------------------------------|---|
| 1. Administration | | | | | | | | | | | | | | |
| 2. Economic Policy, Tax, Financial Regulation and Research | | | | | | | | | | | | | | |
| 3. Public Finance and Budget Management | | | | | | | | | | | | | | |
| 4. Asset and Liability Management | | | | | | | | | | | | | | |
| 5. Financial Accounting and Supply Chain Management Systems | | | | | | | | | | | | | | |
| 6. International Financial Relations | | | | | | | | | | | | | | |
| 7. Civil and Military Pensions, Contributions to Funds and Other Benefits | | | | | | | | | | | | | | |
| 8. Technical Support and Development Finance | | | | | | | | | | | | | | |
| 9. Revenue Administration | | | | | | | | | | | | | | |
| 10. Financial Intelligence and State Security | | | | | | | | | | | | | | |
| Programme | | | | | | | | | | | | | | |
| R million | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Revised estimate | Average: Outcome/Annual budget (%) | Average: Outcome/Adjusted appropriation (%) |
| | 2013/14 | 2013/14 | 2013/14 | 2014/15 | 2014/15 | 2014/15 | 2015/16 | 2015/16 | 2015/16 | 2016/17 | 2016/17 | 2016/17 | 2013/14 - 2016/17 | 2013/14 - 2016/17 |
| Programme 1 | 341.7 | 356.4 | 319.6 | 343.1 | 372.4 | 362.5 | 366.7 | 363.6 | 375.6 | 412.7 | 467.4 | 446.1 | 102.7% | 96.4% |
| Programme 2 | 145.9 | 133.9 | 124.1 | 138.9 | 134.4 | 124.3 | 133.9 | 135.4 | 131.3 | 146.1 | 150.2 | 153.9 | 94.5% | 96.4% |
| Programme 3 | 265.5 | 246.2 | 227.6 | 262.8 | 259.9 | 245.3 | 257.0 | 266.1 | 262.6 | 287.0 | 294.5 | 287.9 | 95.4% | 95.9% |
| Programme 4 | 2 995.2 | 2 994.0 | 2 990.9 | 3 342.1 | 3 343.4 | 3 089.4 | 3 116.9 | 3 264.9 | 3 264.3 | 107.2 | 113.1 | 113.3 | 98.9% | 97.4% |
| Programme 5 | 724.6 | 734.7 | 707.8 | 761.6 | 770.0 | 731.5 | 751.4 | 807.1 | 774.5 | 849.9 | 1 216.8 | 1 217.8 | 111.1% | 97.2% |
| Programme 6 | 1 112.5 | 1 092.0 | 1 067.7 | 1 179.8 | 1 199.7 | 1 198.7 | 1 247.4 | 3 254.9 | 3 546.1 | 5 039.1 | 4 978.0 | 4 977.3 | 125.8% | 102.5% |
| Programme 7 | 3 497.0 | 3 497.0 | 3 523.1 | 3 717.8 | 3 717.8 | 3 730.9 | 3 962.9 | 3 962.9 | 3 967.7 | 4 173.2 | 4 462.6 | 4 462.6 | 102.2% | 100.3% |
| Programme 8 | 2 764.7 | 2 469.1 | 2 437.3 | 3 712.2 | 3 099.8 | 2 893.3 | 3 143.9 | 2 774.6 | 2 472.2 | 2 634.7 | 2 612.7 | 2 598.5 | 84.9% | 94.9% |
| Programme 9 | 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 | 10 009.2 | 9 363.7 | 9 363.7 | 98.1% | 100.0% |
| Programme 10 | 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 | 4 812.5 | 4 812.5 | 4 812.5 | 100.1% | 100.0% |
| Subtotal | 25 556.0 | 25 232.3 | 25 107.1 | 27 265.0 | 26 703.9 | 26 182.5 | 26 957.3 | 28 726.1 | 28 690.8 | 28 471.4 | 28 471.4 | 28 433.6 | 100.2% | 99.3% |
| Direct charge against the National Revenue Fund | 445 415.7 | 446 793.2 | 447 809.7 | 485 012.5 | 484 907.8 | 486 435.9 | 519 893.8 | 525 742.6 | 526 636.1 | 569 787.4 | 570 833.0 | 569 657.3 | 100.5% | 100.1% |
| Provincial equitable share | 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 | 410 698.6 | 410 698.6 | 410 698.6 | 100.3% | 100.0% |
| Debt-service costs | 99 741.4 | 100 484.5 | 101 184.7 | 114 900.5 | 114 485.0 | 114 798.4 | 126 440.4 | 127 902.0 | 128 795.6 | 147 720.0 | 147 689.2 | 146 281.4 | 100.5% | 100.1% |
| General fuel levy sharing with metropolitan municipalities | 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 | 11 223.8 | 11 223.8 | 11 223.8 | 100.0% | 100.0% |
| National Revenue Fund payments | 930.0 | 200.0 | 516.3 | – | 310.9 | 1 525.5 | 121.0 | 681.7 | 681.7 | 145.0 | 1 221.4 | 1 453.6 | 349.3% | 173.0% |
| Total | 470 971.7 | 472 025.5 | 472 916.7 | 512 277.5 | 511 611.8 | 512 618.4 | 546 851.1 | 554 468.7 | 555 327.0 | 598 258.8 | 599 304.5 | 598 091.0 | 100.5% | 100.1% |
| Change to 2016 Budget estimate | | | | | | | | | | 1 045.6 | | | | |
| Economic classification | | | | | | | | | | | | | | |
| Current payments | 101 551.5 | 102 283.2 | 102 847.4 | 116 832.7 | 116 304.8 | 116 328.4 | 128 388.5 | 129 824.5 | 130 621.5 | 149 812.3 | 150 180.2 | 148 720.6 | 100.4% | 100.0% |
| Compensation of employees | 710.5 | 659.5 | 602.1 | 764.9 | 689.0 | 671.5 | 725.5 | 733.4 | 732.7 | 817.6 | 815.7 | 797.8 | 92.9% | 96.8% |
| Goods and services | 1 099.5 | 1 139.2 | 1 060.6 | 1 167.2 | 1 130.8 | 858.5 | 1 222.6 | 1 189.1 | 1 093.2 | 1 274.8 | 1 675.2 | 1 641.4 | 97.7% | 90.6% |
| Interest and rent on land | 99 741.4 | 100 484.5 | 101 184.7 | 114 900.5 | 114 485.0 | 114 798.4 | 126 440.4 | 127 902.0 | 128 795.6 | 147 720.0 | 147 689.2 | 146 281.4 | 100.5% | 100.1% |
| Transfers and subsidies | 365 286.5 | 366 323.5 | 366 311.6 | 391 863.0 | 391 336.9 | 391 368.2 | 414 954.5 | 418 329.0 | 418 144.3 | 444 111.4 | 443 844.7 | 443 844.7 | 100.2% | 100.0% |
| Provinces and municipalities | 345 905.6 | 347 270.0 | 347 257.9 | 371 511.7 | 371 511.7 | 371 510.9 | 394 767.6 | 398 594.2 | 398 570.7 | 423 409.0 | 423 409.0 | 423 409.0 | 100.3% | 100.0% |
| Departmental agencies and accounts | 13 919.6 | 13 922.2 | 13 960.1 | 14 011.1 | 14 127.7 | 14 115.1 | 15 420.4 | 15 042.1 | 14 816.6 | 15 741.5 | 15 096.0 | 15 096.0 | – | – |
| Higher education institutions | 10.0 | 10.0 | 10.0 | 5.8 | 5.8 | – | – | – | – | – | – | – | 63.3% | 63.3% |
| Foreign governments and international organisations | 800.4 | 771.5 | 712.3 | 828.3 | 777.2 | 790.5 | 854.1 | 777.9 | 831.3 | 838.0 | 925.5 | 925.5 | 98.2% | 100.2% |
| Public corporations and private enterprises | 1 206.3 | 903.1 | 903.1 | 1 844.5 | 1 252.2 | 1 274.5 | 11.4 | 11.4 | 11.4 | 12.0 | 12.0 | 12.0 | 71.6% | 101.0% |
| Households | 3 444.6 | 3 446.7 | 3 468.2 | 3 661.6 | 3 662.2 | 3 677.1 | 3 900.9 | 3 903.5 | 3 914.3 | 4 111.0 | 4 402.2 | 4 402.2 | 102.3% | 100.3% |
| Payments for capital assets | 21.6 | 33.3 | 21.3 | 11.4 | 19.6 | 20.1 | 16.4 | 26.1 | 33.2 | 38.0 | 56.9 | 70.9 | 166.5% | 107.1% |
| Buildings and other fixed structures | 5.0 | 5.0 | – | – | – | 0.4 | – | 0.4 | – | – | 0.2 | 0.2 | 11.3% | 10.0% |
| Machinery and equipment | 16.6 | 28.3 | 21.3 | 11.4 | 19.6 | 19.8 | 16.4 | 25.7 | 33.2 | 37.9 | 56.7 | 70.7 | 176.0% | 111.3% |
| Payments for financial assets | 4 112.0 | 3 385.5 | 3 736.4 | 3 570.5 | 3 950.5 | 4 901.8 | 3 491.7 | 6 289.0 | 6 527.9 | 4 297.2 | 5 222.6 | 5 454.8 | 133.3% | 109.4% |
| Total | 470 971.7 | 472 025.5 | 472 916.7 | 512 277.5 | 511 611.8 | 512 618.4 | 546 851.1 | 554 468.7 | 555 327.0 | 598 258.8 | 599 304.5 | 598 091.0 | 100.5% | 100.1% |

Expenditure estimates

Table 7.3 Vote expenditure estimates by programme and economic classification

| Programmes | | | | | | | | | | | |
|---|-------------------------|--------------------------------|--|---|------------------|------------------|--------------------------------|--|--|--|--|
| 1. Administration | | | | | | | | | | | |
| 2. Economic Policy, Tax, Financial Regulation and Research | | | | | | | | | | | |
| 3. Public Finance and Budget Management | | | | | | | | | | | |
| 4. Asset and Liability Management | | | | | | | | | | | |
| 5. Financial Accounting and Supply Chain Management Systems | | | | | | | | | | | |
| 6. International Financial Relations | | | | | | | | | | | |
| 7. Civil and Military Pensions, Contributions to Funds and Other Benefits | | | | | | | | | | | |
| 8. Technical Support and Development Finance | | | | | | | | | | | |
| 9. Revenue Administration | | | | | | | | | | | |
| 10. Financial Intelligence and State Security | | | | | | | | | | | |
| Programme | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) | | | |
| R million | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | | | |
| Programme 1 | 446.1 | 7.8% | 0.1% | 414.3 | 456.3 | 560.0 | 7.9% | 0.1% | | | |
| Programme 2 | 153.9 | 4.8% | - | 139.6 | 142.5 | 149.5 | -1.0% | - | | | |
| Programme 3 | 287.9 | 5.4% | - | 286.1 | 291.2 | 310.4 | 2.5% | - | | | |
| Programme 4 | 113.3 | -66.4% | 0.4% | 102.4 | 139.4 | 110.6 | -0.8% | - | | | |
| Programme 5 | 1 217.8 | 18.3% | 0.2% | 1 087.9 | 1 207.2 | 1 091.2 | -3.6% | 0.2% | | | |
| Programme 6 | 4 977.3 | 65.8% | 0.5% | 5 836.8 | 5 911.1 | 6 246.4 | 7.9% | 0.9% | | | |
| Programme 7 | 4 462.6 | 8.5% | 0.7% | 4 835.0 | 5 160.9 | 5 571.3 | 7.7% | 0.7% | | | |
| Programme 8 | 2 598.5 | 1.7% | 0.5% | 2 873.3 | 3 230.3 | 3 410.0 | 9.5% | 0.4% | | | |
| Programme 9 | 9 363.7 | -0.6% | 1.8% | 10 218.2 | 10 560.2 | 10 972.1 | 5.4% | 1.5% | | | |
| Programme 10 | 4 812.5 | 4.9% | 0.8% | 5 005.6 | 5 296.0 | 5 592.5 | 5.1% | 0.8% | | | |
| Subtotal | 28 433.6 | 4.1% | 5.1% | 30 799.2 | 32 395.0 | 34 014.0 | 6.2% | 4.7% | | | |
| Direct charge against the National Revenue Fund | 569 657.3 | 8.4% | 94.9% | 615 856.8 | 664 642.6 | 716 590.2 | 7.9% | 95.3% | | | |
| Provincial equitable share | 410 698.6 | 6.9% | 69.8% | 441 331.1 | 471 522.5 | 506 103.7 | 7.2% | 68.0% | | | |
| Debt-service costs | 146 281.4 | 13.3% | 23.0% | 162 353.1 | 180 651.5 | 197 319.8 | 10.5% | 25.5% | | | |
| General fuel levy sharing with metropolitan municipalities | 11 223.8 | 5.3% | 1.9% | 11 785.0 | 12 468.6 | 13 166.8 | 5.5% | 1.8% | | | |
| National Revenue Fund payments | 1 453.6 | 93.7% | 0.2% | 387.6 | - | - | -100.0% | 0.1% | | | |
| Total | 598 091.0 | 8.2% | 100.0% | 646 656.0 | 697 037.6 | 750 604.2 | 7.9% | 100.0% | | | |
| Change to 2016 Budget estimate | | | | (14.1) | 4 651.5 | 12 334.1 | | | | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 148 720.6 | 13.3% | 23.3% | 164 689.2 | 183 204.2 | 199 879.6 | 10.4% | 25.9% | | | |
| Compensation of employees | 797.8 | 6.6% | 0.1% | 799.3 | 807.8 | 869.3 | 2.9% | 0.1% | | | |
| Goods and services | 1 641.4 | 12.9% | 0.2% | 1 536.8 | 1 744.9 | 1 690.5 | 1.0% | 0.2% | | | |
| Interest and rent on land | 146 281.4 | 13.3% | 23.0% | 162 353.1 | 180 651.5 | 197 319.8 | 10.5% | 25.5% | | | |
| Transfers and subsidies | 443 844.7 | 6.6% | 75.7% | 476 694.5 | 508 930.7 | 545 547.4 | 7.1% | 73.4% | | | |
| Provinces and municipalities | 423 409.0 | 6.8% | 72.0% | 454 714.4 | 485 682.0 | 521 056.1 | 7.2% | 70.0% | | | |
| Departmental agencies and accounts | 15 096.0 | 2.7% | 2.7% | 16 281.0 | 17 168.6 | 17 949.3 | 5.9% | 2.5% | | | |
| Foreign governments and international organisations | 925.5 | 6.3% | 0.2% | 917.5 | 975.5 | 1 030.1 | 3.6% | 0.1% | | | |
| Public corporations and private enterprises | 12.0 | -76.3% | 0.1% | 12.6 | 13.3 | 14.1 | 5.4% | - | | | |
| Households | 4 402.2 | 8.5% | 0.7% | 4 769.0 | 5 091.2 | 5 497.7 | 7.7% | 0.7% | | | |
| Payments for capital assets | 70.9 | 28.6% | - | 15.7 | 16.5 | 17.3 | -37.5% | - | | | |
| Buildings and other fixed structures | 0.2 | -65.8% | - | - | - | - | -100.0% | - | | | |
| Machinery and equipment | 70.7 | 35.7% | - | 15.7 | 16.5 | 17.3 | -37.4% | - | | | |
| Payments for financial assets | 5 454.8 | 17.2% | 1.0% | 5 256.7 | 4 886.3 | 5 159.9 | -1.8% | 0.8% | | | |
| Total | 598 091.0 | 8.2% | 100.0% | 646 656.0 | 697 037.6 | 750 604.2 | 7.9% | 100.0% | | | |

Goods and services expenditure trends and estimates

Table 7.4 Vote Goods and services expenditure trends and estimates

| | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|------------------------|----------------|----------------|-------------------------------|--------------------------------|--|---|--------------------------|----------------|--------------------------------|--|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | | |
| R thousand | | | | | | | | | | | |
| Administrative fees | 3 260 | 3 110 | 3 510 | 3 370 | 1.1% | 0.3% | 3 204 | 3 336 | 3 377 | 0.1% | 0.2% |
| Advertising | 2 162 | 1 871 | 6 344 | 1 573 | -10.1% | 0.3% | 2 148 | 2 121 | 2 330 | 14.0% | 0.1% |
| Minor assets | 333 | 1 880 | 523 | 1 470 | 64.0% | 0.1% | 6 744 | 2 370 | 2 429 | 18.2% | 0.2% |
| Audit costs: External | 12 587 | 15 299 | 11 819 | 15 393 | 6.9% | 1.2% | 16 614 | 17 531 | 18 470 | 6.3% | 1.0% |
| Bursaries: Employees | 4 122 | 4 230 | 4 802 | 6 024 | 13.5% | 0.4% | 7 943 | 7 505 | 7 850 | 9.2% | 0.4% |
| Catering: Departmental activities | 1 716 | 1 225 | 1 098 | 1 452 | -5.4% | 0.1% | 1 869 | 1 977 | 2 082 | 12.8% | 0.1% |
| Communication | 7 559 | 6 102 | 7 976 | 8 630 | 4.5% | 0.6% | 8 809 | 9 333 | 9 828 | 4.4% | 0.6% |
| Computer services | 432 526 | 420 591 | 368 743 | 829 186 | 24.2% | 43.8% | 631 616 | 688 979 | 585 718 | -10.9% | 41.2% |
| Consultants: Business and advisory services | 427 110 | 218 091 | 505 356 | 589 257 | 11.3% | 37.1% | 643 093 | 756 591 | 782 896 | 9.9% | 41.7% |

Table 7.4 Vote Goods and services expenditure trends and estimates

| R thousand | Audited outcome | | | Adjusted appropriation 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/ Total (%) |
|---|------------------|----------------|------------------|-----------------------------------|--|---------------------------------|----------------------------------|------------------|------------------|--|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Legal services | 10 679 | 12 667 | 11 946 | 11 952 | 3.8% | 1.0% | 12 504 | 13 137 | 13 794 | 4.9% | 0.8% |
| Science and technological services | – | – | 180 | – | – | – | – | – | 2 425 | – | – |
| Contractors | 2 476 | 2 381 | 2 414 | 2 606 | 1.7% | 0.2% | 4 820 | 5 511 | 4 262 | 17.8% | 0.3% |
| Agency and support/outourced services | 15 601 | 9 833 | 11 052 | 11 397 | -9.9% | 1.0% | 13 878 | 14 817 | 14 782 | 9.1% | 0.8% |
| Entertainment | 216 | 121 | 121 | 496 | 31.9% | – | 498 | 530 | 536 | 2.6% | – |
| Fleet services (including government motor transport) | 1 646 | 2 255 | 1 350 | 1 528 | -2.4% | 0.1% | 1 153 | 1 230 | 1 310 | -5.0% | 0.1% |
| Inventory: Clothing material and accessories | – | – | 13 | – | – | – | – | – | – | – | – |
| Consumable supplies | 3 334 | 3 459 | 2 183 | 2 394 | -10.5% | 0.2% | 3 680 | 3 917 | 4 101 | 19.7% | 0.2% |
| Consumables: Stationery, printing and office supplies | 11 005 | 11 388 | 10 724 | 13 926 | 8.2% | 1.0% | 14 273 | 13 797 | 31 521 | 31.3% | 1.1% |
| Operating leases | 41 125 | 60 797 | 52 928 | 69 465 | 19.1% | 4.8% | 69 062 | 93 091 | 83 200 | 6.2% | 4.7% |
| Rental and hiring | – | – | 10 | – | – | – | – | – | 12 591 | – | 0.2% |
| Property payments | 12 026 | 21 389 | 23 057 | 28 607 | 33.5% | 1.8% | 16 399 | 28 178 | 19 211 | -12.4% | 1.4% |
| Transport provided: Departmental activity | – | – | 18 254 | – | – | 0.4% | – | – | – | – | – |
| Travel and subsistence | 46 567 | 43 077 | 28 671 | 52 150 | 3.8% | 3.6% | 53 807 | 57 667 | 61 129 | 5.4% | 3.4% |
| Training and development | 5 798 | 6 490 | 8 669 | 9 708 | 18.7% | 0.7% | 7 579 | 7 428 | 7 998 | -6.3% | 0.5% |
| Operating payments | 5 901 | 5 528 | 9 894 | 6 932 | 5.5% | 0.6% | 7 905 | 8 328 | 8 649 | 7.7% | 0.5% |
| Venues and facilities | 12 857 | 6 690 | 1 529 | 7 732 | -15.6% | 0.6% | 9 182 | 7 543 | 9 961 | 8.8% | 0.5% |
| Total | 1 060 606 | 858 474 | 1 093 166 | 1 675 248 | 16.5% | 100.0% | 1 536 780 | 1 744 917 | 1 690 450 | 0.3% | 100.0% |

Transfers and subsidies expenditure trends and estimates

Table 7.5 Vote transfers and subsidies trends and estimates

| R thousand | Audited outcome | | | Adjusted appropriation 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/ Total (%) |
|---|--------------------|--------------------|--------------------|-----------------------------------|--|---------------------------------|----------------------------------|--------------------|--------------------|--|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Provinces and municipalities | | | | | | | | | | | |
| Provincial revenue funds | | | | | | | | | | | |
| Current | 336 495 345 | 359 921 783 | 386 500 009 | 410 698 585 | 6.9% | 92.2% | 441 331 122 | 471 522 489 | 506 103 653 | 7.2% | 92.6% |
| Direct charge: Provincial equitable share | 336 495 345 | 359 921 783 | 386 500 009 | 410 698 585 | 6.9% | 92.2% | 441 331 122 | 471 522 489 | 506 103 653 | 7.2% | 92.6% |
| Provinces and municipalities | | | | | | | | | | | |
| Municipal bank accounts | | | | | | | | | | | |
| Current | 10 136 658 | 10 743 725 | 11 235 865 | 11 819 566 | 5.3% | 2.7% | 12 427 803 | 13 148 615 | 13 884 938 | 5.5% | 2.6% |
| Local government financial management grant | 424 798 | 449 138 | 452 491 | 465 264 | 3.1% | 0.1% | 502 006 | 531 122 | 560 865 | 6.4% | 0.1% |
| Infrastructure skills development grant | 98 500 | 104 425 | 124 465 | 130 471 | 9.8% | – | 140 774 | 148 939 | 157 280 | 6.4% | – |
| Direct charge: General fuel levy sharing with metropolitan municipalities | 9 613 360 | 10 190 162 | 10 658 909 | 11 223 831 | 5.3% | 2.6% | 11 785 023 | 12 468 554 | 13 166 793 | 5.5% | 2.5% |
| Capital | 625 935 | 845 390 | 834 875 | 890 805 | 12.5% | 0.2% | 955 509 | 1 010 929 | 1 067 541 | 6.2% | 0.2% |
| Integrated city development grant | 40 000 | 255 000 | 251 300 | 266 805 | 88.2% | 0.1% | 292 119 | 309 062 | 326 369 | 6.9% | 0.1% |
| Neighbourhood development partnership grant | 585 935 | 590 390 | 583 575 | 624 000 | 2.1% | 0.1% | 663 390 | 701 867 | 741 172 | 5.9% | 0.1% |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 12 587 392 | 12 972 492 | 13 552 569 | 13 631 771 | 2.7% | 3.3% | 14 729 230 | 15 526 875 | 16 215 644 | 6.0% | 3.0% |
| Communication | 9 | 9 | 9 | 10 | 3.6% | – | 19 | 20 | 21 | 28.1% | – |
| Finance and Accounting Services Sector Education and Training Authority | 1 857 | 2 295 | 1 850 | 2 106 | 4.3% | – | 2 061 | 2 084 | 2 195 | 1.4% | – |
| Cooperative Banks Development Agency | 16 236 | 16 838 | 17 341 | 16 472 | 0.5% | – | 19 275 | 20 393 | 21 535 | 9.3% | – |
| Financial and Fiscal Commission | 39 567 | 45 288 | 41 156 | 44 839 | 4.3% | – | 50 647 | 53 110 | 56 084 | 7.7% | – |
| Accounting Standards Board | 10 061 | 10 250 | – | 12 517 | 7.6% | – | 13 463 | 14 414 | 15 224 | 6.7% | – |
| Independent Regulatory Board for Auditors | 32 933 | 34 577 | 41 273 | 28 978 | -4.2% | – | 39 624 | 41 922 | 44 270 | 15.2% | – |
| Auditor-General of South Africa | 40 812 | 61 257 | 41 856 | 44 075 | 2.6% | – | 46 278 | 48 962 | 51 704 | 5.5% | – |
| Government Technical Advisory Centre | 109 310 | 107 677 | 776 062 | 770 171 | 91.7% | 0.1% | 885 040 | 1 130 753 | 1 192 818 | 15.7% | 0.2% |
| Neighbourhood development partnership grant (Indirect) | – | 30 000 | – | – | – | – | – | – | – | – | – |
| South African Revenue Service: Operations | 8 676 298 | 8 596 216 | 8 390 995 | 8 320 321 | -1.4% | 2.1% | 9 041 607 | 9 310 927 | 9 656 407 | 5.1% | 1.8% |
| South African Revenue Service: Office of the Tax Ombud | – | – | – | – | – | – | 35 030 | 41 527 | 40 308 | – | – |
| Financial Intelligence Centre: Operations | 175 041 | 186 651 | 226 664 | 239 641 | 11.0% | 0.1% | 254 941 | 269 727 | 284 832 | 5.9% | 0.1% |
| Secret Services: Operations | 3 485 268 | 3 881 434 | 4 015 363 | 4 152 641 | 6.0% | 1.0% | 4 341 245 | 4 593 036 | 4 850 246 | 5.3% | 0.9% |

Table 7.5 Vote transfers and subsidies trends and estimates

| R thousand | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average Expenditure/Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average Expenditure/Total (%) |
|---|--------------------|--------------------|--------------------|------------------------|-------------------------|-------------------------------|----------------------------------|--------------------|--------------------|-------------------------|-------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | | |
| Capital | 1 372 668 | 1 142 645 | 1 264 026 | 1 464 267 | 2.2% | 0.3% | 1 551 756 | 1 641 759 | 1 733 697 | 5.8% | 0.3% |
| Government Technical Advisory Centre | 328 | 375 | 547 | 707 | 29.2% | - | 742 | 785 | 829 | 5.4% | - |
| South African Revenue Service: Machinery and equipment | 858 095 | 844 105 | 943 444 | 1 043 355 | 6.7% | 0.2% | 1 141 561 | 1 207 772 | 1 275 407 | 6.9% | 0.2% |
| Financial Intelligence Centre: Machinery and equipment | 65 959 | 11 429 | 12 824 | 16 731 | -36.7% | - | 15 250 | 16 135 | 17 039 | 0.6% | - |
| Secret Services: Machinery and equipment | 448 286 | 286 736 | 307 211 | 403 474 | -3.4% | 0.1% | 394 203 | 417 067 | 440 422 | 3.0% | 0.1% |
| Higher education institutions | | | | | | | | | | | |
| Current | 10 000 | - | - | - | -100.0% | - | - | - | - | - | - |
| University of Cape Town | 10 000 | - | - | - | -100.0% | - | - | - | - | - | - |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 576 894 | 607 773 | 740 644 | 834 842 | 13.1% | 0.2% | 787 353 | 839 381 | 886 401 | 2.0% | 0.2% |
| Common Monetary Area Compensation | 554 445 | 581 616 | 712 496 | 802 141 | 13.1% | 0.2% | 754 924 | 804 866 | 849 938 | 1.9% | 0.2% |
| Collaborative Africa Budget Reform Initiative | 1 329 | 4 409 | 1 834 | 1 552 | 5.3% | - | 1 630 | 1 712 | 1 808 | 5.2% | - |
| Commonwealth Fund for Technical Cooperation | 5 316 | 5 714 | 5 533 | 5 826 | 3.1% | - | 6 117 | 6 423 | 6 783 | 5.2% | - |
| International Finance Facility for Immunisation | 10 686 | 11 481 | 15 498 | 14 500 | 10.7% | - | 13 046 | 13 445 | 14 212 | -0.7% | - |
| African Institute for Economic Development and Planning | 1 659 | 917 | 1 242 | 1 269 | -8.5% | - | 1 309 | 1 351 | 1 427 | 4.0% | - |
| Africa Regional Technical Assistance Centre for Southern Africa | 350 | 350 | 959 | 1 000 | 41.9% | - | 1 125 | 1 213 | 1 281 | 8.6% | - |
| Infrastructure Consortium for Africa | 1 000 | 1 000 | 1 000 | - | -100.0% | - | - | - | - | - | - |
| African Risk Capacity | - | - | - | 6 109 | - | - | 6 635 | 7 676 | 8 106 | 9.9% | - |
| United Kingdom tax | 2 109 | 2 286 | 2 082 | 2 445 | 5.1% | - | 2 567 | 2 695 | 2 846 | 5.2% | - |
| Capital | 135 408 | 182 776 | 90 660 | 90 680 | -12.5% | - | 130 132 | 136 120 | 143 743 | 16.6% | - |
| African Development Fund | 40 169 | 92 116 | - | - | -100.0% | - | 33 465 | 35 406 | 37 389 | - | - |
| World Bank Group | 95 239 | 90 660 | 90 660 | 90 680 | -1.6% | - | 96 667 | 100 714 | 106 354 | 5.5% | - |
| Public corporations and private enterprises | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 903 105 | 1 274 456 | 11 384 | 11 999 | -76.3% | 0.1% | 12 586 | 13 316 | 14 062 | 5.4% | - |
| Economic Research Southern Africa | 9 900 | 10 780 | 11 384 | 11 999 | 6.6% | - | 12 586 | 13 316 | 14 062 | 5.4% | - |
| Development Bank of Southern Africa | 893 205 | 1 164 888 | - | - | -100.0% | 0.1% | - | - | - | - | - |
| Municipal Finance Improvement Programme | - | 98 788 | - | - | - | - | - | - | - | - | - |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 3 466 846 | 3 675 562 | 3 912 917 | 4 400 646 | 8.3% | 1.0% | 4 767 239 | 5 089 341 | 5 495 751 | 7.7% | 1.0% |
| Employee social benefits | 3 378 | 1 317 | 3 902 | 1 875 | -17.8% | - | - | - | - | -100.0% | - |
| Contribution to provident funds for associated institutions | 422 | 321 | 339 | 357 | -5.4% | - | 300 | 330 | 360 | 0.3% | - |
| Parliamentary Awards | 20 | 21 | 19 | 23 | 4.8% | - | 23 | 24 | 25 | 2.8% | - |
| Other benefits | 77 775 | 70 416 | 82 512 | 88 070 | 4.2% | - | 93 144 | 98 584 | 104 093 | 5.7% | - |
| Injury on duty | 500 677 | 526 387 | 514 865 | 591 664 | 5.7% | 0.1% | 621 247 | 652 309 | 688 838 | 5.2% | 0.1% |
| Post-Retirement medical scheme | 1 441 406 | 1 511 127 | 2 109 613 | 2 102 160 | 13.4% | 0.4% | 2 298 059 | 2 520 358 | 2 774 437 | 9.7% | 0.5% |
| Special pensions | 435 433 | 423 483 | 439 801 | 479 763 | 3.3% | 0.1% | 494 340 | 528 944 | 565 970 | 5.7% | 0.1% |
| Political Office Bearers Pension Fund | 208 162 | 71 997 | - | - | -100.0% | - | 291 222 | 306 083 | 323 224 | - | - |
| Pension benefits: President of South Africa | 7 477 | 7 884 | 7 275 | 8 990 | 6.3% | - | 9 507 | 10 032 | 10 594 | 5.6% | - |
| Military pensions: Ex-servicemen | 26 542 | 11 694 | 2 879 | 3 570 | -48.8% | - | 3 420 | 5 041 | 6 947 | 24.8% | - |
| South African citizen force | 138 958 | 155 941 | 166 202 | 201 854 | 13.3% | - | 193 858 | 203 627 | 214 470 | 2.0% | - |
| Civil protection | 19 | 19 | 19 | 19 | - | - | 19 | 19 | 19 | - | - |
| Other benefits: Ex-servicemen | 26 577 | 20 155 | 10 491 | 22 810 | -5.0% | - | 24 800 | 26 690 | 28 185 | 7.3% | - |
| Non-statutory forces | 600 000 | 874 800 | 575 000 | 899 491 | 14.4% | 0.2% | 737 300 | 737 300 | 778 589 | -4.7% | 0.2% |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 1 351 | 1 557 | 1 394 | 1 580 | 5.4% | - | 1 800 | 1 850 | 1 943 | 7.1% | - |
| Bursaries for non-employees | 1 351 | 1 557 | 1 394 | 1 580 | 5.4% | - | 1 800 | 1 850 | 1 943 | 7.1% | - |
| Total | 366 311 602 | 391 368 159 | 418 144 343 | 443 844 741 | 6.6% | 100.0% | 476 694 530 | 508 930 675 | 545 547 373 | 7.1% | 100.0% |

Personnel information

Table 7.6 Vote personnel numbers and cost by salary level and programme¹

| Number of posts estimated for 31 March 2017 | | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | Number | |
|---|---|--|------------------------|------------------------|------------------------|----------------------------------|------------------------|--------------|----------------|---------|----------------|-------------------------|---------------------------------|
| Number of funded posts | Number of posts additional to the establishment | Actual | | Revised estimate | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) |
| | | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2019/20 | | | |
| | | Number | Unit Cost cost | Number | Unit Cost cost | Number | Unit Cost cost | Number | Unit Cost cost | Number | Unit Cost cost | | |
| National Treasury | | | | | | | | | | | | | |
| Salary level | 1 267 | 68 | 1 218 732.7 0.6 | 1 222 797.8 0.7 | 1 172 799.3 0.7 | 1 124 807.8 0.7 | 1 161 869.3 0.7 | -1.7% | 100.0% | | | | |
| 1 – 6 | 62 | 3 | 61 13.8 0.2 | 63 15.0 0.2 | 61 14.1 0.2 | 60 14.6 0.2 | 62 16.1 0.3 | -0.5% | 5.3% | | | | |
| 7 – 10 | 543 | 20 | 532 199.1 0.4 | 509 204.4 0.4 | 482 205.0 0.4 | 452 202.5 0.4 | 476 226.3 0.5 | -2.2% | 41.0% | | | | |
| 11 – 12 | 360 | 20 | 338 216.8 0.6 | 332 233.9 0.7 | 319 249.3 0.8 | 307 254.6 0.8 | 314 275.0 0.9 | -1.8% | 27.2% | | | | |
| 13 – 16 | 300 | 25 | 287 303.1 1.1 | 318 344.6 1.1 | 310 330.9 1.1 | 305 336.1 1.1 | 309 352.0 1.1 | -1.0% | 26.5% | | | | |
| Other | 2 | - | - - - | - - - | - - - | - - - | - - - | - | - | | | | |
| Programme | 1 267 | 68 | 1 218 732.7 0.6 | 1 222 797.8 0.7 | 1 172 799.3 0.7 | 1 124 807.8 0.7 | 1 161 869.3 0.7 | -1.7% | 100.0% | | | | |
| Programme 1 | 404 | 6 | 384 182.4 0.5 | 376 201.0 0.5 | 368 199.5 0.5 | 356 201.8 0.6 | 365 219.3 0.6 | -1.0% | 31.3% | | | | |
| Programme 2 | 123 | - | 105 78.2 0.7 | 104 81.4 0.8 | 98 78.1 0.8 | 92 78.7 0.9 | 93 82.3 0.9 | -3.7% | 8.3% | | | | |
| Programme 3 | 262 | 52 | 277 192.3 0.7 | 286 201.0 0.7 | 261 201.9 0.8 | 249 204.2 0.8 | 259 219.2 0.8 | -3.3% | 22.5% | | | | |
| Programme 4 | 120 | - | 111 72.1 0.6 | 111 77.6 0.7 | 105 77.5 0.7 | 100 78.7 0.8 | 104 84.6 0.8 | -2.1% | 9.0% | | | | |
| Programme 5 | 312 | 10 | 303 179.5 0.6 | 304 204.3 0.7 | 293 206.1 0.7 | 283 208.3 0.7 | 292 223.7 0.8 | -1.3% | 25.0% | | | | |
| Programme 6 | 46 | - | 38 28.2 0.7 | 41 32.6 0.8 | 47 36.0 0.8 | 44 36.1 0.8 | 48 40.2 0.8 | 5.4% | 3.8% | | | | |

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

2. Rand million.

Departmental receipts

Table 7.7 Departmental receipts by economic classification

| R thousand | Audited outcome | | | Adjusted estimate | Revised estimate | Average growth rate (%) | Average: Receipt item/ Total (%) | Medium-term receipts estimate | | | Average growth rate (%) | Average: Receipt item/ Total (%) |
|---|------------------|------------------|------------------|-------------------|------------------|-------------------------|----------------------------------|-------------------------------|------------------|------------------|-------------------------|----------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | | 2016/17 | 2017/18 | 2018/19 | | |
| Departmental receipts | 3 687 531 | 5 599 130 | 5 602 331 | 5 187 759 | 5 187 759 | 12.1% | 27.6% | 5 110 655 | 3 867 292 | 4 193 433 | -6.8% | 27.1% |
| Sales of goods and services produced by department | 73 026 | 65 722 | 38 619 | 29 933 | 29 933 | -25.7% | 0.3% | 31 691 | 26 165 | 27 631 | -2.6% | 0.2% |
| Sales by market establishments | 96 | 100 | 103 | 100 | 100 | 1.4% | - | 110 | 120 | 127 | 8.3% | - |
| of which: | | | | | | | | | | | | |
| Rental parking: Covered and open | 96 | 100 | 103 | 100 | 100 | 1.4% | - | 110 | 120 | 127 | 8.3% | - |
| Administrative fees | - | 1 | 5 | 1 | 1 | - | - | 10 | 10 | 11 | 122.4% | - |
| of which: | | | | | | | | | | | | |
| Required information: Duplicate certificate | - | 1 | 5 | 1 | 1 | - | - | 10 | 10 | 11 | 122.4% | - |
| Other sales | 72 930 | 65 621 | 38 511 | 29 832 | 29 832 | -25.8% | 0.3% | 31 571 | 26 035 | 27 493 | -2.7% | 0.2% |
| of which: | | | | | | | | | | | | |
| Commission: Insurance | 73 | 82 | - | 94 | 94 | 8.8% | - | 100 | 100 | 106 | 4.1% | - |
| Directors fees | 307 | 250 | - | 228 | 228 | -9.4% | - | 210 | 220 | 232 | 0.6% | - |
| Replacement of security cards | 7 | 12 | - | 10 | 10 | 12.6% | - | 16 | 15 | 16 | 17.0% | - |
| Fees for government guarantee insurance | 72 467 | 65 158 | 38 511 | 29 380 | 29 380 | -26.0% | 0.3% | 31 235 | 25 685 | 27 123 | -2.6% | 0.2% |
| Sales of assets less than R5 000 | 76 | 119 | - | 120 | 120 | 16.4% | - | 10 | 15 | 16 | -48.9% | - |
| Sales of scrap, waste, arms and other used current goods | 61 | 69 | 20 | 24 | 24 | -26.7% | - | 22 | 23 | 24 | - | - |
| of which: | | | | | | | | | | | | |
| Waste paper | 5 | 9 | 20 | 6 | 6 | 6.3% | - | 7 | 8 | 8 | 10.1% | - |
| Scrap | 24 | 30 | - | 4 | 4 | -45.0% | - | - | - | - | -100.0% | - |
| Departmental publications | 32 | 30 | - | 14 | 14 | -24.1% | - | 15 | 15 | 16 | 4.6% | - |

Table 7.7 Departmental receipts by economic classification

| | Audited outcome | | | Adjusted estimate | Revised estimate | Average growth rate (%) | Average: Receipt item/ Total (%) | Medium-term receipts estimate | | | Average growth rate (%) | Average: Receipt item/ Total (%) |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|----------------------------------|-------------------------------|-------------------|-------------------|-------------------------|----------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | | 2016/17 | 2013/14 | 2016/17 | | |
| R thousand | | | | | | | | | | | | |
| Interest, dividends and rent on land | 2 586 428 | 4 580 566 | 4 640 219 | 4 067 002 | 4 067 002 | 16.3% | 21.8% | 3 988 602 | 3 580 754 | 3 890 848 | -1.5% | 22.9% |
| Interest | 2 479 141 | 4 374 788 | 4 377 214 | 3 915 802 | 3 915 802 | 16.5% | 20.8% | 3 817 934 | 3 400 500 | 3 700 500 | -1.9% | 21.9% |
| Dividends | 107 287 | 205 778 | 263 005 | 151 200 | 151 200 | 12.1% | 1.0% | 170 668 | 180 254 | 190 348 | 8.0% | 1.0% |
| of which: | | | | | | | | | | | | |
| South African Reserve Bank | 107 287 | - | - | - | - | -100.0% | 0.1% | - | - | - | - | - |
| South African Special Risks | - | 205 778 | 263 005 | 151 200 | 151 200 | - | 0.9% | 170 668 | 180 254 | 190 348 | 8.0% | 1.0% |
| Insurance Association | | | | | | | | | | | | |
| Sales of capital assets | 111 | - | 17 | - | - | -100.0% | - | - | - | - | - | - |
| Transactions in financial assets and liabilities | 1 027 905 | 952 773 | 923 456 | 1 090 800 | 1 090 800 | 2.0% | 5.5% | 1 090 340 | 260 350 | 274 930 | -36.8% | 4.0% |
| National Revenue Fund receipts | 11 663 544 | 12 646 970 | 14 377 522 | 14 665 000 | 14 008 423 | 6.3% | 72.4% | 14 578 000 | 11 306 000 | 9 526 000 | -12.1% | 72.9% |
| of which: | | | | | | | | | | | | |
| Revaluation of profits on foreign currency transactions | 5 670 623 | 4 406 734 | 8 869 128 | 11 154 808 | 10 710 440 | 23.6% | 40.8% | 14 578 000 | 11 306 000 | 9 526 000 | -3.8% | 68.0% |
| Premiums on loan transactions | 5 510 307 | 5 467 553 | 2 873 818 | 2 752 807 | 2 500 000 | -23.2% | 22.5% | - | - | - | -100.0% | 3.7% |
| Liquidation of South African Special Risks Insurance Association investment | 75 000 | 40 000 | - | - | - | -100.0% | 0.2% | - | - | - | - | - |
| Other (mainly penalties on retail bonds) | 8 346 | 2 646 | 69 673 | 10 192 | 17 800 | 28.7% | 0.1% | - | - | - | -100.0% | - |
| Proceeds from foreign exchange amnesty | 399 268 | - | - | - | - | -100.0% | 0.5% | - | - | - | - | - |
| Premiums on debt portfolio restructuring (switches) | - | 2 730 037 | 2 564 903 | 747 193 | 780 183 | - | 8.3% | - | - | - | -100.0% | 1.2% |
| Total | 15 351 075 | 18 246 100 | 19 979 853 | 19 852 759 | 19 196 182 | 7.7% | 100.0% | 19 688 655 | 15 173 292 | 13 719 433 | -10.6% | 100.0% |

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 7.8 Administration expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) | |
|---|-----------------|----------------|----------------|------------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|---------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2013/14 | 2016/17 | | | 2017/18 |
| R thousand | | | | | | | | | | | | |
| Ministry | 3 301 | 3 309 | 3 628 | 4 037 | 6.9% | 0.9% | 4 861 | 5 149 | 5 527 | 11.0% | 1.0% | |
| Departmental Management | 42 183 | 47 458 | 47 115 | 52 253 | 7.4% | 12.4% | 57 998 | 59 606 | 64 891 | 7.5% | 12.4% | |
| Corporate Services | 90 455 | 107 272 | 116 477 | 155 679 | 19.8% | 30.8% | 119 887 | 125 011 | 148 850 | -1.5% | 28.9% | |
| Enterprise Wide Risk Management | 32 042 | 22 496 | 27 537 | 27 090 | -5.4% | 7.2% | 29 335 | 30 009 | 32 327 | 6.1% | 6.3% | |
| Financial Administration | 35 662 | 38 632 | 38 701 | 51 794 | 13.2% | 10.8% | 39 299 | 40 284 | 96 550 | 23.1% | 12.0% | |
| Legal Services | 16 439 | 16 593 | 18 656 | 20 024 | 6.8% | 4.7% | 20 116 | 20 760 | 21 946 | 3.1% | 4.4% | |
| Internal Audit | 22 014 | 17 119 | 20 681 | 23 339 | 2.0% | 5.5% | 22 521 | 22 717 | 24 621 | 1.8% | 4.9% | |
| Communications | 8 838 | 10 120 | 10 200 | 13 343 | 14.7% | 2.8% | 9 622 | 9 375 | 9 746 | -9.9% | 2.2% | |
| Office Accommodation | 68 661 | 99 528 | 92 587 | 119 857 | 20.4% | 25.0% | 110 671 | 143 362 | 155 586 | 9.1% | 27.9% | |
| Total | 319 595 | 362 527 | 375 582 | 467 416 | 13.5% | 100.0% | 414 310 | 456 273 | 560 044 | 6.2% | 100.0% | |
| Change to 2016 | | | | 54 755 | | | 2 441 | 23 943 | 99 438 | | | |
| Budget estimate | | | | | | | | | | | | |
| Economic classification | | | | | | | | | | | | |
| Current payments | 298 581 | 345 080 | 347 817 | 417 164 | 11.8% | 92.4% | 403 954 | 444 957 | 548 239 | 9.5% | 95.6% | |
| Compensation of employees | 144 304 | 166 375 | 182 388 | 210 172 | 13.4% | 46.1% | 199 536 | 201 781 | 219 294 | 1.4% | 43.8% | |
| Goods and services ¹ | 154 277 | 178 705 | 165 429 | 206 992 | 10.3% | 46.3% | 204 418 | 243 176 | 328 945 | 16.7% | 51.8% | |
| of which: | | | | | | | | | | | | |
| Computer services | 18 388 | 24 868 | 18 613 | 34 681 | 23.6% | 6.3% | 28 225 | 30 677 | 47 502 | 11.1% | 7.4% | |
| Consultants: Business and advisory services | 18 927 | 8 949 | 6 999 | 8 627 | -23.0% | 2.9% | 9 485 | 9 835 | 63 685 | 94.7% | 4.8% | |
| Agency and support/outourced services | 10 368 | 9 738 | 11 001 | 11 082 | 2.2% | 2.8% | 13 868 | 14 817 | 14 782 | 10.1% | 2.9% | |
| Operating leases | 39 490 | 58 912 | 51 091 | 64 483 | 17.8% | 14.0% | 66 696 | 90 491 | 80 460 | 7.7% | 15.9% | |
| Property payments | 12 026 | 21 389 | 23 057 | 28 607 | 33.5% | 5.6% | 16 399 | 28 178 | 19 211 | -12.4% | 4.9% | |
| Travel and subsistence | 15 189 | 13 223 | 13 964 | 15 329 | 0.3% | 3.8% | 16 279 | 17 458 | 18 423 | 6.3% | 3.6% | |
| Transfers and subsidies¹ | 3 541 | 4 274 | 4 251 | 4 624 | 9.3% | 1.1% | 3 880 | 3 954 | 4 159 | -3.5% | 0.9% | |
| Departmental agencies and accounts | 1 866 | 2 304 | 1 859 | 2 116 | 4.3% | 0.5% | 2 080 | 2 104 | 2 216 | 1.6% | 0.4% | |
| Households | 1 675 | 1 970 | 2 392 | 2 508 | 14.4% | 0.6% | 1 800 | 1 850 | 1 943 | -8.2% | 0.4% | |
| Payments for capital assets | 17 199 | 13 111 | 23 367 | 45 628 | 38.4% | 6.5% | 6 476 | 7 362 | 7 646 | -44.9% | 3.5% | |
| Machinery and equipment | 17 199 | 13 111 | 23 367 | 45 628 | 38.4% | 6.5% | 6 476 | 7 362 | 7 646 | -44.9% | 3.5% | |
| Payments for financial assets | 274 | 62 | 147 | - | -100.0% | - | - | - | - | - | - | |
| Total | 319 595 | 362 527 | 375 582 | 467 416 | 13.5% | 100.0% | 414 310 | 456 273 | 560 044 | 6.2% | 100.0% | |
| Proportion of total programme expenditure to vote expenditure | 1.3% | 1.4% | 1.3% | 1.6% | - | - | 1.3% | 1.4% | 1.6% | - | - | |

Table 7.8 Administration expenditure trends and estimates by subprogramme and economic classification

| Details of transfers and subsidies | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) | |
|---|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|---------|-------------------------|---------------------------------|---------|
| Audited outcome | | | | | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | | | 2018/19 |
| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | 2016/17 - 2019/20 | |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 1 866 | 2 304 | 1 859 | 2 116 | 4.3% | 0.5% | 2 080 | 2 104 | 2 216 | 1.6% | 0.4% |
| Communication | 9 | 9 | 9 | 10 | 3.6% | – | 19 | 20 | 21 | 28.1% | – |
| Finance and Accounting Services Sector Education and Training Authority | 1 857 | 2 295 | 1 850 | 2 106 | 4.3% | 0.5% | 2 061 | 2 084 | 2 195 | 1.4% | 0.4% |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 324 | 413 | 998 | 928 | 42.0% | 0.2% | – | – | – | -100.0% | – |
| Employee social benefits | 324 | 413 | 998 | 928 | 42.0% | 0.2% | – | – | – | -100.0% | – |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | 1 351 | 1 557 | 1 394 | 1 580 | 5.4% | 0.4% | 1 800 | 1 850 | 1 943 | 7.1% | 0.4% |
| Bursaries for non-employees | 1 351 | 1 557 | 1 394 | 1 580 | 5.4% | 0.4% | 1 800 | 1 850 | 1 943 | 7.1% | 0.4% |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 7.9 Administration personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2017 | | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | | | | Number | | |
|---|---|--|------------|--------------|------------------|------------|--------------|----------------------------------|------------|--------------|------------|------------|--------------|-------------------------|---------------------------------|-------------------|------------|--------------|---------------|
| Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | 2015/16 | | | 2016/17 | | | 2017/18 | | 2018/19 | | 2019/20 | | | | 2016/17 - 2019/20 | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| Administration | | | | | | | | | | | | | | | | | | | |
| Salary level | 404 | 6 | 384 | 182.4 | 0.5 | 376 | 201.0 | 0.5 | 368 | 199.5 | 0.5 | 356 | 201.8 | 0.6 | 365 | 219.3 | 0.6 | -1.0% | 100.0% |
| 1 – 6 | 49 | – | 45 | 10.1 | 0.2 | 47 | 10.8 | 0.2 | 47 | 11.1 | 0.2 | 47 | 11.8 | 0.3 | 47 | 12.5 | 0.3 | – | 12.8% |
| 7 – 10 | 233 | 3 | 229 | 75.2 | 0.3 | 210 | 76.8 | 0.4 | 206 | 79.0 | 0.4 | 200 | 80.6 | 0.4 | 204 | 87.2 | 0.4 | -1.0% | 56.0% |
| 11 – 12 | 71 | – | 65 | 42.5 | 0.7 | 65 | 48.5 | 0.7 | 63 | 49.1 | 0.8 | 59 | 48.7 | 0.8 | 61 | 53.2 | 0.9 | -2.1% | 16.9% |
| 13 – 16 | 49 | 3 | 45 | 54.6 | 1.2 | 54 | 65.0 | 1.2 | 52 | 60.3 | 1.2 | 50 | 60.7 | 1.2 | 53 | 66.4 | 1.3 | -0.6% | 14.3% |
| Other | 2 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

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

2. Rand million.

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

Programme purpose

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

Objectives

- Improve South Africa's macroeconomic and microeconomic framework by conducting ongoing analytical work and research, and developing policy advisory services.
- Build and maintain economic research capacity to inform economic policy in South Africa by providing academic and 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 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 7.10 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|--|-----------------|----------------|----------------|------------------------|-------------------------|---------------|----------------------------------|----------------|----------------|-------------------------|---------------|
| | 2013/14 | 2014/15 | 2015/16 | | 2013/14 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 | 2019/20 |
| R thousand | | | | | | | | | | | |
| Programme Management for Economic Policy, Tax, Financial Regulation and Research | 20 220 | 20 668 | 21 199 | 24 467 | 6.6% | 16.3% | 24 751 | 25 735 | 27 233 | 3.6% | 17.6% |
| Research | 16 657 | 11 529 | 10 968 | 11 943 | -10.5% | 9.6% | 13 301 | 12 889 | 13 508 | 4.2% | 8.9% |
| Financial Sector Policy | 25 111 | 27 974 | 27 636 | 34 404 | 11.1% | 21.7% | 24 627 | 24 934 | 26 280 | -8.6% | 19.0% |
| Tax Policy | 23 401 | 21 589 | 27 609 | 32 024 | 11.0% | 19.7% | 29 674 | 30 038 | 30 963 | -1.1% | 21.1% |
| Economic Policy | 22 473 | 25 731 | 26 537 | 30 851 | 11.1% | 19.9% | 28 021 | 28 482 | 29 937 | -1.0% | 20.2% |
| Cooperative Banks Development Agency | 16 236 | 16 838 | 17 341 | 16 472 | 0.5% | 12.6% | 19 275 | 20 393 | 21 535 | 9.3% | 13.4% |
| Total | 124 098 | 124 329 | 131 290 | 150 161 | 6.6% | 100.0% | 139 649 | 142 471 | 149 456 | -0.2% | 100.0% |
| Change to 2016 | | | | 4 091 | | | (9 281) | (8 421) | (11 653) | | |
| Budget estimate | | | | | | | | | | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 97 123 | 96 289 | 102 203 | 120 592 | 7.5% | 78.5% | 106 943 | 107 902 | 112 996 | -2.1% | 77.1% |
| Compensation of employees | 66 731 | 70 770 | 78 214 | 83 873 | 7.9% | 56.5% | 78 107 | 78 690 | 82 286 | -0.6% | 55.5% |
| Goods and services ¹ | 30 392 | 25 519 | 23 989 | 36 719 | 6.5% | 22.0% | 28 836 | 29 212 | 30 710 | -5.8% | 21.6% |
| of which: | | | | | | | | | | | |
| Communication | 351 | 296 | 422 | 154 | -24.0% | 0.2% | 403 | 428 | 452 | 43.2% | 0.2% |
| Consultants: Business and advisory services | 17 121 | 11 843 | 11 487 | 22 655 | 9.8% | 11.9% | 13 727 | 13 351 | 14 004 | -14.8% | 11.0% |
| Consumables: Stationery, printing and office supplies | 884 | 1 047 | 511 | 1 006 | 4.4% | 0.7% | 1 082 | 1 131 | 1 187 | 5.7% | 0.8% |
| Travel and subsistence | 5 448 | 5 368 | 313 | 6 149 | 4.1% | 3.3% | 5 724 | 6 073 | 6 486 | 1.8% | 4.2% |
| Training and development | 562 | 668 | 4 548 | 940 | 18.7% | 1.3% | 764 | 792 | 814 | -4.7% | 0.6% |
| Operating payments | 4 012 | 4 040 | 326 | 4 188 | 1.4% | 2.4% | 5 613 | 5 925 | 6 140 | 13.6% | 3.8% |
| Transfers and subsidies¹ | 26 531 | 27 653 | 28 805 | 28 618 | 2.6% | 21.1% | 31 861 | 33 709 | 35 597 | 7.5% | 22.3% |
| Departmental agencies and accounts | 16 236 | 16 838 | 17 341 | 16 472 | 0.5% | 12.6% | 19 275 | 20 393 | 21 535 | 9.3% | 13.4% |
| Public corporations and private enterprises | 9 900 | 10 780 | 11 384 | 11 999 | 6.6% | 8.3% | 12 586 | 13 316 | 14 062 | 5.4% | 8.9% |
| Households | 395 | 35 | 80 | 147 | -28.1% | 0.1% | - | - | - | -100.0% | - |
| Payments for capital assets | 443 | 385 | 275 | 951 | 29.0% | 0.4% | 845 | 860 | 863 | -3.2% | 0.6% |
| Machinery and equipment | 443 | 385 | 275 | 951 | 29.0% | 0.4% | 845 | 860 | 863 | -3.2% | 0.6% |
| Payments for financial assets | 1 | 2 | 7 | - | -100.0% | - | - | - | - | - | - |
| Total | 124 098 | 124 329 | 131 290 | 150 161 | 6.6% | 100.0% | 139 649 | 142 471 | 149 456 | -0.2% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 0.5% | 0.5% | 0.5% | 0.5% | - | - | 0.5% | 0.4% | 0.4% | - | - |

Table 7.10 Economic Policy, Tax, Financial Regulation and Research expenditure trends and estimates by subprogramme and economic classification

| Details of transfers and subsidies | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average Expenditure/ Total (%) |
|---|-----------------|---------|---------|------------------------|-------------------------|--------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| R thousand | | | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 16 236 | 16 838 | 17 341 | 16 472 | 0.5% | 12.6% | 19 275 | 20 393 | 21 535 | 9.3% | 13.4% |
| Cooperative Banks Development Agency | 16 236 | 16 838 | 17 341 | 16 472 | 0.5% | 12.6% | 19 275 | 20 393 | 21 535 | 9.3% | 13.4% |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 395 | 35 | 80 | 147 | -28.1% | 0.1% | - | - | - | -100.0% | - |
| Employee social benefits | 395 | 35 | 80 | 147 | -28.1% | 0.1% | - | - | - | -100.0% | - |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 9 900 | 10 780 | 11 384 | 11 999 | 6.6% | 8.3% | 12 586 | 13 316 | 14 062 | 5.4% | 8.9% |
| Economic Research Southern Africa | 9 900 | 10 780 | 11 384 | 11 999 | 6.6% | 8.3% | 12 586 | 13 316 | 14 062 | 5.4% | 8.9% |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 7.11 Economic Policy, Tax, Financial Regulation and Research personnel numbers and cost by salary level¹

| Economic Policy, Tax, Financial Regulation and Research | Salary level | Number of posts estimated for 31 March 2017 | Number of posts funded posts | Number of posts additional to the establishment | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|---|--------------|---|------------------------------|---|--|---------|-----------|------------------|---------|-----------|----------------------------------|---------|-------------------|--------|------|-----------|-------------------------|--------------------------------|-----|-------|--------|
| | | | | | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average Salary level/Total (%) | | | |
| | | | | | 2015/16 | 2016/17 | 2019/20 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | | | | | | | |
| | | | | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | | | |
| | | | | | 105 | 78.2 | 0.7 | 104 | 81.4 | 0.8 | 98 | 78.1 | 0.8 | 92 | 78.7 | 0.9 | 93 | 82.3 | 0.9 | -3.7% | 100.0% |
| | | | | | 1 | 0.2 | 0.2 | 1 | 0.3 | 0.3 | 1 | 0.3 | 0.3 | 1 | 0.3 | 0.3 | 1 | 0.3 | 0.3 | - | 1.0% |
| | | | | | 27 | 12.4 | 0.5 | 29 | 14.8 | 0.5 | 25 | 11.2 | 0.4 | 21 | 10.0 | 0.5 | 22 | 10.9 | 0.5 | -8.8% | 25.1% |
| | | | | | 31 | 21.4 | 0.7 | 31 | 22.5 | 0.7 | 29 | 22.2 | 0.8 | 27 | 22.1 | 0.8 | 27 | 23.4 | 0.9 | -4.5% | 29.5% |
| | | | | | 46 | 44.2 | 1.0 | 43 | 43.8 | 1.0 | 43 | 44.5 | 1.0 | 43 | 46.4 | 1.1 | 43 | 47.7 | 1.1 | - | 44.4% |

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

2. Rand million.

Programme 3: Public Finance and Budget Management

Programme purpose

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

Objectives

- Promote growth, social development and poverty reduction through sound fiscal and financial policies and the effective, efficient and appropriate allocation of public funds on an annual basis.
- Prepare a national budget that gives effect to government's economic, fiscal, social and developmental goals as expressed in the NDP and the government's 2014-2019 medium-term strategic framework to provide fiscal policy advice by monitoring economic and fiscal trends and advising on policy options and the budget framework.
- Produce and publish the Budget Review, the Estimates of National Expenditure, the Adjusted Estimates of National Expenditure, the Medium Term Budget Policy Statement and appropriation legislation containing relevant, accurate and clear financial information and associated indicators of service delivery and performance annually.
- Contribute to public policy and programme development through support for planning, policy and programme analysis, budgeting and project management, including support for public finance reform in provinces and municipalities.

- Promote public and private investment in infrastructure and public services by providing technical support for capital expenditure planning and project analysis, advice on financing alternatives, support for municipal development, and financial assistance for neighbourhood development projects on an ongoing basis.
- Monitor and analyse public expenditure and service delivery, and support improved monitoring and analysis of public expenditure and service delivery, and measure the appropriate use of public and private financial resources for social and economic development and infrastructure investment on an ongoing basis.
- Support and enable budget analysis by a broad range of stakeholders, such as Parliament, through increased budget participation by the public on an ongoing basis.

Subprogrammes

- *Programme Management for Public Finance and Budget Management* provides support to the programme's planning, monitoring and delivery functions. Key activities include oversight, and managing the processes related to the annual publication of the Medium Term Budget Policy Statement, the coordination of the annual budget, and the production of the Division of Revenue Bill for the three spheres of government.
- *Public Finance* provides financial and budgetary analysis of government programmes, advises on policy and service delivery trends, and manages National Treasury's relations with other national departments.
- *Budget Office and Coordination* is responsible for the national budget process including the publication of the Budget Review, the Medium Term Budget Policy Statement and the Estimates of National Expenditure. The unit leads the budget reform programme, coordinates international technical assistance and donor finance, provides advice on public service remuneration and pension arrangements, compiles public finance statistics and provides fiscal policy advice.
- *Intergovernmental Relations* coordinates fiscal relations between national, provincial and local government; promotes sound provincial and municipal budgetary planning, reporting and financial management; and provides support for government with the aim of promoting improved infrastructure planning and management to support the service delivery targets in all spheres of government.
- *Financial and Fiscal Commission* facilitates the annual transfer payment to the Financial and Fiscal Commission, which provides independent, objective, impartial and unbiased advice to all three spheres of government regarding the division of revenue, as well as advice on the enactment of legislation pertaining to provincial taxes, municipal fiscal powers and functions, and provincial and municipal loans.

Expenditure trends and estimates

Table 7.12 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|-----------------|----------------|----------------|------------------------|-------------------------|-------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | 2013/14 - 2016/17 | 2016/17 - 2019/20 | 2017/18 | 2018/19 | 2019/20 | | |
| R thousand | | | | | | | | | | | |
| Programme Management for Public Finance and Budget Management | 17 322 | 20 615 | 17 884 | 22 979 | 9.9% | 7.7% | 27 160 | 26 693 | 27 915 | 6.7% | 8.9% |
| Public Finance | 47 486 | 52 330 | 59 168 | 58 423 | 7.2% | 21.1% | 56 635 | 57 280 | 61 271 | 1.6% | 19.8% |
| Budget Office and Coordination | 52 429 | 53 225 | 55 365 | 58 796 | 3.9% | 21.3% | 58 287 | 59 010 | 63 357 | 2.5% | 20.3% |
| Intergovernmental Relations | 70 763 | 73 813 | 89 004 | 109 446 | 15.6% | 33.3% | 93 374 | 95 119 | 101 785 | -2.4% | 33.8% |
| Financial and Fiscal Commission | 39 567 | 45 288 | 41 156 | 44 839 | 4.3% | 16.6% | 50 647 | 53 110 | 56 084 | 7.7% | 17.3% |
| Total | 227 567 | 245 271 | 262 577 | 294 483 | 9.0% | 100.0% | 286 103 | 291 212 | 310 412 | 1.8% | 100.0% |
| Change to 2016 Budget estimate | | | | 7 528 | | | (7 540) | (6 475) | (8 221) | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 185 294 | 198 418 | 218 731 | 247 456 | 10.1% | 82.5% | 233 673 | 236 113 | 252 353 | 0.7% | 82.0% |
| Compensation of employees | 157 011 | 175 122 | 192 344 | 207 610 | 9.8% | 71.1% | 201 945 | 204 222 | 219 166 | 1.8% | 70.5% |
| Goods and services ¹ | 28 283 | 23 296 | 26 387 | 39 846 | 12.1% | 11.4% | 31 728 | 31 891 | 33 187 | -5.9% | 11.6% |
| of which: | | | | | | | | | | | |
| Bursaries: Employees | 586 | 689 | 835 | 857 | 13.5% | 0.3% | 1 200 | 966 | 1 029 | 6.3% | 0.3% |
| Communication | 829 | 644 | 896 | 415 | -20.6% | 0.3% | 936 | 971 | 1 021 | 35.0% | 0.3% |
| Computer services | 662 | 1 002 | 1 554 | 906 | 11.0% | 0.4% | 915 | 970 | 1 021 | 4.1% | 0.3% |
| Consultants: Business and advisory services | 8 463 | 4 407 | 6 821 | 18 195 | 29.1% | 3.7% | 7 936 | 7 568 | 7 498 | -25.6% | 3.5% |
| Consumables: Stationery, printing and office supplies | 5 714 | 5 828 | 5 701 | 6 771 | 5.8% | 2.3% | 7 175 | 7 224 | 7 585 | 3.9% | 2.4% |
| Travel and subsistence | 8 590 | 7 867 | 7 848 | 8 763 | 0.7% | 3.2% | 9 267 | 9 670 | 10 276 | 5.5% | 3.2% |

Table 7.12 Public Finance and Budget Management expenditure trends and estimates by subprogramme and economic classification

| R thousand | Audited outcome | | | Adjusted appropriation 2016/17 | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average Expenditure/Total (%) |
|---|-----------------|----------------|----------------|-----------------------------------|-------------------------|---------------|----------------------------------|----------------|----------------|--|-------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | 2013/14 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | |
| Transfers and subsidies¹ | 41 366 | 45 473 | 42 676 | 44 979 | 2.8% | 16.9% | 50 647 | 53 110 | 56 084 | 7.6% | 17.3% |
| Departmental agencies and accounts | 39 567 | 45 288 | 41 156 | 44 839 | 4.3% | 16.6% | 50 647 | 53 110 | 56 084 | 7.7% | 17.3% |
| Households | 1 799 | 185 | 1 520 | 140 | -57.3% | 0.4% | - | - | - | -100.0% | - |
| Payments for capital assets | 897 | 1 338 | 1 096 | 2 048 | 31.7% | 0.5% | 1 783 | 1 989 | 1 975 | -1.2% | 0.7% |
| Machinery and equipment | 897 | 1 338 | 1 096 | 2 048 | 31.7% | 0.5% | 1 783 | 1 989 | 1 975 | -1.2% | 0.7% |
| Payments for financial assets | 10 | 42 | 74 | - | -100.0% | - | - | - | - | - | - |
| Total | 227 567 | 245 271 | 262 577 | 294 483 | 9.0% | 100.0% | 286 103 | 291 212 | 310 412 | 1.8% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 0.9% | 0.9% | 0.9% | 1.0% | - | - | 0.9% | 0.9% | 0.9% | - | - |

Details of transfers and subsidies

| | | | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|----------------|--------------|
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 39 567 | 45 288 | 41 156 | 44 839 | 4.3% | 16.6% | 50 647 | 53 110 | 56 084 | 7.7% | 17.3% |
| Financial and Fiscal Commission | 39 567 | 45 288 | 41 156 | 44 839 | 4.3% | 16.6% | 50 647 | 53 110 | 56 084 | 7.7% | 17.3% |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 1 799 | 185 | 1 520 | 140 | -57.3% | 0.4% | - | - | - | -100.0% | - |
| Employee social benefits | 1 799 | 185 | 1 520 | 140 | -57.3% | 0.4% | - | - | - | -100.0% | - |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel informationTable 7.13 Public Finance and Budget Management personnel numbers and cost by salary level¹

| Public Finance and Budget Management | Number of posts estimated for 31 March 2017 | | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|--------------------------------------|---|---|--|--------------|------------|------------------|--------------|------------|----------------------------------|--------------|------------|------------|--------------|------------|--|--------------------------------|------------|--------------|---------------|
| | Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) 2016/17 - 2019/20 | Average Salary level/Total (%) | | | |
| | | | 2015/16 | | | 2016/17 | | | 2017/18 | | 2018/19 | | 2019/20 | | | | | | |
| | | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | Number | Cost | Unit cost |
| Salary level | 262 | 52 | 277 | 192.3 | 0.7 | 286 | 201.0 | 0.7 | 261 | 201.9 | 0.8 | 249 | 204.2 | 0.8 | 259 | 219.2 | 0.8 | -3.3% | 100.0% |
| 1-6 | 2 | - | 1 | 0.4 | 0.4 | 2 | 0.9 | 0.5 | 2 | 0.5 | 0.2 | 2 | 0.5 | 0.2 | 2 | 0.5 | 0.3 | - | 0.8% |
| 7-10 | 85 | 13 | 85 | 36.0 | 0.4 | 86 | 38.4 | 0.4 | 72 | 30.5 | 0.4 | 63 | 28.1 | 0.4 | 71 | 33.5 | 0.5 | -6.2% | 27.7% |
| 11-12 | 103 | 19 | 107 | 68.2 | 0.6 | 105 | 72.5 | 0.7 | 97 | 75.3 | 0.8 | 94 | 77.5 | 0.8 | 96 | 83.5 | 0.9 | -2.9% | 37.2% |
| 13-16 | 72 | 20 | 84 | 87.7 | 1.0 | 93 | 89.2 | 1.0 | 90 | 95.7 | 1.1 | 90 | 98.1 | 1.1 | 90 | 101.6 | 1.1 | -1.1% | 34.4% |

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

2. Rand million.

Programme 4: Asset and Liability Management**Programme purpose**

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

Objectives

- Exercise oversight of state-owned enterprises 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.
- Meet government's annual gross borrowing requirement consisting of the budget deficit and maturing debt by sourcing funds from domestic and international markets, and service government's debt optimally.
- Ensure that government's liquidity requirements are consistently met within credit risk guidelines.

- Minimise and mitigate risks emanating from government’s fiscal obligations to develop and maintain a risk management framework for the debt and contingent liabilities of government, and implement debt management strategies that minimise government’s exposure to adverse risks on an ongoing basis.

Subprogrammes

- *Programme Management for Asset and Liability Management* provides support for planning, monitoring and delivering the programme’s activities.
- *State-Owned Entity Financial Management and Governance* is responsible for overseeing and enabling state-owned 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, the efficient accounting of debt and investment transactions in government; 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 implements debt management strategies that minimise government’s exposure to adverse risks.
- *Financial Investments* provides for the funding needs of state-owned entities.

Expenditure trends and estimates

Table 7.14 Asset and Liability Management expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average Expenditure/Total (%) 2013/14 - 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average Expenditure/Total (%) 2016/17 - 2019/20 |
|---|------------------|------------------|------------------|-----------------------------------|--|--|----------------------------------|----------------|----------------|--|--|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| R thousand | | | | | | | | | | | |
| Programme Management for Asset and Liability Management | 16 419 | 11 951 | 9 188 | 26 867 | 17.8% | 0.7% | 15 325 | 51 001 | 15 725 | -16.4% | 23.4% |
| State Owned Entity Financial Management and Governance | 26 320 | 29 171 | 30 818 | 33 917 | 8.8% | 1.3% | 33 732 | 34 188 | 36 743 | 2.7% | 29.8% |
| Government Debt Management | 17 316 | 19 286 | 19 446 | 18 930 | 3.0% | 0.8% | 18 883 | 19 130 | 20 589 | 2.8% | 16.7% |
| Financial Operations | 17 246 | 20 031 | 21 035 | 22 299 | 8.9% | 0.9% | 23 225 | 23 740 | 25 319 | 4.3% | 20.3% |
| Strategy and Risk Management | 8 622 | 8 964 | 9 794 | 11 116 | 8.8% | 0.4% | 11 190 | 11 349 | 12 182 | 3.1% | 9.8% |
| Financial Investments | 2 905 000 | 3 000 000 | 3 174 013 | - | -100.0% | 96.0% | - | - | - | - | - |
| Total | 2 990 923 | 3 089 403 | 3 264 294 | 113 129 | -66.4% | 100.0% | 102 355 | 139 408 | 110 558 | -0.8% | 100.0% |
| Change to 2016 | | | | 5 918 | | | 2 037 | 37 480 | 1 357 | | |
| Budget estimate | | | | | | | | | | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 85 386 | 88 909 | 89 147 | 112 027 | 9.5% | 4.0% | 101 681 | 138 700 | 109 815 | -0.7% | 99.3% |
| Compensation of employees | 62 791 | 69 334 | 72 088 | 77 377 | 7.2% | 3.0% | 77 547 | 78 685 | 84 642 | 3.0% | 68.4% |
| Goods and services ¹ | 22 595 | 19 575 | 17 059 | 34 650 | 15.3% | 1.0% | 24 134 | 60 015 | 25 173 | -10.1% | 30.9% |
| of which: | | | | | | | | | | | |
| Audit costs: External | 674 | 546 | 510 | 500 | -9.5% | - | 662 | 691 | 691 | 11.4% | 0.5% |
| Bursaries: Employees | 499 | 569 | 598 | 844 | 19.1% | - | 1 044 | 904 | 948 | 3.9% | 0.8% |
| Computer services | 10 491 | 9 598 | 9 484 | 14 399 | 11.1% | 0.5% | 10 720 | 40 980 | 11 613 | -6.9% | 16.7% |
| Consultants: Business and advisory services | 6 022 | 4 922 | 2 151 | 14 569 | 34.2% | 0.3% | 5 904 | 11 424 | 5 612 | -27.2% | 8.1% |
| Travel and subsistence | 2 766 | 1 684 | 2 309 | 2 119 | -8.5% | 0.1% | 3 273 | 3 375 | 3 542 | 18.7% | 2.6% |
| Training and development | 426 | 424 | 362 | 718 | 19.0% | - | 822 | 859 | 902 | 7.9% | 0.7% |
| Transfers and subsidies¹ | 102 | 227 | 902 | 369 | 53.5% | - | - | - | - | -100.0% | 0.1% |
| Households | 102 | 227 | 902 | 369 | 53.5% | - | - | - | - | -100.0% | 0.1% |
| Payments for capital assets | 430 | 263 | 231 | 733 | 19.5% | - | 674 | 708 | 743 | 0.5% | 0.6% |
| Machinery and equipment | 430 | 263 | 231 | 733 | 19.5% | - | 674 | 708 | 743 | 0.5% | 0.6% |
| Payments for financial assets | 2 905 005 | 3 000 004 | 3 174 014 | - | -100.0% | 96.0% | - | - | - | - | - |
| Total | 2 990 923 | 3 089 403 | 3 264 294 | 113 129 | -66.4% | 100.0% | 102 355 | 139 408 | 110 558 | -0.8% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 11.9% | 11.8% | 11.4% | 0.4% | - | - | 0.3% | 0.4% | 0.3% | - | - |
| Details of transfers and subsidies | | | | | | | | | | | |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 102 | 227 | 902 | 369 | 53.5% | - | - | - | - | -100.0% | 0.1% |
| Employee social benefits | 102 | 227 | 902 | 369 | 53.5% | - | - | - | - | -100.0% | 0.1% |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 7.15 Asset and Liability Management personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2017 | | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|---|--|------|-----------|--------------------------|------|-----------|---------|------|-----------|--|------|-----------|---------|------|-----------|-------------------------|---------------------------------|--------|
| | | Actual 2015/16 | | | Revised estimate 2016/17 | | | 2017/18 | | | Medium-term expenditure estimate 2018/19 | | | 2019/20 | | | Average growth rate (%) | Average: Salary level/Total (%) | |
| Number of funded posts | Number of posts additional to the establishment | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | 2016/17 - 2019/20 | | |
| | | Asset and Liability Management | | | | | | | | | | | | | | | | | |
| Salary level | 120 | - | 111 | 72.1 | 0.6 | 111 | 77.6 | 0.7 | 105 | 77.5 | 0.7 | 100 | 78.7 | 0.8 | 104 | 84.6 | 0.8 | -2.1% | 100.0% |
| 1-6 | 3 | - | 3 | 0.7 | 0.2 | 4 | 1.1 | 0.3 | 4 | 0.7 | 0.2 | 4 | 0.8 | 0.2 | 4 | 0.8 | 0.2 | - | 3.8% |
| 7-10 | 51 | - | 46 | 21.1 | 0.5 | 45 | 22.4 | 0.5 | 40 | 20.3 | 0.5 | 36 | 19.6 | 0.5 | 40 | 22.9 | 0.6 | -3.9% | 38.3% |
| 11-12 | 42 | - | 41 | 26.6 | 0.6 | 38 | 25.6 | 0.7 | 37 | 31.5 | 0.9 | 36 | 32.5 | 0.9 | 36 | 34.4 | 1.0 | -1.8% | 35.0% |
| 13-16 | 24 | - | 21 | 23.6 | 1.1 | 24 | 28.5 | 1.2 | 24 | 25.0 | 1.0 | 24 | 25.8 | 1.1 | 24 | 26.6 | 1.1 | - | 22.9% |

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

2. Rand million.

Programme 5: Financial Accounting and Supply Chain Management Systems

Programme purpose

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

Objectives

- Ensure compliance with the implementation of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) across the three spheres of government by facilitating and undertaking special investigations to reduce the levels of fraud and corruption on an ongoing basis.
- Ensure sound financial management systems to meet the requirements of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) by:
 - providing capacity and support to all spheres of government on policies relating to accounting and reporting, internal auditing and risk management on an ongoing basis
 - developing and implementing government transversal accounting and reporting systems over the medium term
 - maintaining government's current financial systems at a level of 98 per cent availability, including providing reliable, efficient and effective support and user training, over the medium term
 - completing the development of the remaining integrated financial management system's modules on payroll, core financial management and inventory management, and beginning 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 resources management systems across national and provincial departments.
- *Financial Reporting for National Accounts* is responsible for accounting for the National Revenue Fund and the Reconstruction and Development Programme Fund, providing banking services to national government, providing support for all spheres of government in implementing financial reporting frameworks, and preparing consolidated financial statements.
- *Financial Management Policy and Compliance Improvement* improves financial management, 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 7.16 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/ Total (%) 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/ Total (%) 2016/17 - 2019/20 |
|---|-----------------|----------------|----------------|-----------------------------------|--|--|----------------------------------|------------------|------------------|--|--|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| R thousand | | | | | | | | | | | |
| Programme Management for Financial Accounting and Supply Chain Management Systems | 18 366 | 15 158 | 24 727 | 57 609 | 46.4% | 3.4% | 101 188 | 196 752 | 143 445 | 35.5% | 10.8% |
| Office of the Chief Procurement Officer | 33 342 | 38 635 | 55 277 | 68 246 | 27.0% | 5.7% | 68 903 | 69 254 | 76 731 | 4.0% | 6.2% |
| Financial Systems | 424 111 | 412 147 | 441 042 | 828 982 | 25.0% | 61.4% | 638 640 | 652 343 | 564 152 | -12.0% | 58.3% |
| Financial Reporting for National Accounts | 85 443 | 86 385 | 82 987 | 87 976 | 1.0% | 10.0% | 99 180 | 103 425 | 109 688 | 7.6% | 8.7% |
| Financial Management Policy and Compliance Improvement | 105 611 | 117 811 | 128 484 | 129 612 | 7.1% | 14.0% | 133 414 | 136 152 | 145 166 | 3.9% | 11.8% |
| Audit Statutory Bodies | 40 812 | 61 257 | 41 856 | 44 075 | 2.6% | 5.5% | 46 278 | 48 962 | 51 704 | 5.5% | 4.1% |
| Service Charges: Commercial Banks | 87 | 102 | 121 | 258 | 43.7% | - | 273 | 289 | 303 | 5.5% | - |
| Total | 707 772 | 731 495 | 774 494 | 1 216 758 | 19.8% | 100.0% | 1 087 876 | 1 207 177 | 1 091 189 | -3.6% | 100.0% |
| Change to 2016 Budget estimate | | | | 366 904 | | | 177 881 | 261 386 | 88 434 | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 621 054 | 619 792 | 682 887 | 1 125 013 | 21.9% | 88.9% | 983 183 | 1 096 851 | 974 557 | -4.7% | 90.8% |
| Compensation of employees | 149 541 | 158 331 | 179 487 | 203 402 | 10.8% | 20.1% | 206 111 | 208 258 | 223 720 | 3.2% | 18.3% |
| Goods and services ¹ | 471 513 | 461 461 | 503 400 | 921 611 | 25.0% | 68.7% | 777 072 | 888 593 | 750 837 | -6.6% | 72.5% |
| of which: | | | | | | | | | | | |
| Audit costs: External | 3 657 | 6 523 | 3 892 | 7 393 | 26.4% | 0.6% | 8 002 | 8 413 | 8 931 | 6.5% | 0.7% |
| Bursaries: Employees | 1 411 | 1 292 | 2 056 | 2 027 | 12.8% | 0.2% | 2 270 | 2 156 | 2 254 | 3.6% | 0.2% |
| Computer services | 402 948 | 384 567 | 338 837 | 778 868 | 24.6% | 55.5% | 591 710 | 616 304 | 525 532 | -12.3% | 54.6% |
| Consultants: Business and advisory services | 41 896 | 49 883 | 137 433 | 107 232 | 36.8% | 9.8% | 151 219 | 237 393 | 188 324 | 20.6% | 14.9% |
| Travel and subsistence | 6 984 | 7 221 | 4 188 | 10 622 | 15.0% | 0.8% | 9 620 | 10 330 | 10 982 | 1.1% | 0.9% |
| Venues and facilities | 7 104 | 4 719 | 280 | 4 836 | -12.0% | 0.5% | 5 451 | 5 680 | 5 930 | 7.0% | 0.5% |
| Transfers and subsidies¹ | 84 453 | 106 495 | 83 511 | 85 861 | 0.6% | 10.5% | 99 365 | 105 298 | 111 198 | 9.0% | 8.7% |
| Departmental agencies and accounts | 83 806 | 106 084 | 83 129 | 85 570 | 0.7% | 10.5% | 99 365 | 105 298 | 111 198 | 9.1% | 8.7% |
| Households | 647 | 411 | 382 | 291 | -23.4% | 0.1% | - | - | - | -100.0% | - |

Table 7.16 Financial Accounting and Supply Chain Management Systems expenditure trends and estimates by subprogramme and economic classification

| R thousand | Audited outcome | | | | Adjusted appropriation 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/ Total (%) |
|--|-----------------|----------------|----------------|------------------|-----------------------------------|--|---------------------------------|----------------------------------|------------------|----------------|--|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Payments for capital assets | 2 067 | 3 893 | 8 079 | 5 884 | 41.7% | 0.6% | 5 328 | 5 028 | 5 434 | -2.6% | 0.5% | |
| Buildings and other fixed structures | – | 356 | – | – | – | – | – | – | – | – | – | |
| Machinery and equipment | 2 067 | 3 537 | 8 079 | 5 854 | 41.5% | 0.6% | 5 328 | 5 028 | 5 434 | -2.5% | 0.5% | |
| Software and other intangible assets | – | – | – | 30 | – | – | – | – | – | -100.0% | – | |
| Payments for financial assets | 198 | 1 315 | 17 | – | -100.0% | – | – | – | – | – | – | |
| Total | 707 772 | 731 495 | 774 494 | 1 216 758 | 19.8% | 100.0% | 1 087 876 | 1 207 177 | 1 091 189 | -3.6% | 100.0% | |
| Proportion of total programme expenditure to vote expenditure | 2.8% | 2.8% | 2.7% | 4.3% | – | – | 3.5% | 3.7% | 3.2% | – | – | |
| Details of transfers and subsidies | | | | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | | |
| Current | 83 806 | 106 084 | 83 129 | 85 570 | 0.7% | 10.5% | 99 365 | 105 298 | 111 198 | 9.1% | 8.7% | |
| Accounting Standards Board | 10 061 | 10 250 | – | 12 517 | 7.6% | 1.0% | 13 463 | 14 414 | 15 224 | 6.7% | 1.2% | |
| Independent Regulatory Board for Auditors | 32 933 | 34 577 | 41 273 | 28 978 | -4.2% | 4.0% | 39 624 | 41 922 | 44 270 | 15.2% | 3.4% | |
| Auditor-General of South Africa | 40 812 | 61 257 | 41 856 | 44 075 | 2.6% | 5.5% | 46 278 | 48 962 | 51 704 | 5.5% | 4.1% | |
| Households | | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | | |
| Current | 647 | 411 | 382 | 291 | -23.4% | 0.1% | – | – | – | -100.0% | – | |
| Employee social benefits | 647 | 411 | 382 | 291 | -23.4% | 0.1% | – | – | – | -100.0% | – | |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 7.17 Financial Accounting and Supply Chain Management Systems personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2017 | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | Number | | | | | | | | |
|---|--|-----------|------------|--------------|------------------|------------|----------------------------------|------------|-------------------|--------------|-------------------------|---------------------------------|--------------|------------|------------|--------------|------------|--------------|---------------|
| | Number of funded posts | | Actual | | Revised estimate | | Medium-term expenditure estimate | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | | | | |
| | Number of posts additional to the establishment | 2015/16 | Unit cost | 2016/17 | Unit cost | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | | | | | | | | | |
| Financial Accounting and Supply Chain Management Systems | 312 | 10 | 303 | 179.5 | 0.6 | 304 | 204.3 | 0.7 | 293 | 206.1 | 0.7 | 283 | 208.3 | 0.7 | 292 | 223.7 | 0.8 | -1.3% | 100.0% |
| Salary level | | | | | | | | | | | | | | | | | | | |
| 1 – 6 | 7 | 3 | 11 | 2.1 | 0.2 | 9 | 1.9 | 0.2 | 7 | 1.5 | 0.2 | 6 | 1.3 | 0.2 | 8 | 2.0 | 0.2 | -3.9% | 2.6% |
| 7 – 10 | 129 | 4 | 133 | 49.3 | 0.4 | 127 | 46.5 | 0.4 | 123 | 56.1 | 0.5 | 119 | 57.5 | 0.5 | 123 | 62.8 | 0.5 | -1.1% | 42.0% |
| 11 – 12 | 88 | 1 | 82 | 52.1 | 0.6 | 82 | 58.9 | 0.7 | 80 | 61.7 | 0.8 | 78 | 63.7 | 0.8 | 80 | 69.1 | 0.9 | -0.8% | 27.3% |
| 13 – 16 | 88 | 2 | 77 | 76.0 | 1.0 | 86 | 97.1 | 1.1 | 83 | 86.8 | 1.0 | 80 | 85.7 | 1.1 | 81 | 89.8 | 1.1 | -2.0% | 28.2% |

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

2. Rand million.

Programme 6: International Financial Relations

Programme purpose

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

Objectives

- Advance South Africa and Africa's economic interests by undertaking regular strategic analyses, engagements and negotiations at regional and global financial and economic forums on an ongoing basis.
- Increase sub-Saharan Africa's voice and South Africa's influence in multilateral international institutions such as the International Monetary Fund, the World Bank Group, the G20, and other influential global financial and economic forums by advancing the reform of these institutions through the lobbying of regional groupings on an ongoing basis.
- Enhance South Africa's participation in strategic regional, continental and global governance institutions by seconding South Africans into strategic positions of these institutions, as informed by government's secondment policy, on an ongoing basis.
- Promote regional economic integration in the Southern African Development Community (SADC) and the Southern African Customs Union, and strengthen economic links within Africa by:

- developing and implementing a policy of one-stop border posts over the medium term
- providing ongoing support to the committees of the SADC dealing with economic and financial protocols
- supporting the Southern African Customs Union to meet regional challenges on an ongoing basis.

Subprogrammes

- *Programme Management for International Financial Relations* supports the planning, monitoring and delivering of the programme's activities with the World Bank country office, African Development Bank regional resource centre as well as the BRICS New Development Bank. The division oversees South Africa's representation in international and regional financial institutions; manages bilateral and multilateral relationships on behalf of National Treasury; and plans, implements and monitors programmes and activities that advance South Africa's national interests.
- *International Economic Cooperation* focuses on improving South Africa's participation in international and regional economic institutions. This entails working through key economic institutions and forums such as the Southern African Customs Union, the SADC, the United Nations Economic Commission for Africa, the African Union's New Partnership for Africa's Development, the International Monetary Fund, the G20, the G24, the BRICS group of countries, the Organisation for Economic Cooperation and Development, and the World Economic Forum.
- *African Integration and Support* enables National Treasury's participation in African interventions and arrangements that are mainly to bring about support and integration between African states and institutions. This subprogramme facilitates the transfer of funds to Lesotho, Namibia and Swaziland for the Common Monetary Area compensation. In this agreement, South Africa compensates the member countries for the use of the rand currency within their respective borders. It also includes the technical support provided to regional capacity building institutions such as the Collaborative Budget Reform Initiative, the Infrastructure Consortium for Africa, the African Capacity Building Foundation, the Institute for Development 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 International Bank for Reconstruction and Development of the World Bank Group for the purpose of paying for shares, the African Development Fund and the International Development Association of the World Bank Group to provide concessional loans and grants to low-income countries. Capital transfers for the New Development Bank, in line with South Africa's agreed shareholding, will also be facilitated under this subprogramme.
- *International Projects* transfers funds to international projects and interventions for various causes such as capacity building, and catastrophe and disaster relief for affected low-income countries. To this end, National Treasury contributes to the Commonwealth Fund for Technical Cooperation and the International Finance Facility for Immunisation. The facility transfers funds to the Global Alliance for Vaccines and Immunisation, a public-private global health partnership, to support health care, particularly the provision of vaccines to reduce the number of vaccine preventable deaths among children in low-income countries.

Expenditure trends and estimates

Table 7.18 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) |
|--|------------------|------------------|------------------|------------------------|-------------------------|--------------------------------|----------------------------------|------------------|------------------|-------------------------|--------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| R thousand | | | | | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| Programme Management for International Financial Relations | 19 109 | 8 317 | 14 528 | 12 638 | -12.9% | 0.5% | 12 213 | 12 657 | 14 050 | 3.6% | 0.2% |
| International Economic Cooperation | 23 812 | 27 265 | 30 389 | 41 027 | 19.9% | 1.1% | 40 513 | 39 377 | 45 109 | 3.2% | 0.7% |
| African Integration and Support | 558 783 | 588 292 | 717 531 | 812 071 | 13.3% | 24.8% | 765 623 | 816 818 | 862 560 | 2.0% | 14.2% |
| International Development Funding Institutions | 450 034 | 557 583 | 2 762 655 | 4 091 915 | 108.7% | 72.9% | 4 999 249 | 5 022 389 | 5 303 643 | 9.0% | 84.5% |
| International Projects | 16 002 | 17 195 | 21 031 | 20 326 | 8.3% | 0.7% | 19 163 | 19 868 | 20 995 | 1.1% | 0.3% |
| Total | 1 067 740 | 1 198 652 | 3 546 134 | 4 977 977 | 67.1% | 100.0% | 5 836 761 | 5 911 109 | 6 246 357 | 7.9% | 100.0% |
| Change to 2016 Budget estimate | | | | (61 091) | | | 1 934 | 1 037 | 4 655 | | |

Table 7.18 International Financial Relations expenditure trends and estimates by subprogramme and economic classification

| Economic classification | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|------------------|-------------------|------------------|------------------------|-------------------------|---------------------------------|----------------------------------|------------------|-------------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| | 2016/17 | 2013/14 - 2016/17 | 2017/18 | | | | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | |
| R thousand | | | | | | | | | | | |
| Current payments | 42 551 | 35 393 | 44 731 | 52 016 | 6.9% | 1.6% | 52 170 | 51 529 | 58 474 | 4.0% | 0.9% |
| Compensation of employees | 21 753 | 26 085 | 28 221 | 33 282 | 15.2% | 1.0% | 36 030 | 36 124 | 40 231 | 6.5% | 0.6% |
| Goods and services ¹ | 20 798 | 9 308 | 16 510 | 18 734 | -3.4% | 0.6% | 16 140 | 15 405 | 18 243 | -0.9% | 0.3% |
| of which: | | | | | | | | | | | |
| Bursaries: Employees | 117 | 87 | 103 | 477 | 59.8% | - | 719 | 741 | 781 | 17.9% | - |
| Communication | 467 | 401 | 386 | 292 | -14.5% | - | 446 | 467 | 497 | 19.4% | - |
| Consultants: Business and advisory services | 1 933 | 643 | 73 | 1 283 | -12.8% | - | 370 | 395 | 418 | -31.2% | - |
| Travel and subsistence | 7 590 | 6 941 | 49 | 9 168 | 6.5% | 0.2% | 9 644 | 10 761 | 11 420 | 7.6% | 0.2% |
| Operating payments | 343 | 192 | 4 402 | 1 113 | 48.0% | 0.1% | 1 324 | 1 330 | 1 354 | 6.8% | - |
| Venues and facilities | 4 506 | 266 | - | 2 351 | -19.5% | 0.1% | 2 658 | 667 | 2 693 | 4.6% | - |
| Transfers and subsidies¹ | 710 304 | 788 309 | 829 242 | 923 077 | 9.1% | 30.1% | 914 918 | 972 806 | 1 027 298 | 3.6% | 16.7% |
| Foreign governments and international organisations | 710 193 | 788 263 | 829 222 | 923 077 | 9.1% | 30.1% | 914 918 | 972 806 | 1 027 298 | 3.6% | 16.7% |
| Households | 111 | 46 | 20 | - | -100.0% | - | - | - | - | - | - |
| Payments for capital assets | 259 | 126 | 162 | 1 649 | 85.3% | - | 556 | 505 | 685 | -25.4% | - |
| Buildings and other fixed structures | - | - | - | 200 | - | - | - | - | - | -100.0% | - |
| Machinery and equipment | 259 | 126 | 162 | 1 449 | 77.5% | - | 556 | 505 | 685 | -22.1% | - |
| Payments for financial assets | 314 626 | 374 824 | 2 671 999 | 4 001 235 | 133.4% | 68.2% | 4 869 117 | 4 886 269 | 5 159 900 | 8.8% | 82.3% |
| Total | 1 067 740 | 1 198 652 | 3 546 134 | 4 977 977 | 67.1% | 100.0% | 5 836 761 | 5 911 109 | 6 246 357 | 7.9% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 4.3% | 4.6% | 12.4% | 17.5% | - | - | 19.0% | 18.2% | 18.4% | - | - |

Details of transfers and subsidies

| Foreign governments and international organisations | | | | | | | | | | | |
|---|----------------|----------------|---------------|---------------|---------------|-------------|----------------|----------------|----------------|--------------|-------------|
| Current | | | | | | | | | | | |
| | 574 785 | 605 487 | 738 562 | 832 397 | 13.1% | 25.5% | 784 786 | 836 686 | 883 555 | 2.0% | 14.5% |
| Common Monetary Area Compensation | 554 445 | 581 616 | 712 496 | 802 141 | 13.1% | 24.6% | 754 924 | 804 866 | 849 938 | 1.9% | 14.0% |
| Collaborative Africa Budget Reform Initiative | 1 329 | 4 409 | 1 834 | 1 552 | 5.3% | 0.1% | 1 630 | 1 712 | 1 808 | 5.2% | - |
| Commonwealth Fund for Technical Cooperation | 5 316 | 5 714 | 5 533 | 5 826 | 3.1% | 0.2% | 6 117 | 6 423 | 6 783 | 5.2% | 0.1% |
| International Finance Facility for Immunisation | 10 686 | 11 481 | 15 498 | 14 500 | 10.7% | 0.5% | 13 046 | 13 445 | 14 212 | -0.7% | 0.2% |
| African Institute for Economic Development and Planning | 1 659 | 917 | 1 242 | 1 269 | -8.5% | - | 1 309 | 1 351 | 1 427 | 4.0% | - |
| Africa Regional Technical Assistance Centre for Southern Africa | 350 | 350 | 959 | 1 000 | 41.9% | - | 1 125 | 1 213 | 1 281 | 8.6% | - |
| Infrastructure Consortium for Africa | 1 000 | 1 000 | 1 000 | - | -100.0% | - | - | - | - | - | - |
| African Risk Capacity | - | - | - | 6 109 | - | 0.1% | 6 635 | 7 676 | 8 106 | 9.9% | 0.1% |
| Capital | 135 408 | 182 776 | 90 660 | 90 680 | -12.5% | 4.6% | 130 132 | 136 120 | 143 743 | 16.6% | 2.2% |
| African Development Fund | 40 169 | 92 116 | - | - | -100.0% | 1.2% | 33 465 | 35 406 | 37 389 | - | 0.5% |
| World Bank Group | 95 239 | 90 660 | 90 660 | 90 680 | -1.6% | 3.4% | 96 667 | 100 714 | 106 354 | 5.5% | 1.7% |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | | | | | | | | | | | |
| Employee social benefits | 111 | 46 | 20 | - | -100.0% | - | - | - | - | - | - |
| | 111 | 46 | 20 | - | -100.0% | - | - | - | - | - | - |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 7.19 International Financial Relations personnel numbers and cost by salary level¹

| Number of posts estimated for 31 March 2017 | | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | Number | | | |
|---|---|--|----------------|------------------|----------------|----------------------------------|----------------|---------|----------------|-------------------------|---------------------------------|---------|----------------|
| Number of funded posts | Number of posts additional to the establishment | Actual | | Revised estimate | | Medium-term expenditure estimate | | | | Average growth rate (%) | Average: Salary level/Total (%) | | |
| | | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | | | 2019/20 | |
| | | Number | Unit Cost cost | Number | Unit Cost cost | Number | Unit Cost cost | Number | Unit Cost cost | | | Number | Unit Cost cost |
| International Financial Relations | | 38 | 28.2 0.7 | 41 | 32.6 0.8 | 47 | 36.0 0.8 | 44 | 36.1 0.8 | 48 | 40.2 0.8 | 5.4% | 100.0% |
| Salary level | 46 | | | | | | | | | | | | |
| 1-6 | - | | 0.1 - | - | - | - | - | - | - | - | - | - | - |
| 7-10 | 14 | | 5.2 0.4 | 12 | 5.6 0.5 | 16 | 7.9 0.5 | 13 | 6.7 0.5 | 16 | 8.9 0.6 | 10.1% | 31.7% |
| 11-12 | 15 | | 6.0 0.5 | 11 | 6.0 0.5 | 13 | 9.5 0.7 | 13 | 10.0 0.8 | 14 | 11.4 0.8 | 8.4% | 28.3% |
| 13-16 | 17 | | 17.0 1.2 | 18 | 21.0 1.2 | 18 | 18.7 1.0 | 18 | 19.4 1.1 | 18 | 19.9 1.1 | - | 40.0% |

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

2. Rand million.

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

Programme purpose

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

Objectives

- Ensure the effective administration of pension, retirement and other policies on an ongoing basis by completing annual reviews and implementing recommendations in accordance with stakeholder agreements reached on pension reforms, post-retirement medical benefits, political office bearers and pension legislation.
- Ensure good service to eligible applicants and recipients on an ongoing basis by:
 - processing member applications and making payments punctually, as required by applicable legislation
 - processing post-retirement medical benefit applications within 60 days of receipt and paying all medical subsidies within seven days of receiving a valid and correct claim
 - processing and paying injury on duty benefits to civil servants within 45 days of receiving completed documentation
 - ensuring the punctual and accurate payments of military pensions within 45 days of receipt and medical accounts within 30 days of receipt of the claim 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), and military pensions in terms of this act; for injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act (1993); and special pensions in terms of the Special Pensions Act (1996) on behalf of National Treasury.
- *Civil Pensions and Contributions to Funds* provides for the processing and payment of pensions and medical subsidies to retired civil servants; and pension payments to the injured, disabled and the dependants of deceased civil servants and 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/widowers in terms of the Judges' Remuneration and Conditions of Employment Act (2001); and former state presidents, among other benefits.

Expenditure trends and estimates

Table 7.20 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|------------------|------------------|------------------|------------------------|-------------------------|---------------------------------|----------------------------------|------------------|------------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| R thousand | | | | | | | | | | | |
| Government Pensions Administration Agency | 57 507 | 54 395 | 56 586 | 61 426 | 2.2% | 1.5% | 65 196 | 68 856 | 72 712 | 5.8% | 1.3% |
| Civil Pensions and Contributions to Funds | 2 673 495 | 2 613 931 | 3 156 521 | 3 273 472 | 7.0% | 74.7% | 3 810 409 | 4 119 359 | 4 470 387 | 10.9% | 78.3% |
| Military Pensions and Other Benefits | 792 096 | 1 062 609 | 754 591 | 1 127 744 | 12.5% | 23.8% | 959 397 | 972 677 | 1 028 210 | -3.0% | 20.4% |
| Total | 3 523 098 | 3 730 935 | 3 967 698 | 4 462 642 | 8.2% | 100.0% | 4 835 002 | 5 160 892 | 5 571 309 | 7.7% | 100.0% |
| Change to 2016 Budget estimate | | | | 289 400 | | | 453 098 | 524 839 | 675 637 | | |

Table 7.20 Civil and Military Pensions, Contributions to Funds and Other Benefits expenditure trends and estimates by subprogramme and economic classification

| Economic classification | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average Expenditure/ Total (%) |
|--|------------------|------------------|------------------|------------------------|-------------------------|--------------------------------|----------------------------------|------------------|------------------|-------------------------|--------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| R thousand | | | | | | | | | | | |
| Current payments | 57 507 | 54 395 | 56 586 | 61 426 | 2.2% | 1.5% | 65 196 | 68 856 | 72 712 | 5.8% | 1.3% |
| Goods and services ¹ | 57 507 | 54 395 | 56 586 | 61 426 | 2.2% | 1.5% | 65 196 | 68 856 | 72 712 | 5.8% | 1.3% |
| of which: | | | | | | | | | | | |
| Consultants: Business and advisory services | 57 507 | 54 395 | 56 586 | 61 426 | 2.2% | 1.5% | 65 196 | 68 856 | 72 712 | 5.8% | 1.3% |
| Transfers and subsidies¹ | 3 465 577 | 3 676 531 | 3 911 097 | 4 401 216 | 8.3% | 98.5% | 4 769 806 | 5 092 036 | 5 498 597 | 7.7% | 98.7% |
| Foreign governments and international organisations | 2 109 | 2 286 | 2 082 | 2 445 | 5.1% | 0.1% | 2 567 | 2 695 | 2 846 | 5.2% | 0.1% |
| Households | 3 463 468 | 3 674 245 | 3 909 015 | 4 398 771 | 8.3% | 98.5% | 4 767 239 | 5 089 341 | 5 495 751 | 7.7% | 98.6% |
| Payments for financial assets | 14 | 9 | 15 | - | -100.0% | - | - | - | - | - | - |
| Total | 3 523 098 | 3 730 935 | 3 967 698 | 4 462 642 | 8.2% | 100.0% | 4 835 002 | 5 160 892 | 5 571 309 | 7.7% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 14.0% | 14.2% | 13.8% | 15.7% | - | - | 15.7% | 15.9% | 16.4% | - | - |
| Details of transfers and subsidies | | | | | | | | | | | |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 2 109 | 2 286 | 2 082 | 2 445 | 5.1% | 0.1% | 2 567 | 2 695 | 2 846 | 5.2% | 0.1% |
| United Kingdom tax | 2 109 | 2 286 | 2 082 | 2 445 | 5.1% | 0.1% | 2 567 | 2 695 | 2 846 | 5.2% | 0.1% |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 3 463 468 | 3 674 245 | 3 909 015 | 4 398 771 | 8.3% | 98.5% | 4 767 239 | 5 089 341 | 5 495 751 | 7.7% | 98.6% |
| Contribution to provident funds for associated institutions | 422 | 321 | 339 | 357 | -5.4% | - | 300 | 330 | 360 | 0.3% | - |
| Parliamentary Awards | 20 | 21 | 19 | 23 | 4.8% | - | 23 | 24 | 25 | 2.8% | - |
| Other benefits | 77 775 | 70 416 | 82 512 | 88 070 | 4.2% | 2.0% | 93 144 | 98 584 | 104 093 | 5.7% | 1.9% |
| Injury on Duty | 500 677 | 526 387 | 514 865 | 591 664 | 5.7% | 13.6% | 621 247 | 652 309 | 688 838 | 5.2% | 12.8% |
| Post-Retirement Medical Scheme | 1 441 406 | 1 511 127 | 2 109 613 | 2 102 160 | 13.4% | 45.7% | 2 298 059 | 2 520 358 | 2 774 437 | 9.7% | 48.4% |
| Special pensions | 435 433 | 423 483 | 439 801 | 479 763 | 3.3% | 11.3% | 494 340 | 528 944 | 565 970 | 5.7% | 10.3% |
| Political Office Bearers Pension Fund | 208 162 | 71 997 | - | - | -100.0% | 1.8% | 291 222 | 306 083 | 323 224 | - | 4.6% |
| Pension benefits: President of South Africa | 7 477 | 7 884 | 7 275 | 8 990 | 6.3% | 0.2% | 9 507 | 10 032 | 10 594 | 5.6% | 0.2% |
| Military pensions: Ex-servicemen | 26 542 | 11 694 | 2 879 | 3 570 | -48.8% | 0.3% | 3 420 | 5 041 | 6 947 | 24.8% | 0.1% |
| South African citizen force | 138 958 | 155 941 | 166 202 | 201 854 | 13.3% | 4.2% | 193 858 | 203 627 | 214 470 | 2.0% | 4.1% |
| Civil protection | 19 | 19 | 19 | 19 | - | - | 19 | 19 | 19 | - | - |
| Other benefits: Ex-servicemen | 26 577 | 20 155 | 10 491 | 22 810 | -5.0% | 0.5% | 24 800 | 26 690 | 28 185 | 7.3% | 0.5% |
| Non-statutory forces | 600 000 | 874 800 | 575 000 | 899 491 | 14.4% | 18.8% | 737 300 | 737 300 | 778 589 | -4.7% | 15.7% |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 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.
- Enhance budget and financial management practices by strengthening public finance management capacity in municipalities and support provincial treasury oversight of local government financial management on an ongoing basis.
- Ensure liveable, sustainable, resilient, efficient, and integrated towns and cities by promoting public and private investment in city development, integrated urban networks and neighbourhood development initiatives on an ongoing basis.
- Stimulate employment and inclusive growth by supporting innovative and partnership-based approaches to employment creation, job seeker support and enterprise development on an ongoing basis.
- Ensure technical capacity in local government building environment by supporting infrastructure planning and implementation in all provinces, and infrastructure skills development in all municipalities on an ongoing basis.

Subprogrammes

- *Local Government Financial Management Support* provides for transfers to municipalities to support the implementation of the Municipal Finance Management Act (2003) and technical assistance to provincial treasuries and municipalities through the municipal finance improvement programme. The municipal finance improvement programme provides technical assistance and support to National Treasury, provincial treasuries and municipalities by placing financial advisers with experience and expertise in municipal financial management to facilitate key reforms and skills transfer.
- *Urban Development and Support* comprises the *neighbourhood development partnership grant* and the *integrated city development grant*, 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. The *integrated city development grant* is a component of National Treasury's city support programme implemented in partnership with the Development Bank of Southern Africa, which aims to promote accelerated and more inclusive development in major urban areas through better governance and built environment planning, improved human settlements and public transport management, local economic development and environmental sustainability and climate resilience.
- *Employment Creation Facilitation* supports innovative and partnership-based approaches to sustainable employment creation, work seeker support and enterprise development through the Jobs Fund, and supports research on employment, income distribution and inclusive growth.
- *Government Technical Advisory Centre* provides management support for the *Technical Support and Development Finance* programme, and technical consulting services, specialised procurement and project management support, infrastructure advice and knowledge management in support of efficient, effective and transparent public finance management. This subprogramme's advisory and transaction support activities originate through requests from other departments or organs of state.
- *Infrastructure Development Support* provides technical support on infrastructure development planning and implementation to municipalities and provinces by providing technical expertise, advisory services and skills training, including the placement of graduate interns in local government.

Expenditure trends and estimates

Table 7.21 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/Total (%) 2013/14 - 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/Total (%) 2016/17 - 2019/20 |
|---|------------------|------------------|------------------|-----------------------------------|--|---|----------------------------------|------------------|------------------|--|---|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| R thousand | | | | | | | | | | | |
| Local Government Financial Management Support | 546 296 | 547 926 | 573 946 | 587 935 | 2.5% | 21.7% | 636 762 | 672 037 | 709 442 | 6.5% | 21.5% |
| Urban Development and Support | 680 935 | 875 390 | 848 285 | 913 014 | 10.3% | 31.9% | 983 253 | 1 040 282 | 1 098 538 | 6.4% | 33.3% |
| Employment Creation Facilitation | 952 883 | 1 213 162 | 749 518 | 769 853 | -6.9% | 35.4% | 897 404 | 1 147 299 | 1 210 511 | 16.3% | 33.2% |
| Government Technical Advisory Centre | 69 738 | 79 752 | 83 609 | 88 006 | 8.1% | 3.1% | 80 818 | 81 858 | 86 490 | -0.6% | 2.8% |
| Infrastructure Development Support | 187 465 | 177 118 | 216 888 | 253 880 | 10.6% | 8.0% | 275 090 | 288 821 | 304 995 | 6.3% | 9.3% |
| Total | 2 437 317 | 2 893 348 | 2 472 246 | 2 612 688 | 2.3% | 100.0% | 2 873 327 | 3 230 297 | 3 409 976 | 9.3% | 100.0% |
| Change to 2016 Budget estimate | | | | (22 030) | | | (23 693) | (204 226) | (216 880) | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 275 241 | 91 659 | 283 806 | 355 270 | 8.9% | 9.7% | 389 256 | 407 769 | 430 643 | 6.6% | 13.1% |
| Compensation of employees | - | 5 444 | - | - | - | 0.1% | - | - | - | - | - |
| Goods and services ¹ | 275 241 | 86 215 | 283 806 | 355 270 | 8.9% | 9.6% | 389 256 | 407 769 | 430 643 | 6.6% | 13.1% |
| of which: | | | | | | | | | | | |
| Administrative fees | - | 496 | - | - | - | - | - | - | - | - | - |
| Advertising | - | 64 | - | - | - | - | - | - | - | - | - |
| Minor assets | - | 568 | - | - | - | - | - | - | - | - | - |
| Consultants: Business and advisory services | 275 241 | 83 049 | 283 806 | 355 270 | 8.9% | 9.6% | 389 256 | 407 769 | 430 643 | 6.6% | 13.1% |
| Transfers and subsidies¹ | 2 162 076 | 2 800 681 | 2 188 440 | 2 257 418 | 1.4% | 90.3% | 2 484 071 | 2 822 528 | 2 979 333 | 9.7% | 86.9% |
| Provinces and municipalities | 1 149 233 | 1 398 953 | 1 411 831 | 1 486 540 | 9.0% | 52.3% | 1 598 289 | 1 690 990 | 1 785 686 | 6.3% | 54.1% |
| Departmental agencies and accounts | 109 638 | 138 052 | 776 609 | 770 878 | 91.6% | 17.2% | 885 782 | 1 131 538 | 1 193 647 | 15.7% | 32.8% |
| Higher education institutions | 10 000 | - | - | - | -100.0% | 0.1% | - | - | - | - | - |
| Public corporations and private enterprises | 893 205 | 1 263 676 | - | - | -100.0% | 20.7% | - | - | - | - | - |
| Payments for capital assets | - | 1 008 | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | 7 | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 1 001 | - | - | - | - | - | - | - | - | - |
| Total | 2 437 317 | 2 893 348 | 2 472 246 | 2 612 688 | 2.3% | 100.0% | 2 873 327 | 3 230 297 | 3 409 976 | 9.3% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 9.7% | 11.1% | 8.6% | 9.2% | - | - | 9.3% | 10.0% | 10.0% | - | - |

Table 7.21 Technical Support and Development Finance expenditure trends and estimates by subprogramme and economic classification

| Details of transfers and subsidies | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) | |
|--|----------------|------------------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|------------------|-------------------------|---------------------------------|--------------|
| Audited outcome | | | | | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | | | 2018/19 |
| R thousand | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | 2016/17 - 2019/20 | |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 109 310 | 137 677 | 776 062 | 770 171 | 91.7% | 17.2% | 885 040 | 1 130 753 | 1 192 818 | 15.7% | 32.8% |
| Government Technical Advisory Centre | 109 310 | 107 677 | 776 062 | 770 171 | 91.7% | 16.9% | 885 040 | 1 130 753 | 1 192 818 | 15.7% | 32.8% |
| Neighbourhood development partnership grant (Indirect) | - | 30 000 | - | - | - | 0.3% | - | - | - | - | - |
| Capital | 328 | 375 | 547 | 707 | 29.2% | - | 742 | 785 | 829 | 5.4% | - |
| Government Technical Advisory Centre | 328 | 375 | 547 | 707 | 29.2% | - | 742 | 785 | 829 | 5.4% | - |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 893 205 | 1 263 676 | - | - | -100.0% | 20.7% | - | - | - | - | - |
| Development Bank of Southern Africa | 893 205 | 1 164 888 | - | - | -100.0% | 19.8% | - | - | - | - | - |
| Municipal Finance Improvement Programme | - | 98 788 | - | - | - | 0.9% | - | - | - | - | - |
| Provinces and municipalities | | | | | | | | | | | |
| Municipalities | | | | | | | | | | | |
| Municipal bank accounts | | | | | | | | | | | |
| Current | 523 298 | 553 563 | 576 956 | 595 735 | 4.4% | 21.6% | 642 780 | 680 061 | 718 145 | 6.4% | 21.7% |
| Local government financial management grant | 424 798 | 449 138 | 452 491 | 465 264 | 3.1% | 17.2% | 502 006 | 531 122 | 560 865 | 6.4% | 17.0% |
| Infrastructure skills development grant | 98 500 | 104 425 | 124 465 | 130 471 | 9.8% | 4.4% | 140 774 | 148 939 | 157 280 | 6.4% | 4.8% |
| Capital | 625 935 | 845 390 | 834 875 | 890 805 | 12.5% | 30.7% | 955 509 | 1 010 929 | 1 067 541 | 6.2% | 32.4% |
| Integrated city development grant | 40 000 | 255 000 | 251 300 | 266 805 | 88.2% | 7.8% | 292 119 | 309 062 | 326 369 | 6.9% | 9.8% |
| Neighbourhood development partnership grant | 585 935 | 590 390 | 583 575 | 624 000 | 2.1% | 22.9% | 663 390 | 701 867 | 741 172 | 5.9% | 22.5% |
| Higher education institutions | | | | | | | | | | | |
| Current | 10 000 | - | - | - | -100.0% | 0.1% | - | - | - | - | - |
| University of Cape Town | 10 000 | - | - | - | -100.0% | 0.1% | - | - | - | - | - |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 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 R96.4 billion debtors book efficiently through a quality assurance system intended to provide users with integrated debt management solutions on an ongoing basis.

Subprogrammes

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

Expenditure trends and estimates

Table 7.22 Revenue Administration expenditure trends and estimates by subprogramme and economic classification

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|------------------|------------------|------------------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| R thousand | | | | | | | | | | | |
| South African Revenue Service | 9 534 393 | 9 440 321 | 9 334 439 | 9 363 676 | -0.6% | 100.0% | 10 218 198 | 10 560 226 | 10 972 122 | 5.4% | 100.0% |
| Total | 9 534 393 | 9 440 321 | 9 334 439 | 9 363 676 | -0.6% | 100.0% | 10 218 198 | 10 560 226 | 10 972 122 | 5.4% | 100.0% |
| Change to 2016 Budget estimate | | | | (645 475) | | | (860 285) | (476 871) | (683 052) | | |
| Economic classification | | | | | | | | | | | |
| Transfers and subsidies ¹ | 9 534 393 | 9 440 321 | 9 334 439 | 9 363 676 | -0.6% | 100.0% | 10 218 198 | 10 560 226 | 10 972 122 | 5.4% | 100.0% |
| Departmental agencies and accounts | 9 534 393 | 9 440 321 | 9 334 439 | 9 363 676 | -0.6% | 100.0% | 10 218 198 | 10 560 226 | 10 972 122 | 5.4% | 100.0% |
| Total | 9 534 393 | 9 440 321 | 9 334 439 | 9 363 676 | -0.6% | 100.0% | 10 218 198 | 10 560 226 | 10 972 122 | 5.4% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 38.0% | 36.1% | 32.5% | 32.9% | - | - | 33.2% | 32.6% | 32.3% | - | - |
| Details of transfers and subsidies | | | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 8 676 298 | 8 596 216 | 8 390 995 | 8 320 321 | -1.4% | 90.2% | 9 076 637 | 9 352 454 | 9 696 715 | 5.2% | 88.6% |
| South African Revenue Service: Operations | 8 676 298 | 8 596 216 | 8 390 995 | 8 320 321 | -1.4% | 90.2% | 9 041 607 | 9 310 927 | 9 656 407 | 5.1% | 88.4% |
| South African Revenue Service: Office of the Tax Ombud | - | - | - | - | - | - | 35 030 | 41 527 | 40 308 | - | 0.3% |
| Capital | 858 095 | 844 105 | 943 444 | 1 043 355 | 6.7% | 9.8% | 1 141 561 | 1 207 772 | 1 275 407 | 6.9% | 11.4% |
| South African Revenue Service: Machinery and equipment | 858 095 | 844 105 | 943 444 | 1 043 355 | 6.7% | 9.8% | 1 141 561 | 1 207 772 | 1 275 407 | 6.9% | 11.4% |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

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

| Subprogramme | Audited outcome | | | Adjusted appropriation 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/ Total (%) 2013/14 - 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/ Total (%) 2016/17 - 2019/20 |
|---|------------------|------------------|------------------|-----------------------------------|--|--|----------------------------------|------------------|------------------|--|--|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| R thousand | | | | | | | | | | | |
| Financial Intelligence Centre | 241 000 | 198 080 | 239 488 | 256 372 | 2.1% | 5.2% | 270 191 | 285 862 | 301 871 | 5.6% | 5.4% |
| Secret Services | 3 933 554 | 4 168 170 | 4 322 574 | 4 556 115 | 5.0% | 94.8% | 4 735 448 | 5 010 103 | 5 290 668 | 5.1% | 94.6% |
| Total | 4 174 554 | 4 366 250 | 4 562 062 | 4 812 487 | 4.9% | 100.0% | 5 005 639 | 5 295 965 | 5 592 539 | 5.1% | 100.0% |
| Change to 2016 Budget estimate | | | | | | | (64 386) | (68 120) | (71 935) | | |
| Economic classification | | | | | | | | | | | |
| Transfers and subsidies ¹ | 4 174 554 | 4 366 250 | 4 562 062 | 4 812 487 | 4.9% | 100.0% | 5 005 639 | 5 295 965 | 5 592 539 | 5.1% | 100.0% |
| Departmental agencies and accounts | 4 174 554 | 4 366 250 | 4 562 062 | 4 812 487 | 4.9% | 100.0% | 5 005 639 | 5 295 965 | 5 592 539 | 5.1% | 100.0% |
| Total | 4 174 554 | 4 366 250 | 4 562 062 | 4 812 487 | 4.9% | 100.0% | 5 005 639 | 5 295 965 | 5 592 539 | 5.1% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 16.6% | 16.7% | 15.9% | 16.9% | - | - | 16.3% | 16.3% | 16.4% | - | - |
| Details of transfers and subsidies | | | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 3 660 309 | 4 068 085 | 4 242 027 | 4 392 282 | 6.3% | 91.3% | 4 596 186 | 4 862 763 | 5 135 078 | 5.3% | 91.7% |
| Financial Intelligence Centre: Operations | 175 041 | 186 651 | 226 664 | 239 641 | 11.0% | 4.6% | 254 941 | 269 727 | 284 832 | 5.9% | 5.1% |
| Secret Services: Operations | 3 485 268 | 3 881 434 | 4 015 363 | 4 152 641 | 6.0% | 86.7% | 4 341 245 | 4 593 036 | 4 850 246 | 5.3% | 86.6% |
| Capital | 514 245 | 298 165 | 320 035 | 420 205 | -6.5% | 8.7% | 409 453 | 433 202 | 457 461 | 2.9% | 8.3% |
| Financial Intelligence Centre: Machinery and equipment | 65 959 | 11 429 | 12 824 | 16 731 | -36.7% | 0.6% | 15 250 | 16 135 | 17 039 | 0.6% | 0.3% |
| Secret Services: Machinery and equipment | 448 286 | 286 736 | 307 211 | 403 474 | -3.4% | 8.1% | 394 203 | 417 067 | 440 422 | 3.0% | 8.0% |

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

Development Bank of Southern Africa

Mandate

The Development Bank of Southern Africa was reconstituted in terms of the Development Bank of Southern Africa Act (1997) as a development finance institution with the primary purpose of promoting economic development and growth. The bank also promotes human resources development and 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 indicators

Table 7.24 Development Bank of Southern Africa performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|--|--------------------------------------|---|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | | 2016/17 | 2017/18 | 2018/19 |
| Cost-to-income ratio (bank wide) | Administration | | 28.4% | 34% | 29% | 40% | 40% | 40% | |
| Total value of disbursements to infrastructure related projects per year | Development finance | Outcome 12: An efficient, effective and development-oriented public service | R12.7bn | R13bn | R17.1bn | R16.4bn | R17.4bn | R18.4bn | R19.4bn |
| Value of bank-wide net profit/(loss) per year | Development finance | | R787m | R1.2bn | R2.6bn | R1bn | R1.1bn | R1.1bn | R1.2bn |
| 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 | Outcome 1: Quality basic education | 32 | 15 | 35 | 22 | -1 | -1 | -1 |
| Number of houses completed per year for which the bank has provided financial support (Elliotdale housing scheme) | Non-financing development activities | Outcome 8: Sustainable human settlements and improved quality of household life | 770 | 1 128 | 1 382 | 1 730 | -1 | -1 | -1 |

1. Indicator phased out in 2017/18.

¹ This section has been compiled with the latest available information from the entities concerned.

Expenditure analysis

Over the medium term, the Development Bank of Southern Africa will focus on social and economic infrastructure development, with an emphasis on driving financial and non-financial investments in energy, transport, water and communications. It will also provide some support to social sectors such as health, education and housing. The support provided includes facilitating infrastructure development in municipalities, driving investments to increase the total value of disbursements to infrastructure-related projects, and providing development planning and implementation support interventions in the origination of infrastructure projects to identified municipalities. This is in line with outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework, in recognition of the NDP's vision of strengthened financial services. The bank aims to accelerate infrastructure financing to municipalities, state-owned companies, independent power producers, and public-private partnerships. Infrastructure support for the rest of Africa targets clients supporting state-owned enterprises and public-private partnerships.

The bank will actively support infrastructure development in municipalities, with the aim of addressing backlogs and expediting the delivery of essential social services in support of sustainable living conditions and improved quality of life within communities. Over the medium term, the bank is expected to increase its annual infrastructure lending support from R6 billion to R9.6 billion. The bank will also set aside between R130 million and R150 million each year over the medium term period to provide planning and implementation support for the origination of infrastructure projects in selected, under-capacitated municipalities. The bank also plans to drive investments in sectors such as energy, transport and logistics, water, ICT, and health and education with an aim to increase the total value of disbursements to infrastructure-related projects, from R16.4 billion in 2016/17 to R19.4 billion in 2019/20.

The bank will continue to provide development planning, pre-financing and implementation support, and post-financing support to identified municipalities in the origination of infrastructure projects intended to alleviate constraints, and enable expanded lending take-up. This support will be financed through funds set aside, currently approximately R100 million per year, for non-lending support for all municipal market segments, with more focus on lower-tier municipalities. The development spend envelope will specifically cover operational expenditure incurred within the development planning and implementation support areas, and limited concessional funding. The bank completed the construction of 15 schools in 2014/15. In addition, 22 schools are in various stages of construction during 2016/17.

As at 31 October 2016, the bank had an establishment of 696 funded posts, of which 131 posts were vacant due to a shortage in the supply of many of the business-critical skills required by the bank to deliver on its strategy. The bank used consultants to perform the organisational review process and to assist management with the implementation of the revised strategy, as these skills could not be sourced from within the bank. Significant efforts have been made to retain staff and recruit new skilled staff to complement the bank's strategy. Over the medium term, the number of filled posts is expected to increase to 696 to ensure that the bank is adequately capacitated to deliver on its mandate.

Revenue is expected to increase from R8.6 billion in 2017/18 to R10.2 billion in 2019/20, largely driven by an expected increase in the repayments of developmental loan disbursements and the planned effective management of the non-performing loan book, which is expected to affect net loan impairments.

Programmes/objectives/activities

Table 7.25 Development Bank of Southern Africa expenditure trends and estimates by programme/objective/activity

| | Audited outcome | | | | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------------|--------------------------------|----------------------------------|------------------|--------------|-------------------------|--------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| R thousand | | | | | | | | | | | | |
| Administration | 1 433 451 | 1 109 730 | 626 345 | 886 684 | -14.8% | 19.6% | 976 728 | 1 063 882 | 1 123 460 | 8.2% | 12.9% | |
| Development finance | 3 126 322 | 3 747 920 | 4 587 881 | 5 280 524 | 19.1% | 77.4% | 6 253 607 | 7 119 583 | 7 518 280 | 12.5% | 82.9% | |
| Non-financing development activities | 88 043 | 118 093 | 162 564 | 285 918 | 48.1% | 2.9% | 320 108 | 344 041 | 363 307 | 8.3% | 4.2% | |
| Total | 4 647 816 | 4 975 743 | 5 376 790 | 6 453 125 | 11.6% | 100.0% | 7 550 443 | 8 527 507 | 9 005 047 | 11.7% | 100.0% | |

Statements of historical financial performance and position

Table 7.26 Development Bank of Southern Africa statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | Average: Outcome/ Budget (%) |
|--|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|--------------------|---------------------|---------------------------------------|
| | Budget | Audited outcome | Budget | Audited outcome | Budget | Audited outcome | Budget estimate | Revised estimate | |
| R thousand | 2013/14 | | 2014/15 | | 2015/16 | | 2016/17 | | 2013/14 - 2016/17 |
| Revenue | | | | | | | | | |
| Non-tax revenue | 4 604 964 | 5 434 858 | 5 261 335 | 6 189 884 | 6 518 529 | 7 953 469 | 8 092 786 | 7 445 355 | 110.4% |
| Sale of goods and services other than capital assets | 154 043 | 334 630 | 163 470 | 232 928 | 358 659 | 275 914 | 411 815 | 298 929 | 105.0% |
| <i>of which:</i> | | | | | | | | | |
| <i>Sales by market establishment</i> | 154 043 | 334 630 | 163 470 | 232 928 | 358 659 | 275 914 | 411 815 | 298 929 | 105.0% |
| Other non-tax revenue | 4 450 921 | 5 100 228 | 5 097 865 | 5 956 956 | 6 159 870 | 7 677 555 | 7 680 971 | 7 146 425 | 110.7% |
| Total revenue | 4 604 964 | 5 434 858 | 5 261 335 | 6 189 884 | 6 518 529 | 7 953 469 | 8 092 786 | 7 445 355 | 110.4% |
| Expenses | | | | | | | | | |
| Current expenses | 4 005 988 | 4 609 947 | 4 700 576 | 4 931 676 | 5 321 516 | 5 314 141 | 6 273 125 | 6 273 125 | 104.1% |
| Compensation of employees | 564 334 | 561 597 | 628 241 | 607 271 | 772 668 | 730 937 | 879 460 | 879 460 | 97.7% |
| Goods and services | 688 292 | 1 541 964 | 1 132 943 | 1 296 368 | 1 052 463 | 1 197 182 | 1 243 075 | 1 243 075 | 128.2% |
| Depreciation | 19 647 | 18 627 | 23 847 | 25 108 | 29 000 | 30 592 | 36 000 | 36 000 | 101.7% |
| Interest, dividends and rent on land | 2 733 715 | 2 487 759 | 2 915 545 | 3 002 929 | 3 467 385 | 3 355 429 | 4 114 590 | 4 114 590 | 98.0% |
| Transfers and subsidies | 79 562 | 37 869 | 117 289 | 44 067 | 286 000 | 62 649 | 180 000 | 180 000 | 49.0% |
| Total expenses | 4 085 550 | 4 647 816 | 4 817 865 | 4 975 743 | 5 607 516 | 5 376 790 | 6 453 125 | 6 453 125 | 102.3% |
| Surplus/(Deficit) | 519 414 | 787 042 | 443 470 | 1 214 141 | 911 013 | 2 576 679 | 1 639 661 | 992 230 | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 567 719 | 544 733 | 578 352 | 580 388 | 616 055 | 580 344 | 612 055 | 563 725 | 95.6% |
| <i>of which:</i> | | | | | | | | | |
| <i>Acquisition of assets</i> | - | (6 564) | (23 847) | (7 045) | (35 000) | (14 728) | (25 000) | (35 000) | 75.5% |
| Investments | 9 155 809 | 8 150 867 | 8 190 298 | 8 203 599 | 5 246 283 | 8 757 304 | 5 057 226 | 8 853 898 | 122.8% |
| Loans | 52 538 200 | 50 848 978 | 56 862 588 | 58 030 609 | 72 504 941 | 70 785 250 | 87 063 900 | 84 583 198 | 98.2% |
| Receivables and prepayments | 314 857 | 145 296 | 305 731 | 227 880 | 146 701 | 138 533 | 151 921 | 146 701 | 71.6% |
| Cash and cash equivalents | 5 413 899 | 4 135 667 | 796 884 | 3 901 663 | 3 108 765 | 2 084 565 | 4 276 574 | 155 046 | 75.6% |
| Total assets | 67 990 484 | 63 825 541 | 66 733 853 | 70 944 139 | 81 622 745 | 82 345 996 | 97 161 676 | 94 302 568 | 99.3% |
| Accumulated surplus/(deficit) | 10 867 757 | 11 496 416 | 11 681 090 | 12 460 565 | 13 322 523 | 14 544 861 | 14 382 073 | 15 510 455 | 107.5% |
| Capital and reserves | 5 360 327 | 6 004 157 | 5 360 327 | 6 322 120 | 6 134 426 | 2 827 854 | 6 134 429 | 2 793 254 | 78.1% |
| Capital reserve fund | 7 752 186 | 2 400 000 | 5 100 000 | 4 900 000 | 7 900 000 | 11 892 344 | 7 900 000 | 11 892 344 | 108.5% |
| Borrowings | 43 015 217 | 42 887 154 | 43 597 439 | 46 163 476 | 52 722 367 | 51 791 220 | 67 072 152 | 62 525 593 | 98.5% |
| Trade and other payables | 994 997 | 813 665 | 837 836 | 811 755 | 1 142 017 | 894 795 | 1 238 099 | 294 177 | 66.8% |
| Provisions | - | 221 049 | 152 000 | 283 123 | 398 311 | 391 822 | 431 823 | 1 283 645 | 221.9% |
| Derivatives financial instruments | - | 3 100 | 5 161 | 3 100 | 3 100 | 3 100 | 3 100 | 3 100 | 109.1% |
| Total equity and liabilities | 67 990 484 | 63 825 541 | 66 733 853 | 70 944 139 | 81 622 745 | 82 345 996 | 97 161 676 | 94 302 568 | 99.3% |

Statements of estimates of financial performance and position

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

| Statement of financial performance | | | | | | | | | Average: Expen- diture/ Total (%) |
|--|---------------------|----------------------------------|---|----------------------|------------------|-------------------|----------------------------------|---|---|
| | Revised estimate | Average growth rate (%) | Average: Expen- diture/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expen- diture/ Total (%) | |
| R thousand | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 7 445 355 | 11.1% | 100.0% | 8 601 591 | 9 661 855 | 10 202 919 | 11.1% | 100.0% | |
| Sale of goods and services other than capital assets | 298 929 | -3.7% | 4.4% | 610 023 | 695 025 | 733 946 | 34.9% | 6.4% | |
| <i>of which:</i> | | | | | | | | | |
| <i>Sales by market establishment</i> | 298 929 | -3.7% | 4.4% | 610 023 | 695 025 | 733 946 | 34.9% | 6.4% | |
| Other non-tax revenue | 7 146 425 | 11.9% | 95.6% | 7 991 568 | 8 966 831 | 9 468 973 | 9.8% | 93.6% | |
| Total revenue | 7 445 355 | 11.1% | 100.0% | 8 601 591 | 9 661 855 | 10 202 919 | 11.1% | 100.0% | |
| Expenses | | | | | | | | | |
| Current expenses | 6 273 125 | 10.8% | 98.6% | 7 360 443 | 8 327 507 | 8 793 847 | 11.9% | 153.4% | |
| Compensation of employees | 879 460 | 16.1% | 12.9% | 953 435 | 1 023 120 | 1 080 415 | 7.1% | 12.6% | |
| Goods and services | 1 243 075 | -6.9% | 25.2% | 1 347 179 | 1 474 954 | 1 557 551 | 7.8% | 17.9% | |
| Depreciation | 36 000 | 24.6% | 0.5% | 36 000 | 36 000 | 38 016 | 1.8% | 0.5% | |
| Interest, dividends and rent on land | 4 114 590 | 18.3% | 60.0% | 5 023 828 | 5 793 433 | 6 117 865 | 14.1% | 66.5% | |
| Transfers and subsidies | 180 000 | 68.1% | 1.4% | 190 000 | 200 000 | 211 200 | 5.5% | 2.5% | |
| Total expenses | 6 453 125 | 11.6% | 100.0% | 7 550 443 | 8 527 507 | 9 005 047 | 11.7% | 100.0% | |
| Surplus/(Deficit) | 992 230 | - | - | 1 051 148 | 1 134 349 | 1 197 872 | 6.5% | - | |

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

| Statement of financial position | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-------------------------------------|-------------------|-------------------------|---------------------------------|----------------------|--------------------|--------------------|-------------------------|---------------------------------|
| | | | | 2017/18 | 2018/19 | 2019/20 | | |
| R thousand | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| Carrying value of assets | 563 725 | 1.1% | 0.7% | 562 725 | 561 725 | 593 182 | 1.7% | 0.5% |
| of which: | | | | | | | | |
| Acquisition of assets | (35 000) | 74.7% | -0.0% | (35 000) | (35 000) | (36 960) | 1.8% | -0.0% |
| Investments | 8 853 898 | 2.8% | 11.1% | 9 392 435 | 9 330 085 | 9 852 570 | 3.6% | 8.8% |
| Loans | 84 583 198 | 18.5% | 84.3% | 93 199 980 | 100 320 828 | 105 938 794 | 7.8% | 90.3% |
| Receivables and prepayments | 146 701 | 0.3% | 0.2% | 151 921 | 157 401 | 166 215 | 4.3% | 0.1% |
| Cash and cash equivalents | 155 046 | -66.5% | 3.7% | 79 076 | 226 961 | 239 671 | 15.6% | 0.2% |
| Total assets | 94 302 568 | 13.9% | 100.0% | 103 386 137 | 110 597 000 | 116 790 432 | 7.4% | 100.0% |
| Accumulated surplus/(deficit) | 15 510 455 | 10.5% | 17.4% | 16 561 603 | 17 695 952 | 18 898 125 | 6.8% | 16.2% |
| Capital and reserves | 2 793 254 | -22.5% | 6.2% | 2 793 254 | 2 793 254 | 3 404 622 | 6.8% | 2.8% |
| Capital reserve fund | 11 892 344 | 70.5% | 9.4% | 11 892 344 | 11 892 344 | 11 892 344 | - | 11.3% |
| Borrowings | 62 525 593 | 13.4% | 65.4% | 70 393 411 | 76 297 491 | 80 570 150 | 8.8% | 68.1% |
| Trade and other payables | 294 177 | -28.8% | 1.0% | 324 866 | 357 015 | 377 008 | 8.6% | 0.3% |
| Provisions | 1 283 645 | 79.7% | 0.6% | 1 417 559 | 1 557 844 | 1 645 082 | 8.6% | 1.4% |
| Derivatives financial instruments | 3 100 | - | 0.0% | 3 100 | 3 100 | 3 100 | - | 0.0% |
| Total equity and liabilities | 94 302 568 | 13.9% | 100.0% | 103 386 137 | 110 597 000 | 116 790 432 | 7.4% | 100.0% |

Personnel information

Table 7.28 Development Bank of Southern Africa personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|---|--|------------|--------------|------------------|------------|--------------|----------------------------------|------------|--------------|------------|------------|----------------|-------------------------|---------------------------------|----------------|------------|-------------|---------------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | 2015/16 | | Unit Cost | 2016/17 | | Unit Cost | 2017/18 | | 2018/19 | | 2019/20 | | | | Unit Cost | | | |
| Development Bank of Southern Africa | 696 | 696 | 569 | 730.9 | 1.3 | 696 | 879.5 | 1.3 | 696 | 953.4 | 1.4 | 696 | 1 023.1 | 1.5 | 696 | 1 080.4 | 1.6 | 7.1% | 100.0% |
| Salary level | | | | | | | | | | | | | | | | | | | |
| 1 – 6 | 23 | 23 | 39 | 7.2 | 0.2 | 23 | 3.8 | 0.2 | 23 | 4.1 | 0.2 | 23 | 4.4 | 0.2 | 23 | 4.6 | 0.2 | 7.1% | 3.3% |
| 7 – 10 | 193 | 193 | 179 | 93.9 | 0.5 | 193 | 95.5 | 0.5 | 193 | 103.6 | 0.5 | 193 | 111.2 | 0.6 | 193 | 117.4 | 0.6 | 7.1% | 27.7% |
| 11 – 12 | 150 | 150 | 147 | 283.4 | 1.9 | 150 | 248.8 | 1.7 | 150 | 269.4 | 1.8 | 150 | 289.1 | 1.9 | 150 | 305.3 | 2.0 | 7.1% | 21.6% |
| 13 – 16 | 319 | 319 | 194 | 308.7 | 1.6 | 319 | 490.6 | 1.5 | 319 | 532.0 | 1.7 | 319 | 570.9 | 1.8 | 319 | 602.9 | 1.9 | 7.1% | 45.8% |
| 17 – 22 | 11 | 11 | 10 | 37.7 | 3.8 | 11 | 40.9 | 3.7 | 11 | 44.3 | 4.0 | 11 | 47.5 | 4.3 | 11 | 50.2 | 4.6 | 7.1% | 1.6% |

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 sector and better use of land; rural development and job creation; and commercial agriculture and food security.

Selected performance indicators

Table 7.29 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 | | |
|---|--------------------------------|---|---------|---------|---------|----------------|----------------|----------------|----------------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Cost-to-income ratio | Administration | Outcome 7: Comprehensive rural development and land reform | 59.5% | 55% | 56% | 38.7% | 36.7% | 34.2% | 33.8% |
| Capital adequacy ratio | Administration | | 26% | 37% | 34% | 28% | 30% | 33% | 32% |
| Value of development loan book disbursements | Administration | | R819.3m | R769.1m | R700m | R735m | R772m | R811m | R811m |
| Value of business and corporate banking loans | Business and corporate banking | | R24.6m | R31.5m | R34.4m | R36.1m | R37.9m | R39.8m | R39.8m |
| Value of development loan book disbursements | Business and corporate banking | | R595.9m | R456.9m | R370m | R388.4m | R408.0m | R428.6m | R428.6m |
| Value of retail commercial banking loans | Retail commercial banking | | R4.9m | R5.7m | R5.8m | R6.1m | R6.4m | R6.8m | R6.8m |
| Value of development loan book disbursements | Retail commercial banking | | R134.4m | R107.7m | R130m | R136.5m | R143.4m | R150.6m | R150.6m |
| Value of retail emerging markets loans | Retail emerging markets | | R391.2m | R489m | R504m | - ¹ | - ¹ | - ¹ | - ¹ |

¹. Indicator phased out from 2016/17.

Expenditure analysis

The Land and Agricultural Development Bank has increased its appetite for the development component of its mandate, as supported by the growth in its development loan book, and is expected to play a pivotal role in advancing agriculture and rural development. This is in line with outcome 7 (comprehensive rural development and land reform) of government's 2014-2019 medium-term strategic framework, and acknowledges the NDP's vision of creating more jobs through agricultural development. Over the medium term, the bank will continue to focus on building itself into a sustainable institution and disbursing funds to deserving developmental projects.

In 2015, the bank conducted an organisational review to strengthen the balance sheet, enhance financial sustainability, improve operational efficiency and increase developmental impact. As a result of the improved focus provided by the review, the development loan book is set to grow over the medium term, which in turn will increase interest expenditure on funding liabilities, a primary driver of the bank's costs. This is the reason for the projected increase in total expenditure at an average annual rate of 17.1 per cent, from R3.9 billion in 2016/17 to R6.3 billion in 2019/20. Interest costs are expected to increase from a base of R2.1 billion in 2015/16 to approximately R2.5 billion in 2017/18.

The bank aims to increase the value of development loan book disbursements from R136.5 million in 2016/17 to R150.6 million in 2019/20. Over the medium term, the need to finance growth in the loan book will see the interest expense bill increase to approximately R4.7 billion in 2019/20. Spending on compensation of employees is expected to increase at an average annual rate of 7 per cent, from R404.3 million in 2016/17 to R495.3 million in 2019/20. The bank's total staff complement is expected to remain constant at an average of 435 over the medium term period.

The bank sources a significant component of its funding from the open market, which explains why it is highly exposed to the movement in market rates. The bank significantly relies on interest income, and an area it intends to address is income diversification through increasing revenue from non-interest income. Over the medium term, total revenue is expected to increase at an average annual rate of 17.8 per cent, from R4.2 billion in 2016/17 to R6.8 billion in 2019/20, as the bank grows its gross loan book.

Programmes/objectives/activities

Table 7.30 Land and Agricultural Development Bank of South Africa expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------------|---------------------------------|----------------------------------|------------------|--------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 415 142 | 352 907 | 565 972 | 449 068 | 2.7% | 14.4% | 425 550 | 472 309 | 520 690 | 5.1% | 9.1% | |
| Corporate Banking | 1 336 555 | 2 291 219 | 2 506 955 | 2 816 940 | 28.2% | 69.0% | 3 788 662 | 4 281 529 | 4 773 554 | 19.2% | 74.5% | |
| Commercial Development Banking | 425 763 | 464 184 | 489 862 | 656 335 | 15.5% | 16.2% | 835 129 | 918 520 | 1 011 618 | 15.5% | 16.4% | |
| Retail emerging markets | 20 806 | 29 154 | - | - | -100.0% | 0.5% | - | - | - | - | - | |
| Total | 2 198 266 | 3 137 464 | 3 562 789 | 3 922 343 | 21.3% | 100.0% | 5 049 340 | 5 672 358 | 6 305 862 | 17.1% | 100.0% | |

Statements of historical financial performance and position

Table 7.31 Land and Agricultural Development Bank of South Africa statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | | Average: Outcome/ Budget (%) |
|--|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|--------------------|---------------------|-------------------|---------------------------------------|
| | Budget | Audited outcome | Budget | Audited outcome | Budget | Audited outcome | Budget estimate | Revised estimate | | |
| R thousand | 2013/14 | | 2014/15 | | 2015/16 | | 2016/17 | | 2013/14 - 2016/17 | |
| Revenue | | | | | | | | | | |
| Non-tax revenue | 2 247 525 | 2 592 608 | 2 686 188 | 3 429 822 | 3 636 914 | 3 634 597 | 4 195 968 | 4 150 463 | | 108.2% |
| Sale of goods and services other than capital assets | 37 344 | 24 377 | 38 236 | 47 371 | 15 790 | 59 356 | 16 659 | 123 885 | | 236.0% |
| <i>of which:</i> | | | | | | | | | | |
| Administrative fees | 26 563 | – | 26 867 | – | – | 42 083 | – | 111 619 | | 287.7% |
| Sales by market establishment | 10 781 | 24 377 | 11 370 | 47 371 | 15 790 | 17 273 | 16 659 | 12 267 | | 185.5% |
| Other non-tax revenue | 2 210 181 | 2 568 231 | 2 647 951 | 3 382 451 | 3 621 124 | 3 575 241 | 4 179 309 | 4 026 577 | | 107.1% |
| Total revenue | 2 247 525 | 2 592 608 | 2 686 188 | 3 429 822 | 3 636 914 | 3 634 597 | 4 195 968 | 4 150 463 | | 108.2% |
| Expenses | | | | | | | | | | |
| Current expenses | 1 967 226 | 2 170 808 | 2 454 783 | 3 099 201 | 3 116 009 | 3 508 483 | 3 986 854 | 3 876 454 | | 109.8% |
| Compensation of employees | 393 715 | 381 349 | 399 021 | 343 561 | 351 781 | 317 990 | 424 327 | 404 326 | | 92.2% |
| Goods and services | 205 931 | 213 185 | 201 935 | 507 433 | 264 847 | 692 826 | 281 340 | 663 801 | | 217.7% |
| Depreciation | 25 271 | 16 108 | 26 847 | 18 163 | 12 104 | 14 990 | 12 770 | 9 765 | | 76.7% |
| Interest, dividends and rent on land | 1 342 309 | 1 560 166 | 1 826 979 | 2 230 044 | 2 487 277 | 2 482 677 | 3 268 417 | 2 798 561 | | 101.6% |
| Total expenses | 1 994 684 | 2 198 266 | 2 482 919 | 3 137 464 | 3 162 236 | 3 562 788 | 4 035 666 | 3 922 343 | | 109.8% |
| Surplus/(Deficit) | 252 841 | 394 342 | 203 269 | 292 358 | 474 678 | 71 809 | 160 302 | 228 120 | | |
| Statement of financial position | | | | | | | | | | |
| Carrying value of assets | 144 632 | 218 168 | 227 363 | 224 292 | 213 897 | 224 715 | 216 783 | 253 419 | | 114.7% |
| <i>of which:</i> | | | | | | | | | | |
| Acquisition of assets | (12 777) | (5 213) | (6 452) | (5 903) | (5 849) | (5 848) | (4 521) | (51 100) | | 230.0% |
| Investments | 332 139 | 1 372 659 | 1 428 131 | 1 637 693 | 440 496 | 572 543 | 491 195 | 612 154 | | 155.8% |
| Inventory | 181 409 | – | 183 511 | 240 | – | – | – | – | | 0.1% |
| Receivables and prepayments | 28 355 412 | 33 706 851 | 33 147 816 | 37 027 559 | 40 068 359 | 36 834 045 | 41 990 260 | 41 800 018 | | 104.0% |
| Cash and cash equivalents | 2 000 000 | 1 474 854 | 2 898 793 | 1 605 673 | 1 400 000 | 2 120 577 | 1 780 272 | 1 842 929 | | 87.2% |
| Non-current assets held for sale | 136 076 | 52 567 | – | 53 092 | 53 593 | 47 622 | 53 057 | 50 003 | | 83.8% |
| Total assets | 31 149 668 | 36 825 099 | 37 885 614 | 40 548 549 | 42 176 344 | 39 799 502 | 44 531 568 | 44 558 523 | | 103.8% |
| Accumulated surplus/(deficit) | 6 155 974 | 2 790 615 | 6 879 144 | 3 085 332 | 1 922 954 | 3 157 141 | 2 055 706 | 3 427 306 | | 73.2% |
| Capital and reserves | 112 242 | 137 135 | 135 449 | 134 775 | 134 775 | 135 072 | 134 775 | 134 775 | | 104.7% |
| Capital reserve fund | – | 3 897 655 | – | 4 397 655 | 4 397 655 | 1 766 604 | 4 397 655 | 1 766 604 | | 134.5% |
| Borrowings | 24 000 886 | 4 214 723 | 29 824 542 | 6 373 522 | 6 940 185 | 4 661 306 | 7 297 611 | 7 749 968 | | 33.8% |
| Trade and other payables | 185 783 | 253 714 | 207 080 | 647 720 | 365 379 | 188 180 | 385 484 | 201 353 | | 112.9% |
| Provisions | 685 825 | 1 017 571 | 791 662 | 495 683 | 742 012 | 528 374 | 781 477 | 535 202 | | 85.9% |
| Derivatives financial instruments | 8 957 | 24 513 686 | 47 737 | 25 413 862 | 27 673 383 | 29 362 825 | 29 478 860 | 30 743 315 | | 192.3% |
| Total equity and liabilities | 31 149 667 | 36 825 099 | 37 885 614 | 40 548 549 | 42 176 344 | 39 799 502 | 44 531 567 | 44 558 523 | | 103.8% |

Statements of estimates of financial performance and position

Table 7.32 Land and Agricultural Development Bank of South Africa statements of estimates of financial performance and position

| Statement of financial performance | | Average: | | Medium-term estimate | | | Average: | |
|--|---------------------|----------------------------------|-----------------------------------|----------------------|------------------|------------------|----------------------------------|-----------------------------------|
| | Revised estimate | Average growth rate (%) | Expen- diture/ Total (%) | 2017/18 | 2018/19 | 2019/20 | Average growth rate (%) | Expen- diture/ Total (%) |
| R thousand | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| Revenue | | | | | | | | |
| Non-tax revenue | 4 150 463 | 17.0% | 100.0% | 5 346 544 | 6 073 411 | 6 791 238 | 17.8% | 100.0% |
| Sale of goods and services other than capital assets | 123 885 | 71.9% | 1.7% | 116 086 | 147 258 | 164 249 | 9.9% | 2.5% |
| <i>of which:</i> | | | | | | | | |
| Administrative fees | 111 619 | – | 1.0% | 103 016 | 134 188 | 151 178 | 10.6% | 2.3% |
| Sales by market establishment | 12 267 | -20.5% | 0.8% | 13 071 | 13 071 | 13 071 | 2.1% | 0.2% |
| Other non-tax revenue | 4 026 577 | 16.2% | 98.3% | 5 230 457 | 5 926 153 | 6 626 989 | 18.1% | 97.5% |
| Total revenue | 4 150 463 | 17.0% | 100.0% | 5 346 544 | 6 073 411 | 6 791 238 | 17.8% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 3 876 454 | 21.3% | 98.7% | 4 995 354 | 5 608 645 | 6 235 160 | 17.2% | 176.5% |
| Compensation of employees | 404 326 | 2.0% | 11.9% | 432 629 | 462 913 | 495 317 | 7.0% | 8.7% |
| Goods and services | 663 801 | 46.0% | 15.6% | 566 435 | 615 544 | 652 443 | -0.6% | 12.3% |
| Depreciation | 9 765 | -15.4% | 0.5% | 22 758 | 16 667 | 12 405 | 8.3% | 0.3% |
| Interest, dividends and rent on land | 2 798 561 | 21.5% | 70.8% | 3 973 532 | 4 513 520 | 5 074 995 | 21.9% | 77.5% |
| Total expenses | 3 922 343 | 21.3% | 100.0% | 5 049 340 | 5 672 358 | 6 305 861 | 17.1% | 100.0% |
| Surplus/(Deficit) | 228 120 | (0) | | 297 204 | 401 053 | 485 376 | 28.6% | |

Table 7.32 Land and Agricultural Development Bank of South Africa statements of estimates of financial performance and position

| Statement of financial position | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-------------------------------------|-------------------|-------------------------|---------------------------------|----------------------|-------------------|-------------------|-------------------------|---------------------------------|
| | | | | 2017/18 | 2018/19 | 2019/20 | | |
| R thousand | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| Carrying value of assets | 253 419 | 5.1% | 0.6% | 237 579 | 220 845 | 203 865 | -7.0% | 0.4% |
| of which: | | | | | | | | |
| Acquisition of assets | (51 100) | 114.0% | -0.0% | (2 500) | (1 180) | (850) | -74.5% | -0.0% |
| Investments | 612 154 | -23.6% | 2.6% | 2 142 631 | 2 686 099 | 2 716 739 | 64.3% | 3.7% |
| Receivables and prepayments | 41 800 018 | 7.4% | 92.3% | 46 403 844 | 51 629 252 | 57 331 219 | 11.1% | 92.8% |
| Cash and cash equivalents | 1 842 929 | 7.7% | 4.4% | 1 511 210 | 1 227 066 | 1 488 796 | -6.9% | 2.9% |
| Non-current assets held for sale | 50 003 | -1.7% | 0.1% | 47 622 | 47 622 | 47 622 | -1.6% | 0.1% |
| Total assets | 44 558 523 | 6.6% | 100.0% | 50 342 886 | 55 810 882 | 61 788 240 | 11.5% | 100.0% |
| Accumulated surplus/(deficit) | 3 427 306 | 7.1% | 7.7% | 4 402 920 | 4 803 972 | 5 289 348 | 15.6% | 8.4% |
| Capital and reserves | 134 775 | -0.6% | 0.3% | 134 775 | 134 775 | 134 775 | - | 0.3% |
| Capital reserve fund | 1 766 604 | -23.2% | 7.5% | 1 766 604 | 1 766 604 | 1 766 604 | - | 3.4% |
| Borrowings | 7 749 968 | 22.5% | 14.1% | 11 227 341 | 14 790 273 | 17 823 856 | 32.0% | 23.8% |
| Trade and other payables | 201 353 | -7.4% | 0.8% | 389 583 | 434 516 | 483 250 | 33.9% | 0.7% |
| Provisions | 535 202 | -19.3% | 1.6% | 537 760 | 587 393 | 637 820 | 6.0% | 1.1% |
| Derivatives financial instruments | 30 743 315 | 7.8% | 68.0% | 31 883 904 | 33 293 350 | 35 652 587 | 5.1% | 62.4% |
| Total equity and liabilities | 44 558 523 | 6.6% | 100.0% | 50 342 886 | 55 810 883 | 61 788 240 | 11.5% | 100.0% |

Personnel information

Table 7.34 Land and Agricultural Development Bank of South Africa personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|--|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|-----------|-----|-----------|--------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | 2015/16 | | Unit Cost | 2016/17 | | Unit Cost | 2017/18 | | Unit Cost | 2018/19 | | Unit Cost | | | 2019/20 | | Unit Cost | |
| 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 | 481 | 481 | 433 | 318.0 | 0.7 | 481 | 404.3 | 0.8 | 435 | 432.6 | 1.0 | 435 | 462.9 | 1.1 | 435 | 495.3 | 1.1 | 7.0% | 100.0% |
| 1 – 6 | 29 | 29 | 27 | 43.0 | 1.6 | 29 | 71.4 | 2.5 | 22 | 76.3 | 3.5 | 22 | 81.7 | 3.7 | 22 | 87.4 | 4.0 | 7.0% | 5.3% |
| 7 – 10 | 172 | 172 | 218 | 105.6 | 0.5 | 172 | 79.7 | 0.5 | 244 | 85.3 | 0.3 | 244 | 91.3 | 0.4 | 244 | 97.6 | 0.4 | 7.0% | 51.0% |
| 11 – 12 | 230 | 230 | 154 | 109.2 | 0.7 | 230 | 185.7 | 0.8 | 154 | 198.7 | 1.3 | 154 | 212.6 | 1.4 | 154 | 227.5 | 1.5 | 7.0% | 38.5% |
| 13 – 16 | 39 | 39 | 24 | 35.9 | 1.5 | 39 | 39.4 | 1.0 | 5 | 42.2 | 8.4 | 5 | 45.1 | 9.0 | 5 | 48.3 | 9.7 | 7.0% | 2.9% |
| 17 – 22 | 11 | 11 | 10 | 24.3 | 2.4 | 11 | 28.2 | 2.6 | 10 | 30.2 | 3.0 | 10 | 32.3 | 3.2 | 10 | 34.5 | 3.5 | 7.0% | 2.3% |

1. Rand million.

South African Revenue Service

Mandate

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

Selected performance indicators

Table 7.35 South African Revenue Service performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|--|------------------------------|---|-----------------------------|------------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Customs revenue collected per year | Business and individual tax | | R180.2bn | R202.2bn | R302.3bn | R335.8bn | - ¹ | - ¹ | - ¹ |
| Revenue collected (excluding customs and excise revenue) per year | Business and individual tax | | R714.8bn | R791.5bn | R767.7bn | R838.9bn | - ¹ | - ¹ | - ¹ |
| Percentage of compliance of personal income tax filling 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) | Business and individual tax | Outcome 12: An efficient, effective and development-oriented public service | 84% (R4.89m/ R5.82m) | 91.6% (R4.89m/ R5.34m) | 92% (R4.2m/ R4.57m) | 92% (R4.89m/ R5.32m) | 92% (R4.89m/ R5.32m) | 92% (R4.89m/ R5.32m) | 92% (R4.89m/ R5.32m) |
| Percentage of trade audited to obtain preferred trader status (number of preferred trader declarations versus the total number of declarations) per year | Customs and excise | | 20% (R20.7m/ R103.5m) | 21% (R20.7m/ R98.57m) | 29% (R7.8m/ R26.9m) | 35% (R20.7m/ R59.14m) | 35% (R20.7m/ R59.14m) | 35% (R20.7m/ R59.14m) | 35% (R20.7m/ R59.14m) |

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

Expenditure analysis

Over the medium term, the South African Revenue Service will focus on contributing more than 90 per cent of the revenue required by government. This is in line with outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework, and gives expression to the NDP's vision of ensuring high-quality public services as a result of tax contributions. Total revenue is expected to increase at an average annual rate of 4.8 per cent over the medium term, from R9.9 billion in 2016/17 to R11.4 billion in 2019/20, while total expenditure is expected to increase at an average annual rate of 1.9 per cent, from R11.3 billion to R12 billion over the same period.

To deliver on its mandate, the revenue service requires skilled employees to match its expanding footprint and optimise revenue collections. As such, spending on compensation of employees accounts for 67.9 per cent of the organisation's total budget over the medium term. The organisation plans to fill critical vacancies and recruit scarce and high-end skills in an effort to bring about shifts in the compliance landscape in critical areas such as base erosion and profit shifting, transfer pricing, audit, risk identification, and forensic functions. As a result, spending on compensation of employees is expected to increase at an average annual rate of 4.2 per cent, from R7.3 billion in 2016/17 to R8.2 billion in 2019/20. As at 31 October 2016, the organisation had a total headcount of 13 757, of which 13 239 are permanent employees, 118 are temporary employees, 400 are graduate trainees, with 709 vacancies. The organisation's total staff complement is expected to be 14 119 by 2019/20 as the headcount is adjusted in line with the Cabinet-approved budget reductions of R108 million in 2018/19 and R214 million in 2019/20.

Improvements and maintenance of the organisation's systems will continue, albeit moderately over the medium term. This will enable the organisation to increase its revenue collection capability, build resilience into its key processes and systems, and improve taxpayer and trader experience. The organisation is expected to spend approximately R11.7 million on modernisation projects in 2017/18.

Programmes/objectives/activities

Table 7.35 South African Revenue Service expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|------------------|------------------|-------------------|-------------------|------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 3 153 025 | 3 565 609 | 4 438 934 | 5 006 388 | 16.7% | 40.3% | 5 405 771 | 5 135 882 | 5 006 666 | 0.0% | 43.9% | |
| Business and Individual Tax | 1 794 255 | 1 978 493 | 1 782 013 | 1 693 934 | -1.9% | 18.4% | 1 826 307 | 1 900 996 | 2 012 878 | 5.9% | 15.8% | |
| Enforcement | 1 560 922 | 1 596 582 | 1 494 166 | 1 685 277 | 2.6% | 16.0% | 1 818 167 | 1 925 192 | 2 049 291 | 6.7% | 15.9% | |
| Customs and Excise | 986 965 | 1 077 402 | 1 058 195 | 1 217 238 | 7.2% | 10.9% | 1 311 925 | 1 363 854 | 1 455 893 | 6.1% | 11.4% | |
| Digital, Information, Services and Technology | 1 052 592 | 1 166 738 | 1 178 122 | 1 329 635 | 8.1% | 11.9% | 1 445 287 | 1 331 414 | 1 394 500 | 1.6% | 11.7% | |
| Modernisation and Impactful Initiatives | 141 243 | 110 043 | 252 947 | 336 423 | 33.5% | 2.1% | 11 178 | - | - | -100.0% | 0.8% | |
| Office of the Tax Ombud | 2 353 | 11 039 | 25 200 | 29 030 | 131.1% | 0.2% | 33 527 | 34 308 | 36 477 | 7.9% | 0.3% | |
| African Tax Administration Forum | 8 019 | 12 606 | 13 089 | 13 533 | 19.1% | 0.1% | 14 374 | 15 224 | 16 079 | 5.9% | 0.1% | |
| Davis Tax Committee | 2 475 | 4 225 | 2 908 | 4 066 | 18.0% | 0.0% | 4 318 | 4 438 | 4 577 | 4.0% | 0.0% | |
| SARS Advisory Board | - | - | 1 027 | 2 077 | - | 0.0% | - | - | - | -100.0% | 0.0% | |
| Total | 8 701 851 | 9 522 737 | 10 246 602 | 11 317 602 | 9.2% | 100.0% | 11 870 854 | 11 711 309 | 11 976 363 | 1.9% | 100.0% | |

Statements of historical financial performance and position

Table 7.36 South African Revenue Service statements of historical financial performance and position

| Statement of financial performance | | Average: Outcome/Budget (%) | |
|--|------------------|-----------------------------|-----------------------------|
| | Budget | Audited outcome | Average: Outcome/Budget (%) |
| R thousand | 2013/14 | 2014/15 | 2013/14 - 2016/17 |
| Revenue | | | |
| Non-tax revenue | 310 000 | 479 999 | 144.1% |
| Sale of goods and services other than capital assets | 250 000 | 339 822 | 115.8% |
| of which: | | | |
| Administrative fees | 250 000 | 339 822 | 115.8% |
| Other non-tax revenue | 60 000 | 140 177 | 229.4% |
| Transfers received | 9 534 393 | 9 534 393 | 98.3% |
| Total revenue | 9 844 393 | 10 014 392 | 100.0% |
| Expenses | | | |
| Current expenses | 9 568 929 | 8 701 851 | 97.6% |
| Compensation of employees | 6 253 806 | 5 841 936 | 99.2% |
| Goods and services | 2 775 753 | 2 291 001 | 91.8% |
| Depreciation | 526 591 | 562 976 | 110.1% |
| Interest, dividends and rent on land | 12 779 | 5 938 | 73.3% |
| Total expenses | 9 568 929 | 8 701 851 | 97.6% |
| Surplus/(Deficit) | 275 464 | 1 312 541 | |
| Statement of financial position | | | |
| Carrying value of assets | 2 641 313 | 2 749 234 | 93.3% |
| of which: | | | |
| Acquisition of assets | (1 284 081) | (652 259) | 84.4% |
| Loans | 75 218 | 74 699 | 112.2% |
| Accrued investment interest | – | – | 91.6% |
| Receivables and prepayments | 142 071 | 111 742 | 93.7% |
| Cash and cash equivalents | 1 509 519 | 2 901 681 | 140.1% |
| Total assets | 4 368 121 | 5 837 356 | 110.6% |
| Accumulated surplus/(deficit) | 2 564 444 | 4 177 175 | 114.2% |
| Capital and reserves | 77 142 | 124 482 | 77.9% |
| Finance lease | 132 616 | 23 312 | 42.6% |
| Deferred income | 244 | 110 | 94.6% |
| Trade and other payables | 926 105 | 841 446 | 113.2% |
| Provisions | 466 166 | 670 831 | 113.2% |
| Derivatives financial instruments | 201 405 | – | – |
| Total equity and liabilities | 4 368 121 | 5 837 356 | 110.6% |

Statements of estimates of financial performance and position

Table 7.37 South African Revenue Service statements of estimates of financial performance and position

| Statement of financial performance | | Average: Expenditure/Total (%) | | Average: Expenditure/Total (%) | | | | |
|--|--------------------|--------------------------------|--------------------------------|--------------------------------|-------------------|-------------------|-------------------------|--------------------------------|
| | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) |
| R thousand | 2016/17 | 2013/14 - 2016/17 | 2013/14 - 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | 2016/17 - 2019/20 |
| Revenue | | | | | | | | |
| Non-tax revenue | 535 578 | 3.7% | 5.3% | 469 173 | 444 152 | 422 105 | -7.6% | 4.4% |
| Sale of goods and services other than capital assets | 305 561 | -3.5% | 3.2% | 308 616 | 311 702 | 314 819 | 1.0% | 2.9% |
| of which: | | | | | | | | |
| Administrative fees | 305 561 | -3.5% | 3.2% | 308 616 | 311 702 | 314 819 | 1.0% | 2.9% |
| Other non-tax revenue | 230 017 | 17.9% | 2.1% | 160 556 | 132 450 | 107 285 | -22.4% | 1.5% |
| Transfers received | 9 363 676 | -0.6% | 94.7% | 10 212 198 | 10 571 226 | 10 983 122 | 5.5% | 95.6% |
| Total revenue | 9 899 254 | -0.4% | 100.0% | 10 681 371 | 11 015 378 | 11 405 227 | 4.8% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 11 317 602 | 9.2% | 100.0% | 11 870 854 | 11 711 309 | 11 976 363 | 1.9% | 117.2% |
| Compensation of employees | 7 285 687 | 7.6% | 66.6% | 7 868 992 | 8 029 001 | 8 241 384 | 4.2% | 67.0% |
| Goods and services | 3 299 674 | 12.9% | 27.0% | 3 213 986 | 2 998 178 | 3 163 232 | -1.4% | 27.1% |
| Depreciation | 729 536 | 9.0% | 6.4% | 785 727 | 682 684 | 571 136 | -7.8% | 5.9% |
| Interest, dividends and rent on land | 2 704 | -23.1% | 0.1% | 2 148 | 1 447 | 611 | -39.1% | 0.0% |
| Total expenses | 11 317 602 | 9.2% | 100.0% | 11 870 854 | 11 711 309 | 11 976 363 | 1.9% | 100.0% |
| Surplus/(Deficit) | (1 418 348) | (2) | | (1 189 483) | (695 931) | (571 136) | -26.2% | |

Table 7.37 South African Revenue Service statements of estimates of financial performance and position

| Statement of financial position | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-------------------------------------|------------------|-------------------------|---------------------------------|----------------------|------------------|------------------|-------------------------|---------------------------------|
| | | | | 2017/18 | 2018/19 | 2019/20 | | |
| R thousand | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| Carrying value of assets | 3 561 477 | 9.0% | 51.6% | 3 238 278 | 2 653 306 | 2 082 170 | -16.4% | 86.2% |
| of which: | | | | | | | | |
| Acquisition of assets | (1 704 663) | 37.7% | -15.9% | (462 528) | (97 712) | - | -100.0% | -13.0% |
| Loans | 70 452 | -1.9% | 1.3% | 60 452 | 50 452 | 40 452 | -16.9% | 1.7% |
| Accrued investment interest | 15 706 | - | 0.2% | 16 947 | 15 627 | 14 732 | -2.1% | 0.5% |
| Receivables and prepayments | 135 727 | 6.7% | 2.3% | 137 988 | 140 248 | 143 510 | 1.9% | 4.4% |
| Cash and cash equivalents | 955 710 | -30.9% | 44.5% | 124 552 | 117 496 | 36 701 | -66.3% | 7.3% |
| Total assets | 4 739 072 | -6.7% | 100.0% | 3 578 217 | 2 977 130 | 2 317 565 | -21.2% | 100.0% |
| Accumulated surplus/(deficit) | 2 854 153 | -11.9% | 68.3% | 1 664 670 | 968 739 | 397 603 | -48.2% | 39.1% |
| Capital and reserves | 224 545 | 21.7% | 3.4% | 224 545 | 224 545 | 224 545 | - | 7.1% |
| Finance lease | 11 836 | -20.2% | 0.3% | 5 704 | 1 604 | 20 | -88.1% | 0.1% |
| Trade and other payables | 847 605 | 0.2% | 15.1% | 830 356 | 1 236 998 | 1 452 666 | 19.7% | 36.3% |
| Provisions | 800 933 | 6.1% | 12.9% | 852 942 | 545 244 | 242 730 | -32.8% | 17.4% |
| Total equity and liabilities | 4 739 072 | -6.7% | 100.0% | 3 578 217 | 2 977 130 | 2 317 565 | -21.2% | 100.0% |

Personnel information

Table 7.38 South African Revenue Service personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | | | |
|---|---|--|-----------|---------|------------------|---------|-----------|----------------------------------|-----------|---------|-----------|-------------------|-----------|-------------------------|---------------------------------|---------|---------|------|-------|--------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | | |
| | | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2019/20 | | 2016/17 - 2019/20 | | | | | | | | |
| | | Number | Unit Cost | Number | Unit Cost | Number | Unit Cost | Number | Unit Cost | Number | Unit Cost | Number | Unit Cost | | | | | | | |
| South African Revenue Service | | 14 466 | 14 466 | 14 233 | 6 864.7 | 0.5 | 14 466 | 7 285.7 | 0.5 | 14 466 | 7 869.0 | 0.5 | 14 291 | 8 029.0 | 0.6 | 14 119 | 8 241.4 | 0.6 | 4.2% | 100.0% |
| Salary level | | | | | | | | | | | | | | | | | | | | |
| 1 – 6 | 762 | 762 | 790 | 105.1 | 0.1 | 762 | 106.1 | 0.1 | 762 | 114.6 | 0.2 | 761 | 118.8 | 0.2 | 759 | 124.0 | 0.2 | 5.3% | 5.3% | |
| 7 – 10 | 9 396 | 9 396 | 9 358 | 3 055.8 | 0.3 | 9 396 | 3 165.3 | 0.3 | 9 396 | 3 418.7 | 0.4 | 9 315 | 3 522.0 | 0.4 | 9 235 | 3 650.5 | 0.4 | 4.9% | 65.1% | |
| 11 – 12 | 2 426 | 2 426 | 2 369 | 1 665.9 | 0.7 | 2 426 | 1 734.5 | 0.7 | 2 426 | 1 873.4 | 0.8 | 2 396 | 1 923.0 | 0.8 | 2 366 | 1 985.9 | 0.8 | 4.6% | 16.8% | |
| 13 – 16 | 1 830 | 1 830 | 1 678 | 1 899.9 | 1.1 | 1 830 | 2 134.1 | 1.2 | 1 830 | 2 304.9 | 1.3 | 1 771 | 2 311.0 | 1.3 | 1 714 | 2 329.5 | 1.4 | 3.0% | 12.5% | |
| 17 – 22 | 52 | 52 | 38 | 138.0 | 3.6 | 52 | 145.7 | 2.8 | 52 | 157.4 | 3.0 | 49 | 154.2 | 3.1 | 46 | 151.5 | 3.3 | 1.3% | 0.3% | |

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

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|---|------------------------------|--|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| 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 | Administration | Outcome 9: Responsive, accountable, effective and efficient local government | 27 | 13 | 14 | 12 | 12 | 8 | 8 |

Expenditure analysis

Over the medium term, the Accounting Standards Board will focus on 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 is expected to improve decision-making in all spheres of government and improve accountability for the financial resources assigned to each reporting entity. This contributes directly to outcome 9 (responsive, accountable, effective and efficient local government) and outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework.

Revenue is set to increase at an average annual rate of 6.6 per cent, from R12.7 million 2016/17 to R15.4 million in 2019/20. The increase is mainly due to baseline adjustments allocated to a post-implementation review for the process of setting accounting practice standards. The board has been allocated additional funds over the medium term of R5.7 million (R2 million in 2016/17, R1.7 million in 2017/18 and R2 million in 2018/19) for the translation of generally recognised accounting practice standards into isiZulu, Sesotho and Afrikaans, as well as post-implementation reviews of the standards. The board also plans to issue 28 documents relating to the setting of standards for generally recognised accounting practice for all spheres of government over the medium term.

Over the medium term period, spending on compensation of employees is expected to increase from R9.6 million in 2016/17 to R11.7 million in 2019/20, in line with inflationary adjustments. Over the same period, spending on goods and services is expected to increase at an average annual rate of 5.8 per cent, from R3.1 million in 2016/17 to R3.7 million in 2019/20, driven by additional funding allocated for the translations of the standards and travel for the post-implementation reviews. As at 31 October 2016, the board had a total headcount of seven, with no vacant positions. The board's total staff complement is set to remain constant over the medium term.

Programmes/objectives/activities

Table 7.40 Accounting Standards Board expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | Revised estimate 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average Expenditure/Total (%) 2013/14 - 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average Expenditure/Total (%) 2016/17 - 2019/20 |
|----------------|-----------------|---------------|---------------|-----------------------------|--|--|----------------------------------|---------------|---------------|--|--|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 10 019 | 11 992 | 11 679 | 12 821 | 8.6% | 100.0% | 13 759 | 14 645 | 15 461 | 6.4% | 100.0% |
| Total | 10 019 | 11 992 | 11 679 | 12 821 | 8.6% | 100.0% | 13 759 | 14 645 | 15 461 | 6.4% | 100.0% |

Statements of historical financial performance and position

Table 7.41 Accounting Standards Board statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | |
|-------------------------------------|---------------|---------------|-----------------|---------------|-----------------|------------------|-----------------|---------------|--|
| R thousand | Budget | | Audited outcome | | Budget | | Audited outcome | | Average: Outcome/Budget (%) 2013/14 - 2016/17 |
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | Budget estimate | Revised estimate | | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 110 | 219 | 110 | 333 | 115 | 331 | 60 | 166 | 265.6% |
| Other non-tax revenue | 110 | 219 | 110 | 333 | 115 | 331 | 60 | 166 | 265.6% |
| Transfers received | 9 830 | 9 951 | 10 250 | 11 499 | 11 274 | 11 274 | 12 517 | 12 517 | 103.1% |
| Total revenue | 9 940 | 10 170 | 10 360 | 11 832 | 11 389 | 11 605 | 12 577 | 12 683 | 104.6% |
| Expenses | | | | | | | | | |
| Current expenses | 10 040 | 10 019 | 10 414 | 11 992 | 11 526 | 11 679 | 12 715 | 12 821 | 104.1% |
| Compensation of employees | 7 164 | 6 675 | 7 470 | 7 650 | 8 767 | 8 838 | 9 634 | 9 634 | 99.3% |
| Goods and services | 2 850 | 3 278 | 2 890 | 4 258 | 2 683 | 2 827 | 3 035 | 3 141 | 117.9% |
| Depreciation | 26 | 66 | 54 | 84 | 76 | 14 | 46 | 46 | 104.1% |
| Total expenses | 10 040 | 10 019 | 10 414 | 11 992 | 11 526 | 11 679 | 12 715 | 12 821 | 104.1% |
| Surplus/(Deficit) | (100) | 151 | (54) | (160) | (137) | (74) | (138) | (138) | - |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets of which: | 14 | 282 | 96 | 198 | 122 | 184 | 77 | 125 | 255.3% |
| Acquisition of assets | - | (141) | - | - | - | - | - | - | - |
| Receivables and prepayments | 62 | 99 | 99 | 90 | 55 | 56 | 55 | 55 | 110.7% |
| Cash and cash equivalents | - | 2 736 | - | 908 | 394 | 441 | 460 | 382 | 523.1% |
| Total assets | 76 | 3 117 | 195 | 1 196 | 571 | 681 | 592 | 562 | 387.4% |
| Accumulated surplus/(deficit) | - | 358 | 96 | 198 | 137 | 123 | 138 | 138 | 220.2% |
| Capital reserve fund | - | 1 250 | - | - | - | - | - | - | - |
| Trade and other payables | 76 | 1 259 | - | 679 | 97 | 350 | 97 | 203 | 922.6% |
| Provisions | - | 250 | - | 319 | 337 | 208 | 357 | 221 | 143.8% |
| Total equity and liabilities | 76 | 3 117 | 96 | 1 196 | 571 | 681 | 592 | 562 | 416.2% |

Statements of estimates of financial performance and position

Table 7.42 Accounting Standards Board statements of estimates of financial performance and position

| Statement of financial performance | | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|------------------|-------------------------|---------------------------------|----------------------|---------------|---------------|-------------------------|---------------------------------|
| R thousand | Revised estimate | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| Revenue | | | | | | | | |
| Non-tax revenue | 166 | -8.8% | 2.3% | 167 | 152 | 160 | -1.2% | 1.2% |
| Other non-tax revenue | 166 | -8.8% | 2.3% | 167 | 152 | 160 | -1.2% | 1.2% |
| Transfers received | 12 517 | 7.9% | 97.7% | 13 463 | 14 414 | 15 221 | 6.7% | 98.8% |
| Total revenue | 12 683 | 7.6% | 100.0% | 13 630 | 14 566 | 15 381 | 6.6% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 12 821 | 8.6% | 100.0% | 13 759 | 14 645 | 15 461 | 6.4% | 125.5% |
| Compensation of employees | 9 634 | 13.0% | 70.3% | 10 328 | 11 074 | 11 728 | 6.8% | 75.4% |
| Goods and services | 3 141 | -1.4% | 29.2% | 3 409 | 3 556 | 3 718 | 5.8% | 24.4% |
| Depreciation | 46 | -11.3% | 0.5% | 22 | 15 | 15 | -31.2% | 0.2% |
| Total expenses | 12 821 | 8.6% | 100.0% | 13 759 | 14 645 | 15 461 | 6.4% | 100.0% |
| Surplus/(Deficit) | (138) | (2) | | (129) | (79) | (80) | -16.6% | - |
| Statement of financial position | | | | | | | | |
| Carrying value of assets | 125 | -23.8% | 18.7% | 90 | 65 | 46 | -28.3% | 14.9% |
| Receivables and prepayments | 55 | -17.8% | 7.2% | 55 | 55 | 55 | - | 10.2% |
| Cash and cash equivalents | 382 | -48.1% | 74.1% | 418 | 398 | 409 | 2.3% | 74.8% |
| Total assets | 562 | -43.5% | 100.0% | 563 | 518 | 510 | -3.2% | 100.0% |
| Accumulated surplus/(deficit) | 138 | -27.2% | 17.7% | 116 | 79 | 46 | -30.7% | 17.4% |
| Trade and other payables | 203 | -45.6% | 46.2% | 213 | 192 | 203 | - | 37.7% |
| Provisions | 221 | -4.0% | 26.1% | 234 | 247 | 261 | 5.7% | 44.9% |
| Total equity and liabilities | 562 | -43.5% | 100.0% | 563 | 518 | 510 | -3.2% | 100.0% |

Personnel information

Table 7.43 Accounting Standards Board personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | 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 2015/16 | | | Revised estimate 2016/17 | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: level/Total (%) | | | | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | 2017/18 | | 2018/19 | | 2019/20 | | | | | | | |
| Accounting Standards Board | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| Salary level | 7 | 7 | 8.8 | 1.3 | 7 | 9.6 | 1.4 | 7 | 10.3 | 1.5 | 7 | 11.1 | 1.6 | 7 | 11.7 | 1.7 | 6.8% | 100.0% | |
| 1-6 | 1 | 1 | 1 | 0.2 | 0.2 | 1 | 0.2 | 0.2 | 1 | 0.2 | 0.2 | 1 | 0.2 | 0.2 | 1 | 0.3 | 0.3 | 5.2% | 14.3% |
| 7-10 | 1 | 1 | 1 | 0.5 | 0.5 | 1 | 0.7 | 0.7 | 1 | 0.7 | 0.7 | 1 | 0.8 | 0.8 | 1 | 0.8 | 0.8 | 6.4% | 14.3% |
| 11-12 | 2 | 2 | 2 | 2.2 | 1.1 | 2 | 2.3 | 1.2 | 2 | 2.6 | 1.3 | 2 | 2.8 | 1.4 | 2 | 2.9 | 1.5 | 8.0% | 28.6% |
| 13-16 | 3 | 3 | 3 | 6.0 | 2.0 | 3 | 6.4 | 2.1 | 3 | 6.8 | 2.3 | 3 | 7.3 | 2.4 | 3 | 7.7 | 2.6 | 6.4% | 42.9% |

1. Rand million.

Cooperative Banks Development Agency

Mandate

The Cooperative Banks Development Agency was established in terms of the Cooperative Banks Act (2007) with the 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 7.44 Cooperative Banks Development Agency performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|---|------------------------------|---|----------------|----------------|------------|----------|-------------|----------|-----------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Number of on-site inspections conducted on cooperative financial institutions per year | Supervision unit | Outcome 4: Decent employment through inclusive growth | 18 | 19 | 16 | 16 | 16 | 16 | 16 |
| Number of off-site reports of cooperative financial institutions processed per year | Supervision unit | | 70 | 68 | 74 | 60 | 60 | 60 | 60 |
| Percentage of cooperative financial institutions application and returns processed online through a return submission portal per year | Supervision unit | | - ¹ | - ¹ | 27% (8/30) | 50% (15) | 60% (18) | 80% (24) | 100% (30) |

Table 7.44 Cooperative Banks Development Agency performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|--|-----------------------------------|--|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Number of cooperative financial institutions managers and board members trained per year | Capacity building and information | Outcome 5: A skilled and capable workforce to support an inclusive growth path | 386 | 300 | 418 | 120 | 120 | 120 | 120 |
| Number of cooperative financial institutions provided with direct technical assistance per year | Capacity building and information | Entity mandate | -1 | 1 | 25 | 15 | 15 | 15 | 15 |
| Number of organised groups assisted with the establishment of a cooperative financial institution per year | Capacity building and information | | -1 | -1 | 3 | 2 | 2 | 2 | 2 |
| Number of cooperative financial institutions using the banking platform per year | Capacity building and information | | -1 | -1 | 3 | 10 | 20 | 30 | 40 |

1. No historical data available.

Expenditure analysis

The Cooperative Banks Development Agency's primary focus over the medium term will be on collaborating with sector stakeholders to build an integrated national cooperative banking system consisting of primary and secondary financial cooperatives, accelerating the establishment of the IT-based banking platform, improving operational efficiencies of cooperative finance institutions, and conducting site visits to applicants to gain insight into their operations as part of the supervisory process. These objectives 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 support the NDP's vision of promoting a sustainable cooperative banking environment that will contribute towards providing South Africans with access to affordable financial services.

The agency's total expenditure over the medium term period is expected to increase at an average rate of 5.4 per cent, from R36 million in 2016/17 to R42.2 million in 2019/20. The increase is mainly because of the establishment of the new central support services unit, which requires staff to implement and oversee the running of the banking platform system. Over the medium term, posts will increase to 33 due to new posts in the central support services unit relating to the banking platform project. Spending on compensation of employees is expected to increase at an average annual rate of 6.2 per cent, from R17.7 million in 2016/17 to R21.2 million in 2019/20.

Expenditure on goods and services will increase mainly because of travel and subsistence relating to visits to cooperative financial institutions for assessments, and to provide direct technical assistance, training relating to the IT banking system, and capacity building programmes. Spending on consultants and contractor services will increase from R6.9 million in 2016/17 to R7.8 million in 2019/20. Consultants and contractors are mainly used for specialised skills not found within the agency as it would not be cost effective to recruit full-time staff for these services.

Programmes/objectives/activities

Table 7.45 Cooperative Banks Development Agency expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | Revised estimate 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/Total (%) 2013/14 - 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/Total (%) 2016/17 - 2019/20 |
|-----------------------------------|-----------------|---------------|---------------|-----------------------------|--|---|----------------------------------|---------------|---------------|--|---|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 5 839 | 5 945 | 6 218 | 5 440 | -2.3% | 23.4% | 6 098 | 6 360 | 6 516 | 6.2% | 15.7% |
| Supervision unit | 3 843 | 4 445 | 5 415 | 5 176 | 10.4% | 18.3% | 5 831 | 6 240 | 6 589 | 8.4% | 15.3% |
| Capacity building and information | 10 007 | 12 335 | 12 306 | 6 196 | -14.8% | 41.8% | 6 579 | 6 981 | 7 372 | 6.0% | 17.4% |
| Central Support Services | - | - | 3 561 | 19 208 | - | 16.6% | 19 030 | 20 574 | 21 726 | 4.2% | 51.7% |
| Total | 19 689 | 22 725 | 27 500 | 36 020 | 22.3% | 100.0% | 37 538 | 40 155 | 42 204 | 5.4% | 100.0% |

Statements of historical financial performance and position

Table 7.46 Cooperative Banks Development Agency statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|---------|-----------------|---------|-----------------|---------|-----------------|-----------------|------------------|-----------------------------|
| R thousand | Budget | Audited outcome | Budget | Audited outcome | Budget | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
| | 2013/14 | | 2014/15 | | 2015/16 | | 2016/17 | | 2013/14 - 2016/17 |
| Revenue | | | | | | | | | |
| Non-tax revenue | – | 492 | – | 438 | 386 | 1 100 | 226 | 640 | 436.3% |
| Sale of goods and services other than capital assets | – | 12 | – | 4 | 5 | 10 | 5 | 5 | 310.0% |
| <i>of which:</i> | | | | | | | | | |
| Administrative fees | – | 7 | – | – | – | – | – | – | – |
| Sales by market establishment | – | 5 | – | 4 | 5 | 10 | 5 | 5 | 240.0% |
| Other non-tax revenue | – | 480 | – | 434 | 381 | 1 090 | 221 | 635 | 438.4% |
| Transfers received | 16 236 | 19 540 | 16 838 | 21 568 | 18 041 | 26 150 | 16 472 | 35 380 | 151.9% |
| Total revenue | 16 236 | 20 032 | 16 838 | 22 006 | 18 427 | 27 250 | 16 698 | 36 020 | 154.4% |
| Expenses | | | | | | | | | |
| Current expenses | 16 156 | 16 385 | 16 787 | 18 319 | 17 727 | 22 414 | 16 698 | 36 020 | 138.3% |
| Compensation of employees | 7 583 | 9 080 | 8 783 | 10 276 | 10 930 | 12 329 | 11 696 | 17 715 | 126.7% |
| Goods and services | 8 573 | 7 225 | 8 004 | 7 927 | 6 747 | 9 943 | 4 952 | 18 255 | 153.3% |
| Depreciation | – | 80 | – | 116 | 50 | 142 | 50 | 50 | 388.0% |
| Transfers and subsidies | – | 3 304 | – | 4 730 | 700 | 5 086 | – | – | 1 874.3% |
| Total expenses | 16 156 | 19 689 | 16 787 | 23 049 | 18 427 | 27 500 | 16 698 | 36 020 | 156.1% |
| Surplus/(Deficit) | 80 | 343 | 51 | (1 043) | – | (250) | – | – | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 489 | 250 | 244 | 168 | 252 | 974 | 232 | 728 | 174.2% |
| <i>of which:</i> | | | | | | | | | |
| Acquisition of assets | (80) | (155) | (50) | (33) | (70) | (948) | (30) | (300) | 624.3% |
| Receivables and prepayments | 20 | 337 | 22 | 549 | 583 | 1 355 | 617 | 617 | 230.1% |
| Cash and cash equivalents | 800 | 7 855 | 2 043 | 14 138 | 1 956 | 17 646 | 2 614 | 2 614 | 570.0% |
| Total assets | 1 309 | 8 442 | 2 309 | 14 855 | 2 791 | 19 975 | 3 463 | 3 959 | 478.4% |
| Accumulated surplus/(deficit) | 159 | 586 | 164 | 696 | 378 | 2 474 | 849 | 849 | 297.1% |
| Capital and reserves | – | 1 212 | 1 242 | 1 490 | 1 350 | 1 588 | 1 430 | 1 430 | 142.2% |
| Deferred income | – | 636 | – | 7 536 | – | 8 019 | – | – | – |
| Trade and other payables | 550 | 5 419 | 578 | 4 391 | 606 | 7 287 | 700 | 1 184 | 751.1% |
| Provisions | 600 | 589 | 326 | 742 | 457 | 607 | 484 | 496 | 130.4% |
| Total equity and liabilities | 1 309 | 8 442 | 2 309 | 14 855 | 2 791 | 19 975 | 3 463 | 3 959 | 478.4% |

Statements of estimates of financial performance and position

Table 7.47 Cooperative Banks Development Agency statements of estimates of financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|------------------|-------------------------|--------------------------------|----------------------|---------|---------|-------------------------|--------------------------------|--|
| R thousand | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) | |
| | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 640 | 9.2% | 2.6% | 519 | 474 | 300 | -22.3% | 1.3% | |
| Sale of goods and services other than capital assets | 5 | -25.3% | – | 7 | 7 | – | -100.0% | – | |
| <i>of which:</i> | | | | | | | | | |
| Sales by market establishment | 5 | – | – | 7 | 7 | – | -100.0% | – | |
| Other non-tax revenue | 635 | 9.8% | 2.5% | 512 | 467 | 300 | -22.1% | 1.3% | |
| Transfers received | 35 380 | 21.9% | 97.4% | 37 019 | 39 681 | 41 903 | 5.8% | 98.7% | |
| Total revenue | 36 020 | 21.6% | 100.0% | 37 538 | 40 155 | 42 203 | 5.4% | 100.0% | |
| Expenses | | | | | | | | | |
| Current expenses | 36 020 | 30.0% | 86.1% | 37 538 | 40 155 | 42 203 | 5.4% | 189.3% | |
| Compensation of employees | 17 715 | 25.0% | 46.2% | 18 571 | 19 552 | 21 213 | 6.2% | 49.4% | |
| Goods and services | 18 255 | 36.2% | 39.5% | 18 892 | 20 488 | 20 869 | 4.6% | 50.4% | |
| Depreciation | 50 | -14.5% | 0.4% | 75 | 115 | 121 | 34.4% | 0.2% | |
| Total expenses | 36 020 | 22.3% | 100.0% | 37 538 | 40 155 | 42 203 | 5.4% | 100.0% | |
| Surplus/(Deficit) | – | (1) | – | – | – | – | – | – | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 728 | 42.8% | 6.8% | 889 | 1 045 | 1 050 | 13.0% | 25.8% | |
| <i>of which:</i> | | | | | | | | | |
| Acquisition of assets | (300) | 24.6% | -3.6% | (356) | (400) | (200) | -12.6% | -8.6% | |
| Receivables and prepayments | 617 | 22.3% | 7.5% | 5 | 4 | 10 | -74.7% | 4.0% | |
| Cash and cash equivalents | 2 614 | -30.7% | 85.6% | 2 904 | 2 513 | 2 200 | -5.6% | 70.1% | |
| Total assets | 3 959 | -22.3% | 100.0% | 3 798 | 3 562 | 3 260 | -6.3% | 100.0% | |
| Accumulated surplus/(deficit) | 849 | 13.2% | 11.4% | 255 | 369 | 300 | -29.3% | 11.9% | |
| Capital and reserves | 1 430 | 5.7% | 17.1% | 1 530 | 1 618 | 1 715 | 6.2% | 43.6% | |
| Trade and other payables | 1 184 | -39.8% | 40.0% | 1 374 | 895 | 485 | -25.7% | 26.5% | |
| Provisions | 496 | -5.5% | 6.9% | 639 | 680 | 760 | 15.3% | 17.9% | |
| Total equity and liabilities | 3 959 | -22.3% | 100.0% | 3 798 | 3 562 | 3 260 | -6.3% | 100.0% | |

Personnel information

Table 7.48 Cooperative Banks Development Agency personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | | | | Number | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|--------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | |
| | | 2015/16 | | | 2016/17 | | | 2017/18 | | | 2018/19 | | | 2019/20 | | | | | |
| Co-operative Banks Development Agency | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | 2016/17 - 2019/20 | | |
| Salary level | 34 | 34 | 18 | 12.3 | 0.7 | 27 | 17.7 | 0.7 | 33 | 18.6 | 0.6 | 33 | 19.6 | 0.6 | 33 | 21.2 | 0.6 | 6.2% | 100.0% |
| 1 - 6 | 8 | 8 | 1 | 1.4 | 1.4 | 7 | 1.4 | 0.2 | 8 | 1.5 | 0.2 | 8 | 1.6 | 0.2 | 8 | 1.7 | 0.2 | 7.1% | 24.7% |
| 7 - 10 | 16 | 16 | 7 | 2.8 | 0.4 | 11 | 6.9 | 0.6 | 16 | 7.3 | 0.5 | 16 | 7.6 | 0.5 | 16 | 7.6 | 0.5 | 3.1% | 46.5% |
| 11 - 12 | 7 | 7 | 7 | 5.3 | 0.8 | 6 | 6.0 | 1.0 | 6 | 6.3 | 1.0 | 6 | 6.6 | 1.1 | 6 | 7.2 | 1.2 | 6.3% | 19.2% |
| 13 - 16 | 3 | 3 | 3 | 2.8 | 0.9 | 3 | 3.4 | 1.1 | 3 | 3.6 | 1.2 | 3 | 3.7 | 1.2 | 3 | 4.7 | 1.6 | 11.4% | 9.6% |

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

| Indicator | Programme/objective/activity | Outcome | Past | | Current | Projections | | | |
|--|------------------------------|---|---------|---------|---------|-------------|---------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Number of briefings on the Division of Revenue Bill submitted per year | Administration | Outcome 11: Create a better South Africa and contribute to a better Africa and a better world | 16 | 18 | 18 | 18 | 18 | 18 | 18 |
| Number of peer reviewed book chapters and publications produced per year | Research | | 11 | 11 | 7 | 4 | 4 | 4 | 4 |
| Number of public hearings on local government per year | Research | | 3 | 3 | 1 | 3 | 3 | 3 | 3 |

Expenditure analysis

The Financial and Fiscal Commission generates and disseminates influential policy recommendations to strengthen the intergovernmental system in order to realise constitutional provisions and the vision contained in the NDP. This is in line with outcome 11 (create a better South Africa and contribute to a better Africa and a better world) of government's 2014-2019 medium-term strategic framework in ensuring a fair and equitable division of revenue among the three spheres of government.

Over the medium term, the commission's spending focus will be on implementing the changes brought upon by the approval of the Financial and Fiscal Commission Amendment Bill. The bill provides for the appointment of a chief executive officer to the newly created administration programme and the transfer of responsibilities, the remuneration and asset acquisition from the chairperson to the chief executive officer. The bill also provides that the chairperson of the commission serves in a full-time capacity while the other members serve in part-time capacities.

The commission anticipates that with the appointment of a full-time chairperson and chief executive officer, additional expenditure would be required to adequately resource the offices. Over the medium term period, spending on compensation of employees is expected to increase at an average annual rate of 6.8 per cent, from R27.1 million in 2016/17 to R33.1 million in 2019/20. The commission has also reviewed its IT network and hardware infrastructure to improve organisational productivity. Total expenditure over the medium term is

expected to increase at an average annual rate of 7.7 per cent, from R44.9 million in 2016/17 to R56.2 million in 2019/20.

Revenue is expected to increase over the medium term period at an average rate of 7.7 per cent, from R44.9 million in 2016/17 to R56.2 million in 2019/20. The growth is mainly driven by inflationary adjustments to the baseline. As at 31 October 2016, the commission had filled all of its 32 funded positions on its organisational structure. Due to inadequate human resources capacity, the commission has outsourced certain integral services such as research, human resources management and internal audit. The commission aims to reduce the use of consultants in line with cost-containment initiatives.

Programmes/objectives/activities

Table 7.50 Financial and Fiscal Commission expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | Revised estimate 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/ Total (%) |
|----------------|-----------------|---------------|---------------|-----------------------------|--|---------------------------------|----------------------------------|---------------|---------------|--|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 20 398 | 26 997 | 21 166 | 24 712 | 6.6% | 54.5% | 30 309 | 31 410 | 33 163 | 10.3% | 58.2% |
| Research | 18 515 | 18 288 | 20 249 | 20 233 | 3.0% | 45.5% | 20 444 | 21 806 | 23 027 | 4.4% | 41.8% |
| Total | 38 913 | 45 285 | 41 415 | 44 945 | 4.9% | 100.0% | 50 753 | 53 216 | 56 190 | 7.7% | 100.0% |

Statements of historical financial performance and position

Table 7.51 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 | Average: Outcome/ Budget (%) 2013/14 - 2016/17 |
| | Budget | 2013/14 | Budget | 2014/15 | Budget | 2015/16 | | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 258 | 130 | 106 | 241 | 106 | 1 354 | 106 | 106 | 317.7% |
| Other non-tax revenue | 258 | 130 | 106 | 241 | 106 | 1 354 | 106 | 106 | 317.7% |
| Transfers received | 38 767 | 40 195 | 39 488 | 45 288 | 41 156 | 41 156 | 44 839 | 44 839 | 104.4% |
| Total revenue | 39 025 | 40 325 | 39 594 | 45 529 | 41 262 | 42 510 | 44 945 | 44 945 | 105.1% |
| Expenses | | | | | | | | | |
| Current expenses | 39 025 | 38 913 | 39 594 | 45 285 | 41 261 | 41 415 | 44 945 | 44 945 | 103.5% |
| Compensation of employees | 19 496 | 20 809 | 24 100 | 21 947 | 23 792 | 26 046 | 27 142 | 27 142 | 101.5% |
| Goods and services | 19 199 | 17 773 | 15 202 | 23 254 | 17 383 | 15 265 | 17 720 | 17 720 | 106.5% |
| Depreciation | 331 | 331 | 292 | 84 | 87 | 104 | 83 | 83 | 76.0% |
| Total expenses | 39 025 | 38 913 | 39 594 | 45 285 | 41 261 | 41 415 | 44 945 | 44 945 | 103.5% |
| Surplus/(Deficit) | - | 1 412 | - | 244 | - | 1 095 | - | - | - |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 790 | 736 | 754 | 709 | 744 | 1 230 | 791 | 791 | 112.5% |
| of which: | | | | | | | | | |
| Acquisition of assets | (128) | (250) | (136) | (68) | (72) | (627) | (77) | (77) | 247.4% |
| Receivables and prepayments | 40 | 450 | 57 | 144 | 144 | 152 | 144 | 144 | 231.2% |
| Cash and cash equivalents | 200 | 2 048 | 21 | 3 305 | 3 470 | 3 661 | 3 685 | 3 685 | 172.2% |
| Total assets | 1 030 | 3 234 | 832 | 4 158 | 4 359 | 5 043 | 4 620 | 4 620 | 157.3% |
| Accumulated surplus/(deficit) | (1 736) | (181) | (5 368) | 63 | 104 | 1 159 | 158 | 158 | -17.5% |
| Capital and reserves | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 919 | 100.0% |
| Trade and other payables | 1 447 | 1 534 | 4 617 | 1 882 | 1 975 | 1 294 | 2 098 | 2 098 | 67.2% |
| Provisions | 400 | 962 | 663 | 1 294 | 1 361 | 1 671 | 1 445 | 1 445 | 138.8% |
| Total equity and liabilities | 1 030 | 3 234 | 832 | 4 158 | 4 359 | 5 043 | 4 620 | 4 620 | 157.3% |

Statements of estimates of financial performance and position

Table 7.52 Financial and Fiscal Commission statements of estimates of financial performance and position

| Statement of financial performance | | | | | | | | | |
|------------------------------------|-----------------------------|--|---------------------------------|----------------------|---------------|---------------|--|---------------------------------|--|
| R thousand | Revised estimate 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/ Total (%) | |
| | | | | 2017/18 | 2018/19 | 2019/20 | | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 106 | -6.6% | 1.1% | 106 | 106 | 106 | - | 0.2% | |
| Other non-tax revenue | 106 | -6.6% | 1.1% | 106 | 106 | 106 | - | 0.2% | |
| Transfers received | 44 839 | 3.7% | 98.9% | 55 047 | 57 510 | 56 084 | 7.7% | 99.8% | |
| Total revenue | 44 945 | 3.7% | 100.0% | 55 153 | 57 616 | 56 190 | 7.7% | 100.0% | |
| Expenses | | | | | | | | | |
| Current expenses | 44 945 | 4.9% | 100.0% | 50 753 | 53 216 | 56 190 | 7.7% | 123.0% | |
| Compensation of employees | 27 142 | 9.3% | 56.3% | 28 988 | 31 337 | 33 092 | 6.8% | 58.8% | |
| Goods and services | 17 720 | -0.1% | 43.3% | 21 685 | 21 800 | 23 015 | 9.1% | 41.0% | |
| Depreciation | 83 | -36.9% | 0.4% | 81 | 79 | 83 | 0.2% | 0.2% | |
| Total expenses | 44 945 | 4.9% | 100.0% | 50 753 | 53 216 | 56 190 | 7.7% | 100.0% | |
| Surplus/(Deficit) | - | (1) | | 4 400 | 4 400 | - | - | - | |

Table 7.52 Financial and Fiscal Commission statements of estimates of financial performance and position

| Statement of financial position | Revised estimate | Average growth rate (%) | | Average: Expenditure/Total (%) | | | Average growth rate (%) | | | Average: Expenditure/Total (%) | | | | |
|-------------------------------------|------------------|-------------------------|-------------------|--------------------------------|--------------|----------|-------------------------|----------|---------|--------------------------------|-------------------|--|--|--|
| | | 2016/17 | 2013/14 - 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | | |
| R thousand | | | | | | | | | | | | | | |
| Carrying value of assets | 791 | 2.4% | 20.3% | 836 | 885 | - | -100.0% | - | | | | | | |
| of which: | | | | | | | | | | | | | | |
| Acquisition of assets | (77) | -32.6% | -5.9% | (81) | (86) | (91) | 5.7% | - | | | | | | |
| Receivables and prepayments | 144 | -31.6% | 5.9% | 144 | 144 | - | -100.0% | - | | | | | | |
| Cash and cash equivalents | 3 685 | 21.6% | 73.8% | 3 899 | 4 125 | - | -100.0% | - | | | | | | |
| Total assets | 4 620 | 12.6% | 100.0% | 4 880 | 5 154 | - | -100.0% | - | | | | | | |
| Accumulated surplus/(deficit) | 158 | -195.6% | 5.6% | 212 | 270 | - | -100.0% | - | | | | | | |
| Capital and reserves | 919 | - | 22.2% | 919 | 919 | - | -100.0% | - | | | | | | |
| Trade and other payables | 2 098 | 11.0% | 40.9% | 2 219 | 2 348 | - | -100.0% | - | | | | | | |
| Provisions | 1 445 | 14.5% | 31.3% | 1 529 | 1 618 | - | -100.0% | - | | | | | | |
| Total equity and liabilities | 4 620 | 12.6% | 100.0% | 4 879 | 5 155 | - | -100.0% | - | | | | | | |

Personnel information

Table 7.53 Financial and Fiscal Commission personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | | | Number | | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|--------------------------------|-----------|-------------------|-----------|--------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average Salary level/Total (%) | | | | |
| | | 2015/16 | | Unit cost | 2016/17 | | Unit cost | 2017/18 | | Unit cost | 2018/19 | | Unit cost | | | 2019/20 | | Unit cost | |
| Financial and Fiscal Commission | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | 2016/17 - 2019/20 | | |
| Salary level | 32 | 35 | 31 | 26.0 | 0.8 | 32 | 27.1 | 0.8 | 32 | 29.0 | 0.9 | 32 | 31.3 | 1.0 | 32 | 33.1 | 1.0 | 6.8% | 100.0% |
| 1 - 6 | 1 | 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 | 5.1% | 3.1% |
| 7 - 10 | 10 | 11 | 10 | 5.3 | 0.5 | 10 | 5.7 | 0.6 | 10 | 5.7 | 0.6 | 10 | 6.1 | 0.6 | 10 | 6.6 | 0.7 | 5.1% | 31.3% |
| 11 - 12 | 9 | 9 | 9 | 7.8 | 0.9 | 9 | 8.4 | 0.9 | 9 | 8.5 | 0.9 | 9 | 9.2 | 1.0 | 9 | 9.7 | 1.1 | 5.1% | 28.1% |
| 13 - 16 | 12 | 14 | 11 | 12.8 | 1.2 | 12 | 12.9 | 1.1 | 12 | 14.6 | 1.2 | 12 | 15.9 | 1.3 | 12 | 16.6 | 1.4 | 8.6% | 37.5% |

1. Rand million.

Financial Intelligence Centre

Mandate

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

Selected performance indicators

Table 7.54 Financial Intelligence Centre performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|---|--|---|----------------|---------|----------------|----------------|----------------|----------------|----------------|
| | | | 2013/14 | 2014/15 | 2015/16 | | 2016/17 | 2017/18 | 2018/19 |
| 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) | Outcome 3: All people in South Africa are and feel safe | R13.2m | R13.2m | R181m | R200m | R210m | R220m | R200m |
| 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) | | - ¹ | 22 | 20 | 22 | 24 | 26 | 30 |
| Number of accountable/reporting Institutions registered in terms of the Financial Intelligence Centre Act (2001) per year | Delivery of intelligence on financial crimes related to regulatory services in terms of the Financial Intelligence Centre Act (2001) | | 21 866 | 24 107 | - ² | - ² | - ² | - ² | - ² |
| Number of Financial Intelligence Centre inspection reports issued per year | Delivery of intelligence on financial crimes related to regulatory services in terms of the Financial Intelligence Centre Act (2001) | | - ¹ | 130 | 145 | 132 | 138 | 138 | 144 |

1. No historical data available.

2. Indicator phased out from 2015/16.

Expenditure analysis

Over the medium term, the Financial Intelligence Centre will focus on pursuing activities that strengthen its cooperation with partner agencies, nationally and internationally, and conducting supervisory inspections to ensure compliance with the Financial Intelligence Centre Act (2001). The centre will also focus on stabilising its analytics solution requirements and the maintenance of its ICT network, systems and solutions; increasing its capability and reliability; and streamlining information links with other law enforcement authorities and supervisory bodies. This is in line with outcome 3 (all people in South Africa are and feel safe) of government's 2014-2019 medium-term strategic framework, in recognition of the NDP's vision of building a resilient anti-corruption system.

In 2016/17, the centre launched an integrated software solution for the registration, reporting, data collection, analysis, case management and secure communications required for daily operational functions and requirements. This will lead to an increase in spending on computer services over the medium term period, at an average annual rate of 5 per cent, from R22.1 million in 2016/17 to R25.6 million in 2019/20.

Total expenditure is expected to increase at an average annual rate of 5.7 per cent over the medium term, from R276.8 million in 2016/17 to R326.8 million 2019/20, with spending on compensation of employees increasing at an average annual rate of 7 per cent, from R156.5 million in 2016/17 to R191.7 million in 2019/20. Spending on goods and services is also expected to increase over the same period, at an average annual rate of 5.7 per cent, from R90.3 million in 2016/17 to R106.8 million in 2019/20. As at 31 October 2016, the centre had 206 filled positions, and its headcount is expected to increase to 213 by 2019/20.

Programmes/objectives/activities

Table 7.55 Financial Intelligence Centre expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | Revised estimate 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/Total (%) 2013/14 - 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/Total (%) 2016/17 - 2019/20 |
|--|-----------------|----------------|----------------|-----------------------------|--|---|----------------------------------|----------------|----------------|--|---|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 57 857 | 40 155 | 38 625 | 46 420 | -7.1% | 19.3% | 49 157 | 52 088 | 55 573 | 6.2% | 17.0% |
| Delivery of intelligence on financial crimes and FIC Act-related regulatory services | 114 895 | 125 597 | 131 875 | 157 285 | 11.0% | 55.2% | 163 826 | 174 003 | 185 043 | 5.6% | 56.8% |
| Enablement of financial intelligence regulatory capabilities | 49 405 | 49 686 | 73 664 | 73 074 | 13.9% | 25.5% | 75 627 | 79 996 | 86 149 | 5.6% | 26.3% |
| Total | 222 157 | 215 438 | 244 164 | 276 779 | 7.6% | 100.0% | 288 610 | 306 088 | 326 764 | 5.7% | 100.0% |

Statements of historical financial performance and position

Table 7.56 Financial Intelligence Centre statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | Average: Outcome/Budget (%) 2013/14 - 2016/17 |
|--|----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|------------------|--|
| R thousand | Budget | Audited outcome | Budget | Audited outcome | Budget | Audited outcome | Budget estimate | Revised estimate | |
| | 2013/14 | 2014/15 | 2014/15 | 2015/16 | 2015/16 | 2016/17 | 2016/17 | 2016/17 | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 1 399 | 1 367 | 830 | 1 872 | 1 800 | 2 375 | 1 500 | 1 500 | 128.7% |
| Other non-tax revenue | 1 399 | 1 367 | 830 | 1 872 | 1 800 | 2 375 | 1 500 | 1 500 | 128.7% |
| Transfers received | 201 000 | 243 424 | 198 080 | 212 723 | 239 488 | 240 178 | 256 372 | 256 372 | 106.5% |
| Total revenue | 202 399 | 244 791 | 198 910 | 214 595 | 241 288 | 242 553 | 257 872 | 257 872 | 106.6% |
| Expenses | | | | | | | | | |
| Current expenses | 202 399 | 222 157 | 198 910 | 215 438 | 257 388 | 244 164 | 270 655 | 276 779 | 103.1% |
| Compensation of employees | 128 537 | 130 580 | 130 181 | 122 007 | 142 623 | 136 844 | 164 580 | 156 495 | 96.5% |
| Goods and services | 67 924 | 71 424 | 68 639 | 65 916 | 86 162 | 77 898 | 76 077 | 90 323 | 102.3% |
| Depreciation | 5 938 | 20 004 | - | 27 162 | 28 499 | 29 060 | 29 924 | 29 924 | 164.9% |
| Interest, dividends and rent on land | - | 149 | 90 | 354 | 104 | 362 | 73 | 37 | 337.8% |
| Total expenses | 202 399 | 222 157 | 198 910 | 215 438 | 257 388 | 244 164 | 270 655 | 276 779 | 103.1% |
| Surplus/(Deficit) | - | 22 634 | - | (843) | (16 100) | (1 611) | (12 783) | (18 907) | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 74 732 | 95 168 | 52 985 | 82 606 | 91 606 | 75 489 | 86 729 | 88 902 | 111.8% |
| of which: | | | | | | | | | |
| Acquisition of assets | (52 783) | (79 256) | - | (14 383) | (32 460) | (22 339) | (21 236) | (36 595) | 143.3% |
| Inventory | 242 | 217 | 200 | 99 | 99 | 87 | 99 | 99 | 78.4% |
| Receivables and prepayments | 2 675 | 5 822 | 22 676 | 5 121 | 4 216 | 2 518 | 2 350 | 2 350 | 49.5% |
| Cash and cash equivalents | - | 40 577 | - | 34 905 | 147 | 49 544 | 147 | 14 802 | 47 470.0% |
| Total assets | 77 649 | 141 784 | 75 861 | 122 731 | 96 068 | 127 638 | 89 325 | 106 153 | 147.0% |
| Accumulated surplus/(deficit) | 53 505 | 87 464 | 64 827 | 86 621 | 69 110 | 85 010 | 56 327 | 66 103 | 133.4% |
| Finance lease | 370 | 218 | - | 434 | 217 | 221 | 558 | 558 | 125.0% |
| Trade and other payables | 23 006 | 42 442 | 11 034 | 30 704 | 19 020 | 27 634 | 21 510 | 21 145 | 163.5% |
| Provisions | - | 11 660 | - | 4 972 | 7 721 | 14 773 | 10 930 | 18 347 | 266.7% |
| Derivatives financial instruments | 768 | - | - | - | - | - | - | - | - |
| Total equity and liabilities | 77 649 | 141 784 | 75 861 | 122 731 | 96 068 | 127 638 | 89 325 | 106 153 | 147.0% |

Statements of estimates of financial performance and position

Table 7.57 Financial Intelligence Centre statements of estimates of financial performance and position

| Statement of financial performance | | Average growth rate (%) | | Average: Expenditure/Total (%) | | Medium-term estimate | | | Average growth rate (%) | | Average: Expenditure/Total (%) | | |
|--|----------------|-------------------------|---------------|--------------------------------|----------------|----------------------|---------------|---------------|-------------------------|----------------|--------------------------------|-------------------|---------------|
| Revised estimate | | 2013/14 - 2016/17 | | 2017/18 | | 2018/19 | | | 2019/20 | | | 2016/17 - 2019/20 | |
| R thousand | | 2016/17 | | 2017/18 | | 2018/19 | | | 2019/20 | | | 2016/17 - 2019/20 | |
| Revenue | | | | | | | | | | | | | |
| Non-tax revenue | 1 500 | 3.1% | 0.7% | 1 500 | 1 500 | 1 584 | 1.8% | 0.5% | 1 500 | 1 500 | 1 584 | 1.8% | 0.5% |
| Other non-tax revenue | 1 500 | 3.1% | 0.7% | 1 500 | 1 500 | 1 584 | 1.8% | 0.5% | 1 500 | 1 500 | 1 584 | 1.8% | 0.5% |
| Transfers received | 256 372 | 1.7% | 99.3% | 270 191 | 285 862 | 301 870 | 5.6% | 99.5% | 270 191 | 285 862 | 301 870 | 5.6% | 99.5% |
| Total revenue | 257 872 | 1.8% | 100.0% | 271 691 | 287 362 | 303 454 | 5.6% | 100.0% | 271 691 | 287 362 | 303 454 | 5.6% | 100.0% |
| Expenses | | | | | | | | | | | | | |
| Current expenses | 276 779 | 7.6% | 100.0% | 288 610 | 306 088 | 326 764 | 5.7% | 130.9% | 288 610 | 306 088 | 326 764 | 5.7% | 130.9% |
| Compensation of employees | 156 495 | 6.2% | 57.0% | 167 450 | 179 171 | 191 713 | 7.0% | 57.9% | 167 450 | 179 171 | 191 713 | 7.0% | 57.9% |
| Goods and services | 90 323 | 8.1% | 31.8% | 95 654 | 100 135 | 106 770 | 5.7% | 32.8% | 95 654 | 100 135 | 106 770 | 5.7% | 32.8% |
| Depreciation | 29 924 | 14.4% | 11.1% | 25 467 | 26 741 | 28 238 | -1.9% | 9.3% | 25 467 | 26 741 | 28 238 | -1.9% | 9.3% |
| Interest, dividends and rent on land | 37 | -37.1% | 0.1% | 39 | 41 | 43 | 5.2% | - | 39 | 41 | 43 | 5.2% | - |
| Total expenses | 276 779 | 7.6% | 100.0% | 288 610 | 306 088 | 326 764 | 5.7% | 100.0% | 288 610 | 306 088 | 326 764 | 5.7% | 100.0% |
| Surplus/(Deficit) | (18 907) | (2) | - | (16 919) | (18 726) | (23 310) | 7.2% | - | (16 919) | (18 726) | (23 310) | 7.2% | - |
| Statement of financial position | | | | | | | | | | | | | |
| Carrying value of assets of which: | 88 902 | -2.2% | 69.3% | 84 026 | 64 915 | 49 533 | -17.7% | 92.5% | 84 026 | 64 915 | 49 533 | -17.7% | 92.5% |
| Acquisition of assets | (36 595) | -22.7% | -29.9% | (21 980) | (12 153) | (12 676) | -29.8% | -25.4% | (21 980) | (12 153) | (12 676) | -29.8% | -25.4% |
| Inventory | 99 | -23.0% | 0.1% | 99 | 99 | 87 | -4.2% | 0.1% | 99 | 99 | 87 | -4.2% | 0.1% |
| Receivables and prepayments | 2 350 | -26.1% | 3.1% | 1 759 | 1 787 | 1 200 | -20.1% | 2.3% | 1 759 | 1 787 | 1 200 | -20.1% | 2.3% |
| Cash and cash equivalents | 14 802 | -28.5% | 27.5% | 2 937 | 938 | 937 | -60.1% | 5.1% | 2 937 | 938 | 937 | -60.1% | 5.1% |
| Total assets | 106 153 | -9.2% | 100.0% | 88 821 | 67 738 | 51 757 | -21.3% | 100.0% | 88 821 | 67 738 | 51 757 | -21.3% | 100.0% |
| Accumulated surplus/(deficit) | 66 103 | -8.9% | 65.3% | 49 185 | 30 459 | 7 149 | -52.4% | 44.1% | 49 185 | 30 459 | 7 149 | -52.4% | 44.1% |
| Finance lease | 558 | 36.8% | 0.3% | - | - | 540 | -1.1% | 0.4% | - | - | 540 | -1.1% | 0.4% |
| Trade and other payables | 21 145 | -20.7% | 24.1% | 19 522 | 16 991 | 19 262 | -3.1% | 26.0% | 19 522 | 16 991 | 19 262 | -3.1% | 26.0% |
| Provisions | 18 347 | 16.3% | 10.3% | 20 114 | 20 288 | 24 806 | 10.6% | 29.5% | 20 114 | 20 288 | 24 806 | 10.6% | 29.5% |
| Total equity and liabilities | 106 153 | -9.2% | 100.0% | 88 821 | 67 738 | 51 757 | -21.3% | 100.0% | 88 821 | 67 738 | 51 757 | -21.3% | 100.0% |

Personnel information

Table 7.58 Financial Intelligence Centre personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|--------------------------------|-----------|-----|-----------|--------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average Salary level/Total (%) | | | | |
| | | 2015/16 | | Unit cost | 2016/17 | | Unit cost | 2017/18 | | Unit cost | 2018/19 | | Unit cost | | | 2019/20 | | Unit cost | |
| Financial Intelligence Centre | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| Salary level | 213 | 213 | 183 | 136.8 | 0.7 | 213 | 156.5 | 0.7 | 213 | 167.4 | 0.8 | 213 | 179.2 | 0.8 | 213 | 191.7 | 0.9 | 7.0% | 100.0% |
| 1-6 | 16 | 16 | 21 | 8.6 | 0.4 | 16 | 2.5 | 0.2 | 16 | 2.7 | 0.2 | 16 | 2.9 | 0.2 | 16 | 3.1 | 0.2 | 7.0% | 7.5% |
| 7-10 | 93 | 93 | 102 | 61.2 | 0.6 | 93 | 43.6 | 0.5 | 93 | 46.6 | 0.5 | 93 | 49.9 | 0.5 | 93 | 53.4 | 0.6 | 7.0% | 43.7% |
| 11-12 | 53 | 53 | 40 | 34.8 | 0.9 | 53 | 44.4 | 0.8 | 53 | 47.5 | 0.9 | 53 | 50.8 | 1.0 | 53 | 54.4 | 1.0 | 7.0% | 24.9% |
| 13-16 | 50 | 50 | 20 | 32.1 | 1.6 | 50 | 63.5 | 1.3 | 50 | 67.9 | 1.4 | 50 | 72.7 | 1.5 | 50 | 77.8 | 1.6 | 7.0% | 23.5% |
| 17-22 | 1 | 1 | - | 0.2 | - | 1 | 2.5 | 2.5 | 1 | 2.7 | 2.7 | 1 | 2.9 | 2.9 | 1 | 3.1 | 3.1 | 7.0% | 0.5% |

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) and thus the board is committed to promoting and maintaining a sound financial investment environment in South Africa. The board is also responsible for ensuring that the 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. The board advises the Minister of Finance through various advisory committees comprising industry experts.

Since its inception, the board has been a sector-focused prudential and market conduct regulator. In accordance with the financial reforms envisaged in the Financial Sector Regulation Bill, currently in Parliament, the board will cease to exist in its current form. It will become a new entity with a different name and mandate. The bill covers the first phase of a series of laws to introduce the twin peaks model of financial sector regulation with two authorities, one focusing on prudential supervision and the other on market conduct.

The bill proposes that the prudential supervision authority be housed in the South African Reserve Bank while the board becomes the new market conduct authority, with a mandate to protect customers of financial services organisations and improve the way financial services providers conduct their business. This authority will also be responsible for ensuring the integrity and efficiency of financial markets and promoting effective consumer education.

Selected performance indicators

Table 7.59 Financial Services Board performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|--|--|---|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Revenue collected from companies in the financial services sector per year | Administration | Outcome 6: An efficient, competitive and responsive economic infrastructure network | R576.8m | R625.4m | R705.7m | R728.9m | R787.4m | R859.2m | R907.4m |
| Number of financial advisory and intermediary sectors supervised per year | Supervise 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 | 10 158 | 9 715 | 10 469 | 10 235 | 10 849 | 11 500 | 12 190 |
| Number of long-term and short-term insurance sectors 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 and contribute to a better Africa and a better world | 186 | 182 | 174 | 175 | 176 | 177 | 178 |
| Number of retirement funds and friendly societies supervised per year | Supervise retirement funds and friendly societies | | 5 132 | 5 337 | 5 298 | 5 305 | 5 310 | 5 315 | 5 320 |
| Number of collective investment schemes supervised per year | Supervise the collective investment schemes in securities in terms of the Collective Investment Schemes Control Act (2002) | | 120 | 140 | 152 | 160 | 170 | 175 | 175 |
| Number of credit rating agencies supervised per year | Regulate credit rating agencies | Outcome 12: An efficient, effective and development-oriented public service | –1 | 4 | 3 | 3 | 3 | 3 | 3 |

1. No historical data available.

Expenditure analysis

The Financial Services Board plays a meaningful role in promoting growth, employment and poverty reduction through regulating the financial services sector and protecting customers. In line with outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework, the board is able to contribute to the area of poverty reduction through promoting access to employment, financial inclusion and education. The NDP envisages that small and new entrepreneurs will account for the creation of the majority of new jobs in the economy. An important strategy for the board is the promotion of new entrants to the financial services industry.

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

In this regard, over the medium term period, the board will regulate and supervise the financial services sector's conduct in the market, thereby ensuring the integrity and efficiency of the formal markets and allied institutions, protecting financial services consumers, and improving access, which includes providing financial literacy programmes through a new market conduct regulator. As at 31 October 2016, the board had 594 filled positions and 54 vacancies, 14 of which were set aside for new personnel to be involved in the implementation of the twin peaks model. Over the medium term, the funded establishment is expected to increase to 752 by 2019/20, mainly because of restructuring as a result of implementing the twin peaks model. Consequently, spending on compensation of employees is expected to increase from R430.9 million in 2016/17 to R511.7 million in 2019/20.

The board generates its revenue from levies raised from financial institutions and from fees charged for the licensing of financial institutions. Revenue is expected to increase over the medium term, from R728.9 million in 2016/17 to R907.4 million in 2019/20, mainly due to salary adjustments as well as an increase in the levy base.

Programmes/objectives/activities

Table 7.60 Financial Services Board expenditure trends and estimates by programme/objective/activity

| | Audited outcome | | | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|-----------------|----------------|----------------|------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2016/17 | 2017/18 | 2018/19 | | |
| R thousand | | | | | | | | | | | |
| Administration | 191 140 | 207 072 | 250 662 | 287 156 | 14.5% | 36.8% | 304 960 | 327 994 | 346 361 | 6.4% | 38.4% |
| Supervise the financial advisory and intermediary activities in the financial services sector in terms of the Financial Advisory and Intermediary Act (2002) | 123 074 | 119 997 | 142 331 | 148 236 | 6.4% | 21.1% | 163 993 | 173 322 | 181 240 | 6.9% | 20.2% |
| Supervise the long term and short term insurance industries in terms of the Long Term Insurance Act (1998) | 85 913 | 86 368 | 94 137 | 107 192 | 7.7% | 14.8% | 113 838 | 120 554 | 127 305 | 5.9% | 14.2% |
| Supervise retirement funds and friendly societies | 106 356 | 108 542 | 112 699 | 123 818 | 5.2% | 17.9% | 135 221 | 142 752 | 151 900 | 7.1% | 16.8% |
| Supervise the collective investment schemes in securities in terms of the Collective Investment Schemes Control Act (2002) | 23 413 | 21 592 | 28 269 | 42 357 | 21.8% | 4.5% | 44 983 | 47 637 | 50 305 | 5.9% | 5.6% |
| Supervise the South African licensed exchanges, central securities depositories and clearing houses in terms of the Securities Act (2004) | 10 759 | 14 482 | 12 976 | 15 243 | 12.3% | 2.1% | 16 188 | 17 143 | 18 103 | 5.9% | 2.0% |
| Combat market abuse in terms of the Securities Act (2004) | 12 679 | 11 587 | 13 598 | 14 068 | 3.5% | 2.1% | 14 940 | 15 822 | 16 708 | 5.9% | 1.9% |
| Regulate credit rating agencies | 3 254 | 4 403 | 4 907 | 5 835 | 21.5% | 0.7% | 6 197 | 6 562 | 6 930 | 5.9% | 0.8% |
| Total | 556 588 | 574 043 | 659 579 | 743 905 | 10.2% | 100.0% | 800 320 | 851 786 | 898 852 | 6.5% | 100.0% |

Statements of historical financial performance and position

Table 7.61 Financial Services Board statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------------------|
| | Budget | Audited outcome | Budget | Audited outcome | Budget | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/ Budget (%) |
| | 2013/14 | 2014/15 | 2014/15 | 2015/16 | 2015/16 | 2016/17 | 2016/17 | 2016/17 | 2013/14 - 2016/17 |
| R thousand | | | | | | | | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 531 654 | 585 750 | 588 681 | 634 259 | 644 911 | 705 673 | 719 241 | 728 869 | 106.8% |
| Sale of goods and services other than capital assets | 492 788 | 511 405 | 543 637 | 557 172 | 595 286 | 607 819 | 659 844 | 678 753 | 102.8% |
| of which: | | | | | | | | | |
| Sales by market establishment | 492 788 | 511 405 | 543 637 | 557 172 | 595 286 | 607 819 | 659 844 | 678 753 | 102.8% |
| Other non-tax revenue | 38 866 | 74 345 | 45 044 | 77 087 | 49 625 | 97 855 | 59 397 | 50 116 | 155.2% |
| Total revenue | 531 654 | 585 750 | 588 681 | 634 259 | 644 911 | 705 673 | 719 241 | 728 869 | 106.8% |
| Expenses | | | | | | | | | |
| Current expenses | 456 034 | 485 681 | 512 601 | 494 477 | 598 253 | 569 019 | 621 550 | 652 461 | 100.6% |
| Compensation of employees | 299 848 | 288 201 | 339 314 | 324 814 | 400 808 | 386 468 | 405 963 | 430 888 | 98.9% |
| Goods and services | 144 300 | 188 178 | 162 967 | 159 403 | 186 895 | 172 708 | 204 404 | 205 791 | 103.9% |
| Depreciation | 11 886 | 9 302 | 10 320 | 10 260 | 10 550 | 9 843 | 11 183 | 15 782 | 102.8% |
| Transfers and subsidies | 68 389 | 70 907 | 76 079 | 79 567 | 90 560 | 90 560 | 97 691 | 91 444 | 99.9% |
| Total expenses | 524 423 | 556 588 | 588 680 | 574 043 | 688 813 | 659 579 | 719 241 | 743 905 | 100.5% |
| Surplus/(Deficit) | 7 231 | 29 162 | - | 60 216 | (43 902) | 46 094 | - | (15 036) | - |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 31 474 | 37 758 | 27 881 | 34 247 | 56 296 | 45 217 | 57 299 | 119 922 | 137.1% |
| of which: | | | | | | | | | |
| Acquisition of assets | (20 245) | (17 488) | (9 800) | (7 171) | (25 709) | (30 699) | (29 044) | (32 541) | 103.7% |
| Investments | 38 883 | 54 248 | 33 433 | 66 632 | 69 964 | 68 316 | 73 462 | 71 901 | 121.0% |
| Inventory | 30 | - | - | - | - | - | - | - | - |
| Accrued investment interest | - | 101 | 450 | 466 | 210 | 92 | 216 | 98 | 86.4% |
| Receivables and prepayments | 36 442 | 16 191 | 17 650 | 28 426 | 15 488 | 20 395 | 15 952 | 18 643 | 97.8% |
| Cash and cash equivalents | 143 545 | 180 254 | 193 300 | 238 793 | 189 702 | 302 916 | 183 944 | 91 069 | 114.4% |
| Total assets | 250 374 | 288 552 | 272 714 | 368 565 | 331 659 | 436 937 | 330 874 | 301 633 | 117.7% |
| Accumulated surplus/(deficit) | 100 049 | 115 058 | 92 000 | 153 097 | 118 137 | 192 141 | 104 723 | 97 352 | 134.4% |
| Capital and reserves | 65 588 | 69 260 | 79 231 | 81 662 | 83 193 | 88 712 | 85 688 | 54 352 | 93.7% |
| Finance lease | - | - | - | - | - | 133 | - | - | - |
| Trade and other payables | 59 601 | 49 535 | 38 499 | 62 937 | 63 341 | 81 770 | 75 270 | 84 229 | 117.6% |
| Provisions | 25 137 | 54 699 | 62 984 | 70 808 | 66 989 | 74 171 | 65 192 | 65 700 | 120.5% |
| Derivatives financial instruments | - | - | - | 60 | - | 9 | - | - | - |
| Total equity and liabilities | 250 374 | 288 552 | 272 714 | 368 564 | 331 659 | 436 937 | 330 874 | 301 633 | 117.7% |

Statements of estimates of financial performance and position

Table 7.62 Financial Services Board statements of estimates of financial performance and position

| Statement of financial performance | | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|-----------------|-------------------------|---------------------------------|----------------------|----------------|----------------|-------------------------|---------------------------------|
| Revised estimate | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| R thousand | | | | | | | | |
| Revenue | | | | | | | | |
| Non-tax revenue | 728 869 | 7.6% | 100.0% | 787 443 | 859 242 | 907 359 | 7.6% | 100.0% |
| Sale of goods and services other than capital assets | 678 753 | 9.9% | 88.6% | 716 763 | 756 902 | 799 288 | 5.6% | 90.1% |
| <i>of which:</i> | | | | | | | | |
| Sales by market establishment | 678 753 | 9.9% | 88.6% | 716 763 | 756 902 | 799 288 | 5.6% | 90.1% |
| Other non-tax revenue | 50 116 | -12.3% | 11.4% | 70 680 | 102 340 | 108 071 | 29.2% | 9.9% |
| Total revenue | 728 869 | 7.6% | 100.0% | 787 443 | 859 242 | 907 359 | 7.6% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 652 461 | 10.3% | 86.8% | 692 914 | 738 837 | 780 212 | 6.1% | 117.7% |
| Compensation of employees | 430 888 | 14.3% | 56.2% | 457 603 | 484 602 | 511 740 | 5.9% | 57.2% |
| Goods and services | 205 791 | 3.0% | 28.9% | 218 550 | 236 486 | 249 729 | 6.7% | 27.6% |
| Depreciation | 15 782 | 19.3% | 1.8% | 16 761 | 17 749 | 18 743 | 5.9% | 2.1% |
| Transfers and subsidies | 91 444 | 8.8% | 13.2% | 107 406 | 112 950 | 118 640 | 9.1% | 13.0% |
| Total expenses | 743 905 | 10.2% | 100.0% | 800 320 | 851 787 | 898 852 | 6.5% | 100.0% |
| Surplus/(Deficit) | (15 036) | (2) | - | (12 877) | 7 455 | 8 507 | -182.7% | - |
| Statement of financial position | | | | | | | | |
| Carrying value of assets | 119 922 | 47.0% | 18.1% | 123 520 | 127 225 | 131 042 | 3.0% | 39.8% |
| <i>of which:</i> | | | | | | | | |
| Acquisition of assets | (32 541) | 23.0% | -6.5% | (34 558) | (36 597) | (38 647) | 5.9% | -11.3% |
| Investments | 71 901 | 9.8% | 19.1% | 74 058 | 76 280 | 78 568 | 3.0% | 23.8% |
| Accrued investment interest | 98 | -1.0% | 0.1% | 101 | 104 | 107 | 3.0% | 0.0% |
| Receivables and prepayments | 18 643 | 4.8% | 6.0% | 19 202 | 19 778 | 20 372 | 3.0% | 6.2% |
| Cash and cash equivalents | 91 069 | -20.4% | 56.7% | 93 801 | 96 615 | 99 514 | 3.0% | 30.2% |
| Total assets | 301 633 | 1.5% | 100.0% | 310 682 | 320 002 | 329 603 | 3.0% | 100.0% |
| Accumulated surplus/(deficit) | 97 352 | -5.4% | 39.4% | 100 273 | 103 281 | 106 379 | 3.0% | 32.3% |
| Capital and reserves | 54 352 | -7.8% | 21.1% | 55 983 | 57 662 | 59 392 | 3.0% | 18.0% |
| Trade and other payables | 84 229 | 19.4% | 20.2% | 86 756 | 89 359 | 92 039 | 3.0% | 27.9% |
| Provisions | 65 700 | 6.3% | 19.2% | 67 671 | 69 701 | 71 792 | 3.0% | 21.8% |
| Total equity and liabilities | 301 633 | 1.5% | 100.0% | 310 682 | 320 002 | 329 603 | 3.0% | 100.0% |

Personnel information

Table 7.63 Financial Services Board personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | Number | | | | | | |
|---|---|--|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|------|--------|-------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | 2015/16 | | Unit cost | 2016/17 | | Unit cost | 2017/18 | | 2018/19 | | 2019/20 | | | | 2016/17 - 2019/20 | | | |
| Financial Services Board | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| Salary level | 670 | 560 | 386.5 | 0.7 | 648 | 430.9 | 0.7 | 698 | 457.6 | 0.7 | 724 | 484.6 | 0.7 | 752 | 511.7 | 0.7 | 5.9% | 100.0% | |
| 1 - 6 | 129 | 129 | 94 | 25.7 | 0.3 | 124 | 28.6 | 0.2 | 136 | 30.5 | 0.2 | 142 | 32.3 | 0.2 | 148 | 34.1 | 0.2 | 6.0% | 19.5% |
| 7 - 10 | 196 | 196 | 168 | 68.8 | 0.4 | 186 | 75.2 | 0.4 | 203 | 81.4 | 0.4 | 211 | 83.9 | 0.4 | 223 | 88.4 | 0.4 | 5.5% | 29.1% |
| 11 - 12 | 132 | 132 | 115 | 65.9 | 0.6 | 130 | 76.2 | 0.6 | 136 | 79.9 | 0.6 | 138 | 84.8 | 0.6 | 140 | 90.3 | 0.6 | 5.8% | 19.3% |
| 13 - 16 | 168 | 168 | 143 | 135.1 | 0.9 | 164 | 160.2 | 1.0 | 175 | 170.1 | 1.0 | 182 | 181.1 | 1.0 | 188 | 190.9 | 1.0 | 6.0% | 25.1% |
| 17 - 22 | 45 | 45 | 40 | 90.9 | 2.3 | 44 | 90.7 | 2.1 | 48 | 95.8 | 2.0 | 51 | 102.5 | 2.0 | 53 | 108.1 | 2.0 | 6.0% | 6.9% |

¹. Rand million.

Government Pensions Administration Agency

Mandate

The Government Pensions Administration Agency provides pension administration services to the Government Employees Pension Fund in terms of the Government Employees Pension Fund Act (1979) and the Associated Institutions Pension Fund Act (1963). Post-retirement medical subsidies are administered as provided for and regulated by the Public Services Bargaining Council resolutions; military pensions are administered in terms of the Military Pensions Act (1976); 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 7.64 Government Pensions Administration Agency performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|--|------------------------------|---|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Number of members receiving special pensions per year | Civil and military pension | Outcome 12: An efficient, effective and development-oriented public service | 7 800 | 7 704 | 7 443 | 8 150 | 8 200 | 8 282 | 8 365 |
| Number of beneficiaries receiving post-retirement medical benefit per year | Civil and military pension | | 85 086 | 88 086 | 91 086 | 94 086 | 95 025 | 95 977 | 96 937 |
| Amount of contributions to medical aid scheme paid on behalf of members per year | Civil and military pension | | R1.6bn | R1.7bn | R1.9bn | R2bn | R2.2bn | R2.2bn | R2.2bn |
| Amount of military pension benefits paid to beneficiaries per year | Civil and military pension | | R563m | R597m | R633m | R671m | R690m | R697m | R704m |
| Number of beneficiaries paid due to withdrawal from fund per year | Employee benefit | | 58 850 | 62 000 | 61 500 | 61 000 | 60 000 | 60 600 | 61 206 |
| Number of beneficiaries paid for funeral benefits per year | Employee benefit | | 23 500 | 24 500 | 26 000 | 27 000 | 27 500 | 27 775 | 28 053 |
| Value of benefits paid due to withdrawal from the fund per year | Employee benefit | | R50m | R57m | R65m | R75m | R83m | R95m | R110m |

Expenditure analysis

The Government Pensions Administration Agency's focus over the medium term will continue to be on its modernisation project, which aims to enhance 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. These objectives are in line with outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium term strategic framework, and recognise the NPD's vision of building a capable and developmental state.

The agency receives 93 per cent of its revenue from the Government Employees Pension Fund and 7 per cent from a transfer from National Treasury. The increase in revenue from R647.8 million in 2013/14 to R871.3 million in 2015/16 was largely due to increased allocations to implement the modernisation project.

With the completion of the modernisation project, the agency expects to have improved efficiencies with automated core pension administration functions, including benefits payments and membership maintenance processes. As the programme enters its final stages in 2018/19 and 2019/20, total expenditure is expected to decrease at an average annual rate of 3.7 per cent, from R1.2 billion in 2016/17 to R1.1 billion in 2019/20.

The agency employs consultants to implement a variety of IT projects as part of the modernisation project. Once implemented, the use of consultants will decrease and permanent staff will be required to operate or maintain the new processes. As a result, spending on goods and services such as computer services, computer maintenance and ICT consultants is expected to decrease over the medium term period, from R441.4 million in 2017/18 to R435.4 million in 2019/20.

As at 31 October 2016, the agency had 984 filled positions and 118 vacant posts. The filling of vacancies is dependent on the completion of the modernisation project. Expenditure on compensation of employees is expected to increase from R519.1 million in 2017/18 to R581.6 million in 2019/20.

Programmes/objectives/activities

Table 7.65 Government Pensions Administration Agency expenditure trends and estimates by programme/objective/activity

| | Audited outcome | | | | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--------------------------------|-----------------|----------------|----------------|------------------|------------------|-------------------------|---------------------------------|----------------------------------|------------------|--------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| R thousand | | | | | | | | | | | | |
| Administration | 216 810 | 540 383 | 586 444 | 814 129 | 55.4% | 58.7% | 715 051 | 697 481 | 675 351 | -6.0% | 64.7% | |
| Benefit Administration | 51 858 | 264 963 | 284 865 | 405 283 | 98.4% | 26.7% | 369 656 | 394 243 | 412 257 | 0.6% | 35.3% | |
| Employee benefit | 74 161 | - | - | - | -100.0% | 2.9% | - | - | - | - | - | |
| Client relationship management | 138 529 | - | - | - | -100.0% | 5.3% | - | - | - | - | - | |
| Business enablement | 166 490 | - | - | - | -100.0% | 6.4% | - | - | - | - | - | |
| Total | 647 848 | 805 346 | 871 309 | 1 219 412 | 23.5% | 100.0% | 1 084 707 | 1 091 724 | 1 087 608 | -3.7% | 100.0% | |

Statements of historical financial performance and position

Table 7.66 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 | Average: Outcome/Budget (%) |
| | 2013/14 | | 2014/15 | | 2015/16 | | 2016/17 | | 2013/14 - 2016/17 |
| Revenue | | | | | | | | | |
| Non-tax revenue | 741 126 | 647 848 | 1 289 602 | 805 346 | 1 388 495 | 871 309 | 1 317 173 | 1 219 412 | 74.8% |
| Sale of goods and services other than capital assets | 741 126 | 647 565 | 1 289 602 | 804 991 | 1 388 495 | 871 309 | 1 317 173 | 1 219 412 | 74.8% |
| <i>of which:</i> | | | | | | | | | |
| Administrative fees | 741 126 | 647 565 | 1 289 602 | 804 991 | 1 388 495 | 871 309 | 1 317 173 | 1 219 412 | 74.8% |
| Other non-tax revenue | - | 283 | - | 355 | - | - | - | - | - |
| Total revenue | 741 126 | 647 848 | 1 289 602 | 805 346 | 1 388 495 | 871 309 | 1 317 173 | 1 219 412 | 74.8% |
| Expenses | | | | | | | | | |
| Current expenses | 741 126 | 647 848 | 1 289 602 | 805 346 | 1 388 495 | 871 309 | 1 317 173 | 1 219 412 | 74.8% |
| Compensation of employees | 399 158 | 330 304 | 465 684 | 382 948 | 481 706 | 433 875 | 430 953 | 484 886 | 91.8% |
| Goods and services | 310 498 | 305 160 | 730 770 | 397 947 | 785 184 | 378 537 | 739 537 | 608 117 | 65.9% |
| Depreciation | 31 470 | 12 384 | 93 148 | 24 451 | 121 605 | 58 897 | 146 683 | 126 409 | 56.5% |
| Total expenses | 741 126 | 647 848 | 1 289 602 | 805 346 | 1 388 495 | 871 309 | 1 317 173 | 1 219 412 | 74.8% |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 45 952 | 164 560 | 93 148 | 250 790 | 69 575 | 69 575 | 71 626 | 71 626 | 198.6% |
| <i>of which:</i> | | | | | | | | | |
| Acquisition of assets | (47 924) | (150 183) | (93 147) | (110 654) | (69 575) | (131 316) | (146 683) | (146 683) | 150.8% |
| Inventory | 500 | 817 | 1 168 | 566 | 1 368 | 1 368 | 1 100 | 1 100 | 93.1% |
| Receivables and prepayments | 16 500 | 137 061 | 15 300 | 68 305 | 15 800 | 15 800 | 14 791 | 14 791 | 378.2% |
| Cash and cash equivalents | 23 200 | 29 012 | 12 352 | 50 161 | 12 622 | 12 622 | 12 000 | 12 000 | 172.5% |
| Total assets | 86 152 | 331 450 | 121 968 | 369 822 | 99 365 | 99 365 | 99 517 | 99 517 | 221.2% |
| Accumulated surplus/(deficit) | 26 968 | 166 934 | 26 968 | 279 943 | 5 843 | 5 843 | 5 843 | 5 843 | 698.8% |
| Trade and other payables | 32 500 | 141 422 | 70 000 | 67 706 | 71 000 | 71 000 | 71 152 | 71 152 | 143.6% |
| Provisions | 26 684 | 23 094 | 25 000 | 22 173 | 22 522 | 22 522 | 22 522 | 22 522 | 93.4% |
| Total equity and liabilities | 86 152 | 331 450 | 121 968 | 369 822 | 99 365 | 99 365 | 99 517 | 99 517 | 221.2% |

Statements of estimates of financial performance and position

Table 7.67 Government Pensions Administration Agency statements of estimates of financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|------------------|-------------------------|--------------------------------|----------------------|-----------|-----------|-------------------------|--------------------------------|--|
| R thousand | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) | |
| | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 1 219 412 | 23.5% | 100.0% | 1 084 707 | 1 091 725 | 1 087 608 | -3.7% | 100.0% | |
| Sale of goods and services other than capital assets | 1 219 412 | 23.5% | 100.0% | 1 084 707 | 1 091 725 | 1 087 608 | -3.7% | 100.0% | |
| <i>of which:</i> | | | | | | | | | |
| Administrative fees | 1 219 412 | 23.5% | 100.0% | 1 084 707 | 1 091 725 | 1 087 608 | -3.7% | 100.0% | |
| Total revenue | 1 219 412 | 23.5% | 100.0% | 1 084 707 | 1 091 725 | 1 087 608 | -3.7% | 100.0% | |
| Expenses | | | | | | | | | |
| Current expenses | 1 219 412 | 23.5% | 100.0% | 1 084 707 | 1 091 724 | 1 087 608 | -3.7% | 125.7% | |
| Compensation of employees | 484 886 | 13.7% | 47.0% | 519 134 | 548 632 | 581 624 | 6.3% | 47.8% | |
| Goods and services | 608 117 | 25.8% | 47.5% | 441 375 | 446 255 | 435 420 | -10.5% | 42.9% | |
| Depreciation | 126 409 | 116.9% | 5.5% | 124 198 | 96 837 | 70 564 | -17.7% | 9.3% | |
| Total expenses | 1 219 412 | 23.5% | 100.0% | 1 084 707 | 1 091 724 | 1 087 608 | -3.7% | 100.0% | |
| Surplus/(Deficit) | - | - | - | - | 1 | - | - | - | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 71 626 | -24.2% | 64.9% | 202 834 | 299 671 | 370 236 | 72.9% | 86.1% | |
| <i>of which:</i> | | | | | | | | | |
| Acquisition of assets | (146 683) | -0.8% | -88.7% | (124 197) | (96 838) | (70 565) | -21.6% | -62.1% | |
| Inventory | 1 100 | 10.4% | 0.7% | 1 370 | 1 370 | 1 370 | 7.6% | 0.6% | |
| Receivables and prepayments | 14 791 | -52.4% | 22.6% | 15 300 | 15 300 | 15 300 | 1.1% | 7.5% | |
| Cash and cash equivalents | 12 000 | -25.5% | 11.8% | 11 100 | 11 100 | 11 100 | -2.6% | 5.8% | |
| Total assets | 99 517 | -33.0% | 100.0% | 230 604 | 327 441 | 398 006 | 58.7% | 100.0% | |
| Accumulated surplus/(deficit) | 5 843 | -67.3% | 34.5% | 130 041 | 226 878 | 297 443 | 270.6% | 51.6% | |
| Trade and other payables | 71 152 | -20.5% | 51.0% | 74 541 | 74 541 | 74 541 | 1.6% | 36.3% | |
| Provisions | 22 522 | -0.8% | 14.6% | 26 022 | 26 022 | 26 022 | 4.9% | 12.1% | |
| Total equity and liabilities | 99 517 | -33.0% | 100.0% | 230 604 | 327 441 | 398 006 | 58.7% | 100.0% | |

Personnel information

Table 7.68 Government Pensions Administration Agency personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | | | | Number | | |
|---|---|--|-----------|-----------|------------------|-----------|-----------|----------------------------------|-----------|-----------|---------|-----------|-----------|-------------------|-----------|-------------------|-------------------------|---------------------------------|--------|
| Number of funded posts | Number of posts on approved establishment | | | | | | | | | | | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | |
| | | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | 2016/17 - 2019/20 | | | | | |
| | | 2015/16 | | Unit cost | 2016/17 | | Unit cost | 2017/18 | | Unit cost | 2018/19 | | Unit cost | 2019/20 | | Unit cost | | | |
| Government Pensions Administration Agency | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | 2016/17 - 2019/20 | 2016/17 - 2019/20 | | |
| Salary level | 1 373 | 1 026 | 1 370 | 433.9 | 0.3 | 1 102 | 484.9 | 0.4 | 1 330 | 519.1 | 0.4 | 1 330 | 548.6 | 0.4 | 1 330 | 581.6 | 0.4 | 6.3% | 100.0% |
| 1 – 6 | 801 | 572 | 801 | 151.0 | 0.2 | 639 | 168.7 | 0.3 | 720 | 181.3 | 0.3 | 720 | 191.0 | 0.3 | 720 | 202.0 | 0.3 | 6.2% | 55.1% |
| 7 – 10 | 425 | 348 | 424 | 146.6 | 0.3 | 336 | 163.9 | 0.5 | 455 | 174.4 | 0.4 | 455 | 185.2 | 0.4 | 455 | 197.1 | 0.4 | 6.3% | 33.3% |
| 11 – 12 | 97 | 66 | 95 | 75.7 | 0.8 | 86 | 84.6 | 1.0 | 99 | 89.6 | 0.9 | 99 | 95.8 | 1.0 | 99 | 101.5 | 1.0 | 6.3% | 7.5% |
| 13 – 16 | 50 | 40 | 50 | 60.6 | 1.2 | 41 | 67.7 | 1.7 | 56 | 73.8 | 1.3 | 56 | 76.7 | 1.4 | 56 | 81.1 | 1.4 | 6.2% | 4.1% |

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

| Indicator | Programme/Objective/Activity | Outcome | Past | | | Current | Projections | | |
|---|--|---|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Number of technical advisory projects supported per year | Technical and professional management services | Outcome 12: An efficient, effective and development-oriented public service | 95 | 100 | 135 | 100 | 120 | 140 | 160 |
| Number of transactional advisory projects supported per year | Technical and professional management services | Outcome 6: An efficient, competitive and responsive economic infrastructure network | -1 | -1 | 10 | 12 | 15 | 17 | 19 |
| Number of capital project appraisals analysed per year | Technical and professional management services | Outcome 12: An efficient, effective and development-oriented public service | -1 | 3 | 16 | 3 | 5 | 5 | 5 |
| Number of expenditure reviews conducted per year | Technical and professional management services | Outcome 6: An efficient, competitive and responsive economic infrastructure network | -1 | -1 | 5 | 10 | 10 | 10 | 10 |
| Number of other specialised procurement projects supported per year | Technical and professional management services | Outcome 12: An efficient, effective and development-oriented public service | -1 | -1 | -1 | 10 | 10 | 10 | 10 |

1. No historical data available.

Expenditure analysis

The Government Technical Advisory Centre's role is to support policy development, programme implementation and public finance management through advisory and professional support services, drawing on internal resources and independent service providers. In addition, it contributes to public service research and capacity building by partnering with academic and research centres, and developing public finance management training programmes. Over the medium term, the centre will focus on implementing the Jobs Fund, and providing advisory services to government departments and other organs of state. The fund has been operationalised to create 150 000 sustainable job opportunities over the medium term. This is in line with outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework.

As a new entity, between 2013/14 and 2015/16, the centre was in the process of developing capacity in order to deliver on its mandate, which included costs for setting up the centre, filling posts, implementing an integrated programme and project management information system, and setting up a corporate support service. Over the medium term, expenditure is expected to decrease from R1.1 billion in 2017/18 to R1 billion in 2019/20 mainly

because of the revised projections of the independent power-producer procurement programme resulting from the uncertainty of the power purchase agreement with Eskom and independent power producers.

Expenditure on consultants constitutes 90 per cent of the entity's spending on goods and services. These costs are expected to decrease at an average annual rate of 7 per cent over the medium term, from R1.1 billion in 2016/17 to R958 million in 2019/20. Consultants are mainly used for technical support services related to management consulting support, public finance matters, programme and project management support, strategic planning and management for results, ICT-related project support, specialised procurement support, infrastructure advisory support and policy costing support. Longer-term technical advisory support and shorter-term technical advisers will continue to be contracted for assignments as and when required.

As at 31 October 2016, the entity had 120 filled positions, with the staff complement expected to increase to 137 over the medium term period. The increase in capacity is expected to assist the entity in achieving its objectives of supporting 300 technical assistance projects and 30 other specialised procurement projects over the period.

The entity derives its revenue mainly from management fees, transfers from National Treasury, investment income and donor funding. Revenue increases from R1.2 billion in 2017/18 to R1.3 billion in 2019/20, mainly because of increased job creation initiatives through grant disbursements to institutions whose business plans are accepted.

Programmes/objectives/activities

Table 7.70 Government Technical Advisory Centre expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|-----------------|----------------|----------------|----------------|------------------|-------------------------|---------------------------------|----------------------------------|------------------|-------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 14 979 | 11 199 | 25 786 | 35 081 | 32.8% | 3.1% | 60 060 | 67 301 | 81 139 | 32.2% | 5.8% | |
| Technical and Professional Services | 149 134 | 220 765 | 269 653 | 292 051 | 25.1% | 34.2% | 128 812 | 132 083 | 131 590 | -23.3% | 17.4% | |
| Project Management Unit (Jobs fund, MFIP II, IPPP and NDP) | 91 702 | 91 671 | 55 571 | 87 101 | -1.7% | 13.1% | 946 160 | 905 358 | 835 029 | 112.4% | 63.8% | |
| Independent Power Producer Procurement Programme Account | 211 762 | 241 891 | 479 973 | 454 678 | 29.0% | 49.5% | - | - | - | -100.0% | 13.1% | |
| Total | 467 577 | 565 526 | 830 983 | 868 911 | 22.9% | 100.0% | 1 135 032 | 1 104 742 | 1 047 758 | 6.4% | 100.0% | |

Statements of historical financial performance and position

Table 7.71 Government Technical Advisory Centre statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|---------|---------|-----------------|---------|-------------------|-----------|-----------------|-----------|------------------------------|
| R thousand | Budget | | Audited outcome | | Budget | | Audited outcome | | Average: Outcome/ Budget (%) |
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | | | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | - | 384 672 | - | 646 725 | 954 856 | 201 119 | 1 509 732 | 275 832 | 61.2% |
| Sale of goods and services other than capital assets | - | 374 077 | - | 608 777 | 954 656 | 136 280 | 1 501 979 | 246 764 | 55.6% |
| of which: | | | | | | | | | |
| Administrative fees | - | 346 577 | - | 608 777 | 913 658 | 132 577 | 1 455 016 | 130 793 | 51.5% |
| Sales by market establishment | - | - | - | - | - | 3 703 | - | 115 971 | - |
| Other sales | - | 27 500 | - | - | 40 998 | - | 46 963 | - | 31.3% |
| Other non-tax revenue | - | 10 595 | - | 37 948 | 200 | 64 839 | 7 753 | 29 068 | 1 791.1% |
| Transfers received | - | 153 189 | - | 139 499 | 995 564 | 258 627 | 812 159 | 305 295 | 47.4% |
| Total revenue | - | 537 861 | - | 786 224 | 1 950 420 | 459 746 | 2 321 891 | 581 127 | 55.4% |
| Expenses | | | | | | | | | |
| Current expenses | - | 257 456 | - | 565 526 | 464 489 | 830 983 | 1 314 005 | 868 911 | 141.9% |
| Compensation of employees | - | 49 270 | - | 35 061 | 99 435 | 62 861 | 103 303 | 100 101 | 122.0% |
| Goods and services | - | 205 959 | - | 530 439 | 362 333 | 767 865 | 1 210 499 | 768 658 | 144.5% |
| Depreciation | - | 2 227 | - | 25 | 2 721 | 257 | 202 | 152 | 91.0% |
| Transfers and subsidies | - | 210 121 | - | - | 1 485 931 | - | 1 000 000 | - | 8.5% |
| Total expenses | - | 467 577 | - | 565 526 | 1 950 420 | 830 983 | 2 314 005 | 868 911 | 64.1% |
| Surplus/(Deficit) | - | 70 284 | - | 220 698 | - | (371 237) | 7 886 | (287 784) | |

Table 7.71 Government Technical Advisory Centre statements of historical financial performance and position

| Statement of financial position | | Budget | | Audited outcome | | Budget | | Audited outcome | | Budget estimate | | Revised estimate | | Average: Outcome/ Budget (%) |
|-------------------------------------|--|---------------|--|------------------|--|---------------|--|-----------------|--|-----------------|--|------------------|--|---------------------------------------|
| | | 2013/14 | | 2014/15 | | 2015/16 | | 2016/17 | | 2016/17 | | 2016/17 | | 2013/14 - 2016/17 |
| R thousand | | | | | | | | | | | | | | |
| Carrying value of assets | | - | | - | | - | | 1 000 | | 3 970 | | | | 982.8% |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Acquisition of assets | | - | | - | | - | | - | | - | | - | | - |
| Receivables and prepayments | | 2 955 | | 13 567 | | 3 433 | | 9 450 | | 4 243 | | 4 245 | | 393.6% |
| Cash and cash equivalents | | 21 549 | | 1 151 873 | | 23 962 | | 872 583 | | 902 713 | | 723 908 | | 298.9% |
| Total assets | | 24 504 | | 1 165 746 | | 27 395 | | 887 585 | | 907 956 | | 732 123 | | 300.4% |
| Accumulated surplus/(deficit) | | 1 960 | | 816 869 | | 250 | | 445 632 | | 836 000 | | 468 266 | | 207.2% |
| Accrued interest | | - | | 58 130 | | - | | - | | - | | - | | - |
| Trade and other payables | | 22 544 | | 289 455 | | 27 145 | | 439 851 | | 71 956 | | 262 221 | | 1 023.3% |
| Provisions | | - | | 1 292 | | - | | 2 102 | | - | | 1 636 | | - |
| Total equity and liabilities | | 24 504 | | 1 165 746 | | 27 395 | | 887 585 | | 907 956 | | 732 123 | | 300.4% |

Statements of estimates of financial performance and position**Table 7.72 Government Technical Advisory Centre statements of estimates of financial performance and position**

| Statement of financial performance | | Average growth rate (%) | | Average Expenditure/Total (%) | | Medium-term estimate | | | Average growth rate (%) | | Average Expenditure/Total (%) | | | |
|--|--|-------------------------|--|-------------------------------|--|----------------------|--|------------------|-------------------------|--|-------------------------------|--|---------------|--|
| | | Revised estimate | | 2013/14 - 2016/17 | | 2017/18 - 2019/20 | | | 2016/17 - 2019/20 | | 2016/17 - 2019/20 | | | |
| | | 2016/17 | | | | | | | | | | | | |
| R thousand | | | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | | | |
| Non-tax revenue | | 275 832 | | -10.5% | | 61.2% | | 803 292 | | | 50.2% | | 64.4% | |
| Sale of goods and services other than capital assets | | 246 764 | | -12.9% | | 54.8% | | 524 132 | | | 26.6% | | 41.7% | |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Administrative fees | | 130 793 | | -27.7% | | 48.3% | | 72 035 | | | -10.7% | | 10.5% | |
| Sales by market establishment | | 115 971 | | - | | 5.2% | | 452 097 | | | 52.1% | | 31.2% | |
| Other non-tax revenue | | 29 068 | | 40.0% | | 6.5% | | 279 160 | | | 146.3% | | 22.6% | |
| Transfers received | | 305 295 | | 25.8% | | 38.8% | | 363 335 | | | 7.4% | | 35.6% | |
| Total revenue | | 581 127 | | 2.6% | | 100.0% | | 1 166 627 | | | 31.2% | | 100.0% | |
| Expenses | | | | | | | | | | | | | | |
| Current expenses | | 868 911 | | 50.0% | | 88.8% | | 1 134 942 | | | 6.4% | | - | |
| Compensation of employees | | 100 101 | | 26.7% | | 9.0% | | 110 981 | | | 8.5% | | 11.1% | |
| Goods and services | | 768 658 | | 55.1% | | 79.7% | | 1 021 301 | | | 6.1% | | 88.8% | |
| Depreciation | | 152 | | -59.1% | | 0.1% | | 2 660 | | | 64.3% | | 0.1% | |
| Transfers and subsidies | | - | | -100.0% | | 11.2% | | 90 | | | - | | 0.0% | |
| Total expenses | | 868 911 | | 22.9% | | 100.0% | | 1 135 032 | | | 6.4% | | 100.0% | |
| Surplus/(Deficit) | | (287 784) | | (3) | | - | | 31 595 | | | -197.4% | | - | |
| Statement of financial position | | | | | | | | | | | | | | |
| Carrying value of assets | | 3 970 | | - | | 0.3% | | 5 074 | | | -16.0% | | 0.4% | |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Acquisition of assets | | (575) | | - | | -0.2% | | (3 740) | | | -36.1% | | -0.2% | |
| Receivables and prepayments | | 4 245 | | 12.8% | | 3.7% | | 11 662 | | | 53.6% | | 1.2% | |
| Cash and cash equivalents | | 723 908 | | 222.7% | | 96.0% | | 719 255 | | | 17.9% | | 98.4% | |
| Total assets | | 732 123 | | 210.3% | | 100.0% | | 735 991 | | | 18.0% | | 100.0% | |
| Accumulated surplus/(deficit) | | 468 266 | | 520.5% | | 48.1% | | 497 334 | | | 25.7% | | 70.1% | |
| Capital reserve fund | | - | | - | | - | | 54 232 | | | - | | 5.5% | |
| Trade and other payables | | 262 221 | | 126.6% | | 50.6% | | 182 664 | | | -10.4% | | 24.2% | |
| Provisions | | 1 636 | | - | | 0.1% | | 1 761 | | | 7.3% | | 0.2% | |
| Total equity and liabilities | | 732 123 | | 210.3% | | 100.0% | | 735 991 | | | 18.0% | | 100.0% | |

Personnel information**Table 7.73 Government Technical Advisory Centre personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2017 | | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|---|---|-----|--|------|-----------|------------------|---------|-----------|----------------------------------|-------|-----------|--------|-------|-----------|-------------------------|--------------------------------|-----|------|--------|
| Number of funded posts | Number of posts on approved establishment | | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average Salary level/Total (%) | | | |
| | | | 2015/16 | | 2016/17 | | 2017/18 | | 2018/19 | | 2019/20 | | | | | | | | |
| | | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | | | |
| Government Technical Advisory Centre | | | | | | | | | | | | | | | | | | | |
| Salary level | 137 | 137 | 111 | 62.9 | 0.6 | 134 | 100.1 | 0.7 | 137 | 111.0 | 0.8 | 137 | 119.2 | 0.9 | 137 | 128.0 | 0.9 | 8.5% | 100.0% |
| 1 - 6 | 3 | 3 | 2 | 0.4 | 0.2 | 3 | 0.8 | 0.3 | 3 | 0.8 | 0.3 | 3 | 0.9 | 0.3 | 3 | 1.0 | 0.3 | 7.4% | 2.2% |
| 7 - 10 | 38 | 38 | 27 | 6.7 | 0.2 | 37 | 15.3 | 0.4 | 38 | 17.1 | 0.4 | 38 | 18.3 | 0.5 | 38 | 19.7 | 0.5 | 8.9% | 27.7% |
| 11 - 12 | 49 | 49 | 40 | 19.5 | 0.5 | 48 | 35.1 | 0.7 | 49 | 38.0 | 0.8 | 49 | 40.8 | 0.8 | 49 | 43.8 | 0.9 | 7.7% | 35.8% |
| 13 - 16 | 47 | 47 | 42 | 36.2 | 0.9 | 46 | 49.0 | 1.1 | 47 | 55.1 | 1.2 | 47 | 59.1 | 1.3 | 47 | 63.5 | 1.4 | 9.0% | 34.3% |

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

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|--|------------------------------|---|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Number of complaints initiated per year | Legal | Outcome 11: Create a better South Africa and contribute to a better Africa and a better world | 68 | 95 | 95 | 95 | 95 | 95 | 95 |
| Number of complaints closed per year | Legal | | 68 | 67 | 65 | 65 | 65 | 65 | 65 |
| Number of disciplinary hearings per year | Legal | | 11 | 4 | 6 | 3 | 3 | 3 | 3 |
| Number of planned inspections completed per year: Firms | Inspections | | 25 | 37 | 20 | 25 | 25 | 25 | 25 |
| Number of planned inspections per year: Engagements | Inspections | | 500 | 384 | 237 | 500 | 500 | 500 | 500 |
| Number of registered auditors per year | Registry | Outcome 6: An efficient, competitive and responsive economic infrastructure network | 4 281 | 4 311 | 4 359 | 4 492 | 4 479 | 4 479 | 4 479 |
| Number of registered auditors approved to issue broad-based black economic empowerment certificates per year | Registry | | 165 | 268 | 268 | 268 | 268 | 268 | 268 |

Expenditure analysis

The role of the Independent Regulatory Board for Auditors is to enhance the quality of financial reporting in the country, which will contribute to instilling investor confidence. Over the medium term, the board will continue to protect the financial interests of the public by ensuring that only suitably qualified individuals are admitted to the auditing profession; and develop and maintain stakeholder relationships, and public confidence. The board will also focus on being a comprehensive regulator of the accounting and auditing professions; strengthening its independence from the auditing profession, as well as the independence of auditors from their clients; strengthening governance and reporting practices on the continent; and influencing transformation in the auditing profession. These objectives are in line with outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 11 (create a better South Africa and contribute to a better Africa and a better world) of government's 2014-2019 medium-term strategic framework, which support the NDP's vision of providing greater policy and regulatory certainty to investors.

Over the medium term period, spending on compensation of employees is expected to increase from R78.9 million in 2017/18 to R88.3 million in 2019/20, as the board expects to hire 26 employees to implement the elements of the World Bank report on the observance of standards and codes.

The board derives 39.1 per cent of its revenue through a transfer from National Treasury. Other revenue is generated from the registration of auditors and trainees, annual membership renewal charges, and fees for inspections of registered auditors. Over the medium term, revenue is expected to increase at an average annual rate of 11.2 per cent, from R97.6 million in 2016/17 to R134.1 million in 2019/20.

Programmes/objectives/activities**Table 7.75 Independent Regulatory Board for Auditors expenditure trends and estimates by programme/objective/activity**

| | Audited outcome | | | | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|-----------------|---------------|---------------|----------------|-------------------|-------------------------|---------------------------------|----------------------------------|----------------|-------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 | 2019/20 | |
| R thousand | | | | | | | | | | | | |
| Administration | 29 971 | 30 149 | 31 948 | 38 188 | 8.4% | 33.9% | 39 262 | 41 002 | 43 003 | 4.0% | 33.0% | |
| Legal | 17 648 | 18 101 | 18 829 | 15 444 | -4.4% | 18.5% | 15 594 | 15 219 | 18 770 | 6.7% | 13.3% | |
| Education, training and professional development | 13 343 | 12 715 | 8 250 | 7 074 | -19.1% | 11.1% | 8 681 | 9 191 | 9 703 | 11.1% | 7.1% | |
| Inspections | 14 759 | 19 272 | 20 442 | 27 537 | 23.1% | 21.1% | 28 846 | 30 542 | 32 338 | 5.5% | 24.3% | |
| Registry | 1 761 | 1 745 | 6 592 | 12 262 | 91.0% | 5.5% | 13 291 | 14 082 | 14 869 | 6.6% | 11.1% | |
| Standards | 7 806 | 9 277 | 9 401 | 11 672 | 14.4% | 9.9% | 13 406 | 14 590 | 15 446 | 9.8% | 11.2% | |
| Total | 85 289 | 91 259 | 95 462 | 112 177 | 9.6% | 100.0% | 119 080 | 124 626 | 134 129 | 6.1% | 100.0% | |

Statements of historical financial performance and position**Table 7.76 Independent Regulatory Board for Auditors statements of historical financial performance and position**

| | Audited outcome | | Audited outcome | | Audited outcome | | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
|--|-----------------|---------------|-----------------|---------------|-----------------|----------------|-----------------|------------------|-----------------------------|
| | Budget | 2013/14 | Budget | 2014/15 | Budget | 2015/16 | 2016/17 | | 2013/14 - 2016/17 |
| R thousand | | | | | | | | | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 54 238 | 58 175 | 56 385 | 64 164 | 56 098 | 62 296 | 54 143 | 68 617 | 114.7% |
| Sale of goods and services other than capital assets | 48 741 | 55 181 | 49 079 | 55 033 | 51 199 | 57 573 | 52 164 | 66 043 | 116.2% |
| of which: | | | | | | | | | |
| Administrative fees | 500 | 1 448 | 1 385 | 1 702 | 1 671 | 5 118 | 1 765 | 1 680 | 187.0% |
| Sales by market establishment | 48 241 | 53 733 | 47 694 | 53 331 | 49 528 | 52 455 | 50 399 | 64 363 | 114.3% |
| Other non-tax revenue | 5 497 | 2 994 | 7 306 | 9 131 | 4 899 | 4 723 | 1 979 | 2 574 | 98.7% |
| Transfers received | 32 933 | 32 933 | 34 577 | 34 577 | 29 999 | 29 999 | 28 978 | 28 978 | 100.0% |
| Total revenue | 87 171 | 91 108 | 90 962 | 98 741 | 86 097 | 92 295 | 83 121 | 97 595 | 109.3% |
| Expenses | | | | | | | | | |
| Current expenses | 86 299 | 85 289 | 90 962 | 91 259 | 97 517 | 95 462 | 103 336 | 112 177 | 101.6% |
| Compensation of employees | 46 941 | 42 391 | 51 740 | 50 935 | 62 996 | 59 784 | 66 933 | 73 012 | 98.9% |
| Goods and services | 37 092 | 40 381 | 36 724 | 38 764 | 31 639 | 33 948 | 34 778 | 36 998 | 107.0% |
| Depreciation | 2 266 | 2 517 | 2 498 | 1 560 | 2 882 | 1 730 | 1 625 | 2 167 | 86.0% |
| Total expenses | 86 299 | 85 289 | 90 962 | 91 259 | 97 517 | 95 462 | 103 336 | 112 177 | 101.6% |
| Surplus/(Deficit) | 872 | 5 819 | - | 7 482 | (11 420) | (3 167) | (20 215) | (14 582) | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 5 569 | 6 832 | 4 979 | 6 307 | 7 294 | 6 078 | 3 586 | 3 586 | 106.4% |
| of which: | | | | | | | | | |
| Acquisition of assets | (1 637) | (2 874) | (1 637) | (1 050) | (1 119) | (1 119) | (1 119) | (1 119) | 111.8% |
| Investments | - | - | - | - | - | 70 | - | - | - |
| Inventory | 158 | 167 | 150 | 158 | 167 | 192 | 173 | 173 | 106.5% |
| Receivables and prepayments | 1 477 | 6 880 | 2 100 | 4 575 | 6 488 | 4 156 | 2 185 | 2 185 | 145.3% |
| Cash and cash equivalents | 24 758 | 37 390 | 21 388 | 38 092 | 24 433 | 33 236 | 10 645 | 10 645 | 147.0% |
| 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 | 41 962 | 61 269 | 38 617 | 59 132 | 48 382 | 53 732 | 26 589 | 26 589 | 129.0% |
| Accumulated surplus/(deficit) | 13 270 | 20 415 | 7 531 | 25 180 | 12 818 | 22 143 | - | - | 201.5% |
| Capital and reserves | 20 615 | 27 603 | 26 682 | 27 575 | 26 872 | 27 443 | 21 436 | 21 436 | 108.8% |
| Trade and other payables | 8 077 | 13 251 | 4 404 | 6 377 | 8 692 | 4 146 | 5 153 | 5 153 | 109.9% |
| Total equity and liabilities | 41 962 | 61 269 | 38 617 | 59 132 | 48 382 | 53 732 | 26 589 | 26 589 | 129.0% |

Statements of estimates of financial performance and position**Table 7.77 Independent Regulatory Board for Auditors statements of estimates of financial performance and position**

| | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|------------------|-------------------------|---------------------------------|----------------------|----------------|----------------|-------------------------|---------------------------------|
| | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| R thousand | | | | | | | | |
| Revenue | | | | | | | | |
| Non-tax revenue | 68 617 | 5.7% | 66.7% | 74 131 | 80 469 | 89 859 | 9.4% | 67.1% |
| Sale of goods and services other than capital assets | 66 043 | 6.2% | 61.6% | 70 878 | 77 418 | 86 985 | 9.6% | 64.5% |
| of which: | | | | | | | | |
| Administrative fees | 1 680 | 5.1% | 2.6% | 1 680 | 1 784 | 1 895 | 4.1% | 1.5% |
| Sales by market establishment | 64 363 | 6.2% | 58.9% | 69 198 | 75 634 | 85 090 | 9.8% | 63.0% |
| Other non-tax revenue | 2 574 | -4.9% | 5.1% | 3 253 | 3 051 | 2 874 | 3.7% | 2.5% |
| Transfers received | 28 978 | -4.2% | 33.3% | 39 624 | 41 922 | 44 270 | 15.2% | 32.9% |
| Total revenue | 97 595 | 2.3% | 100.0% | 113 755 | 122 391 | 134 129 | 11.2% | 100.0% |

Table 7.77 Independent Regulatory Board for Auditors statements of estimates of financial performance and position

| R thousand | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|------------------|-------------------------|---------------------------------|----------------------|----------------|----------------|-------------------------|---------------------------------|
| | | | | 2017/18 | 2018/19 | 2019/20 | | |
| | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| Expenses | | | | | | | | |
| Current expenses | 112 177 | 9.6% | 100.0% | 119 079 | 124 626 | 134 129 | 6.1% | 132.2% |
| Compensation of employees | 73 012 | 19.9% | 58.3% | 78 902 | 83 423 | 88 302 | 6.5% | 66.0% |
| Goods and services | 36 998 | -2.9% | 39.6% | 38 010 | 39 036 | 43 660 | 5.7% | 32.2% |
| Depreciation | 2 167 | -4.9% | 2.1% | 2 167 | 2 167 | 2 167 | - | 1.8% |
| Total expenses | 112 177 | 9.6% | 100.0% | 119 079 | 124 626 | 134 129 | 6.1% | 100.0% |
| Surplus/(Deficit) | (14 582) | (2) | - | (5 324) | (2 235) | - | -100.0% | - |
| Statement of financial position | | | | | | | | |
| Carrying value of assets | 3 586 | -19.3% | 11.7% | 3 689 | 3 689 | 3 689 | 0.9% | 20.4% |
| of which: | | | | | | | | |
| Acquisition of assets | (1 119) | -27.0% | -3.2% | (1 119) | (1 119) | (1 119) | - | -6.2% |
| Inventory | 173 | 1.2% | 0.4% | 173 | 173 | 173 | - | 1.0% |
| Receivables and prepayments | 2 185 | -31.8% | 8.7% | 2 345 | 2 345 | 2 345 | 2.4% | 12.9% |
| Cash and cash equivalents | 10 645 | -34.2% | 56.8% | - | - | - | -100.0% | 10.0% |
| Non-current assets held for sale | 10 000 | - | 22.4% | 10 000 | 10 000 | 10 000 | - | 55.7% |
| Total assets | 26 589 | -24.3% | 100.0% | 16 207 | 16 207 | 16 207 | -15.2% | 100.0% |
| Accumulated surplus/(deficit) | - | -100.0% | 29.3% | - | (5 096) | (5 096) | - | -15.7% |
| Capital and reserves | 21 436 | -8.1% | 55.8% | 10 608 | 10 000 | 10 000 | -22.4% | 67.4% |
| Borrowings | - | - | - | 126 | 5 830 | 5 830 | - | 18.2% |
| Trade and other payables | 5 153 | -27.0% | 14.9% | 5 473 | 5 473 | 5 473 | 2.0% | 30.2% |
| Total equity and liabilities | 26 589 | -24.3% | 100.0% | 16 207 | 16 207 | 16 207 | -15.2% | 100.0% |

Personnel information

Table 7.78 Independent Regulatory Board for Auditors personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|-----|------|--------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | 2015/16 | | Unit cost | 2016/17 | | Unit cost | 2017/18 | | 2018/19 | | 2019/20 | | | | 2016/17 - 2019/20 | | | |
| Independent Regulatory Board for Auditors | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| Salary level | 91 | 91 | 84 | 59.8 | 0.7 | 91 | 73.0 | 0.8 | 94 | 78.9 | 0.8 | 94 | 83.4 | 0.9 | 94 | 88.3 | 0.9 | 6.5% | 100.0% |
| 1 - 6 | 19 | 19 | 17 | 2.3 | 0.1 | 19 | 2.4 | 0.1 | 19 | 2.6 | 0.1 | 19 | 2.8 | 0.1 | 19 | 3.0 | 0.2 | 7.6% | 20.4% |
| 7 - 10 | 25 | 25 | 22 | 7.5 | 0.3 | 25 | 8.1 | 0.3 | 25 | 8.7 | 0.3 | 25 | 9.4 | 0.4 | 25 | 10.1 | 0.4 | 7.6% | 26.8% |
| 11 - 12 | 8 | 8 | 8 | 4.8 | 0.6 | 8 | 5.2 | 0.7 | 8 | 5.6 | 0.7 | 8 | 6.0 | 0.8 | 8 | 6.5 | 0.8 | 7.6% | 8.6% |
| 13 - 16 | 36 | 36 | 34 | 37.1 | 1.1 | 36 | 48.6 | 1.3 | 39 | 52.6 | 1.3 | 39 | 55.1 | 1.4 | 39 | 57.8 | 1.5 | 6.0% | 41.0% |
| 17 - 22 | 3 | 3 | 3 | 8.1 | 2.7 | 3 | 8.7 | 2.9 | 3 | 9.4 | 3.1 | 3 | 10.1 | 3.4 | 3 | 10.8 | 3.6 | 7.6% | 3.2% |

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 7.79 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 | | |
|--------------------------------------|--|---|---------|---------|---------|---------|-------------|---------|---------|
| | | | 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 and contribute to a better Africa and a better world | 9 439 | 9 003 | 9 891 | 10 880 | 11 968 | 13 165 | 14 482 |
| Number of cases justiciable per year | Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers | | 3 191 | 3 699 | 4 263 | 4 689 | 5 158 | 5 674 | 6 241 |
| Number of cases settled per year | Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers | | 538 | 614 | 1 544 | 1 265 | 1 392 | 1 531 | 1 684 |

Table 7.79 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 | | |
|--|--|---|---------|---------|---------|---------|-------------|---------|---------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| 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 and contribute to a better Africa and a better world | 2 117 | 2 496 | 3 409 | 3 750 | 4 125 | 4 538 | 4 992 |
| Number of cases referred to other forums per year | Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers | | 4 932 | 4 524 | 4 706 | 5 177 | 5 695 | 6 265 | 6 892 |
| Number of determinations issued (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 | | 23 | 24 | 24 | 26 | 29 | 32 | 35 |
| Number of cases carried over per year | Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers | | 1 852 | 1 369 | 1 810 | 1 991 | 2 190 | 2 409 | 2 650 |

Expenditure analysis

The role of the Office of the Ombud for Financial Services Providers is to promote consumer protection and enhance 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 and contribute to a better Africa and a better world) of government's 2014-2019 medium-term strategic framework.

Over the medium term, the entity will focus on supporting improvements in customer satisfaction, strengthening organisational capacity to achieve operational excellence, and improving existing business systems and processes to ensure that the number of cases registered and cases settled meet or exceed targets. The entity aims to improve its complaints handling process to deliver a cost-effective and relevant service to its customers, avoid a backlog of files and provide customers with up-to-date feedback when required.

Total expenditure over the medium term period is expected to increase at an average annual rate of 4.9 per cent, from R44.8 million in 2016/17 to R51.7 million in 2019/20. Spending on compensation of employees, the entity's largest cost driver, is expected to increase from R28.3 million in 2016/17 to R34.5 million in 2019/20. Spending on goods and services is expected to increase from R15.5 million in 2016/17 to R15.9 million in 2019/20 on costs related to the property syndication project (R3 million in 2015/16 and 2016/17).

Over the medium term, filled posts are expected to increase from 70 in 2016/17 to 75 in 2019/20 due to operational requirements. Over the same period, revenue is expected to increase at an average annual rate of 9.7 per cent, from R39.1 million in 2016/17 to R51.7 million in 2019/20.

Programmes/objectives/activities

Table 7.80 Office of the Ombud for Financial Services Providers expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | Revised estimate 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/Total (%) 2013/14 - 2016/17 | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/Total (%) 2016/17 - 2019/20 |
|--|-----------------|---------------|---------------|-----------------------------|--|---|----------------------------------|---------------|---------------|--|---|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 12 667 | 14 872 | 15 768 | 18 604 | 13.7% | 41.9% | 20 315 | 21 575 | 22 850 | 7.1% | 42.7% |
| Resolve complaints in a fair, expeditious and informal manner to the satisfaction of customers | 17 859 | 18 319 | 19 912 | 24 103 | 10.5% | 54.4% | 25 571 | 26 654 | 26 273 | 2.9% | 52.6% |
| Enhanced stakeholder management | 1 023 | 1 049 | 1 517 | 2 088 | 26.8% | 3.8% | 2 234 | 2 384 | 2 536 | 6.7% | 4.7% |
| Total | 31 549 | 34 240 | 37 197 | 44 795 | 12.4% | 100.0% | 48 120 | 50 613 | 51 659 | 4.9% | 100.0% |

Statements of historical financial performance and position

Table 7.81 Office of the Ombud for Financial Services Providers statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|---------|-----------------|---------|-----------------|---------|-----------------|-----------------|------------------|-----------------------------|
| R thousand | Budget | Audited outcome | Budget | Audited outcome | Budget | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
| | 2013/14 | | 2014/15 | | 2015/16 | | 2016/17 | | 2013/14 - 2016/17 |
| Revenue | | | | | | | | | |
| Non-tax revenue | 165 | 198 | – | 24 | – | 16 | – | – | 144.2% |
| Sale of goods and services other than capital assets | 165 | 198 | – | 24 | – | 16 | – | – | 144.2% |
| of which: | | | | | | | | | |
| Administrative fees | 165 | 198 | – | 24 | – | 16 | – | – | 144.2% |
| Transfers received | 35 751 | 28 709 | 31 771 | 35 798 | 43 423 | 43 423 | 43 416 | 39 128 | 95.3% |
| Total revenue | 35 916 | 28 907 | 31 771 | 35 822 | 43 423 | 43 439 | 43 416 | 39 128 | 95.3% |
| Expenses | | | | | | | | | |
| Current expenses | 35 313 | 31 549 | 37 302 | 34 240 | 44 230 | 37 197 | 43 416 | 44 795 | 92.2% |
| Compensation of employees | 21 108 | 20 857 | 25 820 | 22 630 | 26 020 | 24 537 | 28 290 | 28 258 | 95.1% |
| Goods and services | 13 510 | 9 802 | 10 427 | 10 685 | 17 161 | 11 730 | 14 087 | 15 454 | 86.4% |
| Depreciation | 695 | 836 | 999 | 880 | 1 014 | 895 | 1 014 | 1 061 | 98.7% |
| Interest, dividends and rent on land | – | 54 | 56 | 45 | 35 | 35 | 25 | 22 | 134.5% |
| Total expenses | 35 313 | 31 549 | 37 302 | 34 240 | 44 230 | 37 197 | 43 416 | 44 795 | 92.2% |
| Surplus/(Deficit) | 603 | (2 642) | (5 531) | 1 582 | (807) | 6 242 | – | (5 667) | – |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 2 822 | 2 299 | 2 530 | 2 189 | 3 629 | 1 953 | 3 523 | 4 445 | 87.1% |
| of which: | | | | | | | | | |
| Acquisition of assets | (1 402) | (1 279) | (1 484) | (795) | (2 454) | (675) | (970) | (3 554) | 99.9% |
| Receivables and prepayments | 1 633 | 602 | 472 | 2 617 | 725 | 8 918 | 770 | 777 | 358.7% |
| Cash and cash equivalents | 595 | 278 | 79 | 211 | 222 | 250 | 236 | 266 | 88.8% |
| Total assets | 5 050 | 3 179 | 3 081 | 5 017 | 4 576 | 11 121 | 4 529 | 5 488 | 143.9% |
| Accumulated surplus/(deficit) | 2 701 | 1 311 | 1 153 | 2 893 | 2 086 | 9 134 | 2 086 | 3 467 | 209.4% |
| Finance lease | 60 | 298 | 233 | 233 | 157 | 157 | 68 | 95 | 151.2% |
| Trade and other payables | 1 775 | 401 | 924 | 1 122 | 1 524 | 1 114 | 1 516 | 1 165 | 66.3% |
| Provisions | 514 | 647 | 771 | 741 | 780 | 621 | 828 | 660 | 92.3% |
| Derivatives financial instruments | – | 522 | – | 28 | 29 | 95 | 31 | 101 | 1 243.3% |
| Total equity and liabilities | 5 050 | 3 179 | 3 081 | 5 017 | 4 576 | 11 121 | 4 529 | 5 488 | 143.9% |

Statements of estimates of financial performance and position

Table 7.82 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 (%) | Average: Expenditure/Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) | |
| | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | | |
| Revenue | | | | | | | | | |
| Transfers received | 39 128 | 10.9% | 99.8% | 48 120 | 50 613 | 51 659 | 9.7% | 100.0% | |
| Total revenue | 39 128 | 10.6% | 100.0% | 48 120 | 50 613 | 51 659 | 9.7% | 100.0% | |
| Expenses | | | | | | | | | |
| Current expenses | 44 795 | 12.4% | 100.0% | 48 120 | 50 613 | 51 659 | 4.9% | 130.2% | |
| Compensation of employees | 28 258 | 10.7% | 65.3% | 30 293 | 32 383 | 34 520 | 6.9% | 64.2% | |
| Goods and services | 15 454 | 16.4% | 32.1% | 16 678 | 17 014 | 15 855 | 0.9% | 33.4% | |
| Depreciation | 1 061 | 8.3% | 2.5% | 1 127 | 1 193 | 1 260 | 5.9% | 2.4% | |
| Interest, dividends and rent on land | 22 | -25.9% | 0.1% | 22 | 23 | 24 | 2.9% | – | |
| Total expenses | 44 795 | 12.4% | 100.0% | 48 120 | 50 613 | 51 659 | 4.9% | 100.0% | |
| Surplus/(Deficit) | (5 667) | – | – | – | – | – | -100.0% | – | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 4 445 | 24.6% | 53.6% | 4 320 | 4 195 | 4 270 | -1.3% | 79.1% | |
| of which: | | | | | | | | | |
| Acquisition of assets | (3 554) | 40.6% | -31.7% | (1 100) | (1 100) | (1 300) | -28.5% | -32.3% | |
| Receivables and prepayments | 777 | 8.9% | 41.4% | 825 | 873 | 922 | 5.9% | 15.6% | |
| Cash and cash equivalents | 266 | -1.5% | 5.0% | 282 | 299 | 316 | 5.9% | 5.3% | |
| Total assets | 5 488 | 20.0% | 100.0% | 5 427 | 5 367 | 5 508 | 0.1% | 100.0% | |
| Accumulated surplus/(deficit) | 3 467 | 38.3% | 61.1% | 3 467 | 3 467 | 3 467 | – | 63.7% | |
| Finance lease | 95 | -31.7% | 4.3% | 330 | 260 | 180 | 23.7% | 4.0% | |
| Trade and other payables | 1 165 | 42.7% | 16.6% | 822 | 785 | 958 | -6.3% | 17.1% | |
| Provisions | 660 | 0.7% | 13.2% | 701 | 742 | 784 | 5.9% | 13.3% | |
| Derivatives financial instruments | 101 | -42.2% | 4.9% | 107 | 113 | 119 | 5.6% | 2.0% | |
| Total equity and liabilities | 5 488 | 20.0% | 100.0% | 5 427 | 5 367 | 5 508 | 0.1% | 100.0% | |

Personnel information

Table 7.83 Office of the Ombud for Financial Services Providers personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | | | | Number | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|-------------------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | |
| | | 2015/16 | | | 2016/17 | | | 2017/18 | | | 2018/19 | | | 2019/20 | | | | | 2016/17 - 2019/20 |
| Office of the Ombud for Financial Service Providers | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| Salary level | 75 | 75 | 64 | 24.5 | 0.4 | 75 | 28.3 | 0.4 | 75 | 30.3 | 0.4 | 75 | 32.4 | 0.4 | 75 | 34.5 | 0.5 | 6.9% | 100.0% |
| 1 – 6 | 27 | 27 | 24 | 3.2 | 0.1 | 27 | 3.9 | 0.1 | 27 | 4.2 | 0.2 | 27 | 4.5 | 0.2 | 27 | 4.7 | 0.2 | 7.0% | 36.0% |
| 7 – 10 | 36 | 36 | 30 | 10.0 | 0.3 | 36 | 12.2 | 0.3 | 36 | 13.1 | 0.4 | 36 | 14.0 | 0.4 | 36 | 14.9 | 0.4 | 6.9% | 48.0% |
| 11 – 12 | 8 | 8 | 7 | 5.4 | 0.8 | 8 | 6.1 | 0.8 | 8 | 6.6 | 0.8 | 8 | 7.0 | 0.9 | 8 | 7.5 | 0.9 | 6.9% | 10.7% |
| 13 – 16 | 3 | 3 | 2 | 2.8 | 1.4 | 3 | 3.2 | 1.1 | 3 | 3.4 | 1.1 | 3 | 3.7 | 1.2 | 3 | 3.9 | 1.3 | 6.9% | 4.0% |
| 17 – 22 | 1 | 1 | 1 | 3.2 | 3.2 | 1 | 2.8 | 2.8 | 1 | 3.0 | 3.0 | 1 | 3.2 | 3.2 | 1 | 3.5 | 3.5 | 6.9% | 1.3% |

1. Rand million.

Office of the Pension Funds Adjudicator

Mandate

The mandate of the Office 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. To achieve 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 7.84 Office of the Pension Funds Adjudicator performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|--|--------------------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Number of complaints disposed of through determinations, conciliation and settlements per year | Dispose of complaints received | Outcome 12: An efficient, effective and development-oriented public service | 4 751 | 4 351 | 3 840 | 3 840 | 3 840 | 3 840 | 3 840 |
| Percentage of valid complaints resolved within nine months of lodging complaints per year | Dispose of complaints received | | 95% (4 765/ 5015) | 95% (4 134/ 4351) | 95% (3 648/ 3840) | 95% (3 648/ 3840) | 95% (3 648/ 3840) | 95% (3 648/ 3840) | 95% (3 648/ 3840) |

Expenditure analysis

Over the medium term, the Office of the Pension Funds Adjudicator will focus on maintaining a 95 per cent resolution rate of valid complaints within nine months of complaints being lodged. To achieve this, emphasis will be placed on developing staff and recruiting additional personnel, improving ICT infrastructure and increasing interaction with stakeholders. Broadly, the entity's work is in line with outcome 12 (an efficient, effective and development-oriented public service) of government's 2014-2019 medium-term strategic framework, in support of the NDP's vision of building a capable and developmental state.

Total expenditure over the medium term period is expected to increase at an average annual rate of 5.5 per cent, from R56.7 million in 2016/17 to R66.5 million in 2019/20. Spending on compensation of employees, the entity's main cost driver, is expected to increase at an average annual rate of 7.2 per cent, from R33.1 million in 2016/17 to R40.8 million in 2019/20, in line with plans to expand the staff complement from 62 in 2016/17 to 64 in 2019/20. Spending on goods and services is expected to increase at an average annual rate of 4.8 per cent, from R19.7 million in 2016/17 to R22.7 million in 2019/20. The main cost drivers in spending on goods and services will remain office lease rentals, professional fees, legal fees, computer services and audit fees.

Over the medium term, revenue is expected to increase at an average annual rate of 8.6 per cent, from R52.3 million in 2016/17 to R67 million in 2019/20.

Programmes/objectives/activities

Table 7.85 Office of the Pension Funds Adjudicator expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | | Revised estimate | Average growth rate (%) | Average Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average Expenditure/ Total (%) |
|-------------------------------------|-----------------|---------------|---------------|---------------|------------------|-------------------------|--------------------------------|----------------------------------|---------------|-------------|-------------------------|--------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | | | 2017/18 | 2018/19 | 2019/20 | | |
| Administration | 4 468 | 4 650 | 4 870 | 5 915 | 9.8% | 10.3% | 7 421 | 7 887 | 8 390 | 12.4% | 12.0% | |
| Dispose of complaints received | 35 928 | 38 906 | 40 603 | 47 572 | 9.8% | 84.5% | 49 797 | 51 590 | 54 555 | 4.7% | 82.6% | |
| Achieve operational excellence | 1 905 | 2 152 | 1 684 | 2 471 | 9.1% | 4.3% | 2 488 | 2 633 | 2 768 | 3.9% | 4.2% | |
| Effective stakeholder relationships | 129 | 369 | 501 | 752 | 80.0% | 0.9% | 701 | 742 | 784 | 1.4% | 1.2% | |
| Total | 42 430 | 46 077 | 47 658 | 56 710 | 10.2% | 100.0% | 60 407 | 62 852 | 66 497 | 5.5% | 100.0% | |

Statements of historical financial performance and position

Table 7.86 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 | Average Outcome/ Budget (%) |
| | Budget | 2013/14 | Budget | 2014/15 | Budget | 2015/16 | 2016/17 | 2016/17 | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 177 | 10 | 10 | 11 | 10 | 13 | 10 | 10 | 21.3% |
| Other non-tax revenue | 177 | 10 | 10 | 11 | 10 | 13 | 10 | 10 | 21.3% |
| Transfers received | 43 134 | 42 198 | 44 308 | 43 769 | 47 137 | 47 137 | 54 275 | 52 316 | 98.2% |
| Total revenue | 43 311 | 42 208 | 44 318 | 43 780 | 47 147 | 47 150 | 54 285 | 52 326 | 98.1% |
| Expenses | | | | | | | | | |
| Current expenses | 42 878 | 42 430 | 46 905 | 46 077 | 51 807 | 47 658 | 58 097 | 56 710 | 96.6% |
| Compensation of employees | 27 126 | 24 873 | 26 671 | 26 079 | 28 847 | 26 914 | 33 702 | 33 141 | 95.4% |
| Goods and services | 14 212 | 14 729 | 15 908 | 16 979 | 18 520 | 17 362 | 20 495 | 19 669 | 99.4% |
| Depreciation | 1 540 | 2 828 | 4 326 | 3 019 | 4 440 | 3 382 | 3 900 | 3 900 | 92.4% |
| Total expenses | 42 878 | 42 430 | 46 905 | 46 077 | 51 807 | 47 658 | 58 097 | 56 710 | 96.6% |
| Surplus/(Deficit) | 433 | (222) | (2 587) | (2 297) | (4 660) | (508) | (3 812) | (4 384) | - |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 5 077 | 9 429 | 9 283 | 8 639 | 7 755 | 7 679 | 6 334 | 6 229 | 112.4% |
| <i>of which:</i> | | | | | | | | | |
| Acquisition of assets | (3 593) | (2 371) | (3 000) | (2 181) | (3 585) | (2 415) | (2 450) | (2 450) | 74.6% |
| Receivables and prepayments | 1 800 | 3 172 | 629 | 2 140 | 703 | 1 893 | 733 | 727 | 205.2% |
| Cash and cash equivalents | 1 723 | 1 882 | 1 000 | 1 371 | 500 | 1 573 | 500 | 500 | 143.1% |
| Total assets | 8 600 | 14 483 | 10 912 | 12 150 | 8 958 | 11 145 | 7 567 | 7 456 | 125.5% |
| Accumulated surplus/(deficit) | 4 300 | 10 808 | 8 927 | 8 511 | 4 005 | 8 004 | 40 | 3 619 | 179.1% |
| Trade and other payables | 3 300 | 2 437 | 788 | 2 329 | 3 577 | 1 730 | 6 083 | 2 355 | 64.4% |
| Provisions | 1 000 | 1 238 | 1 197 | 1 310 | 1 376 | 1 411 | 1 444 | 1 482 | 108.5% |
| Total equity and liabilities | 8 600 | 14 483 | 10 912 | 12 150 | 8 958 | 11 145 | 7 567 | 7 456 | 125.5% |

Statements of estimates of financial performance and position

Table 7.87 Office of the Pension Funds Adjudicator statements of estimates of financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|------------------|-------------------------|--------------------------------|----------------------|---------------|---------------|-------------------------|--------------------------------|--|
| R thousand | Revised estimate | Average growth rate (%) | Average Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average Expenditure/ Total (%) | |
| | 2016/17 | 2013/14 - 2016/17 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | 2016/17 - 2019/20 | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 10 | - | - | 14 | 15 | 16 | 17.0% | - | |
| Other non-tax revenue | 10 | - | - | 14 | 15 | 16 | 17.0% | - | |
| Transfers received | 52 316 | 7.4% | 100.0% | 59 286 | 62 337 | 66 981 | 8.6% | 100.0% | |
| Total revenue | 52 326 | 7.4% | 100.0% | 59 300 | 62 352 | 66 997 | 8.6% | 100.0% | |
| Expenses | | | | | | | | | |
| Current expenses | 56 710 | 10.2% | 100.0% | 60 407 | 62 852 | 66 497 | 5.5% | 131.1% | |
| Compensation of employees | 33 141 | 10.0% | 57.5% | 36 179 | 38 388 | 40 832 | 7.2% | 60.2% | |
| Goods and services | 19 669 | 10.1% | 35.7% | 20 268 | 21 464 | 22 665 | 4.8% | 34.1% | |
| Depreciation | 3 900 | 11.3% | 6.8% | 3 960 | 3 000 | 3 000 | -8.4% | 5.7% | |
| Total expenses | 56 710 | 10.2% | 100.0% | 60 407 | 62 852 | 66 497 | 5.5% | 100.0% | |
| Surplus/(Deficit) | (4 384) | 2 | - | (1 107) | (500) | 500 | -148.5% | - | |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 6 229 | -12.9% | 72.2% | 4 769 | 3 769 | 2 769 | -23.7% | 68.0% | |
| <i>of which:</i> | | | | | | | | | |
| Acquisition of assets | (2 450) | 1.1% | -22.2% | (2 500) | (2 000) | (2 000) | -6.5% | -35.1% | |
| Receivables and prepayments | 727 | -38.8% | 16.6% | 765 | 1 442 | 3 127 | 62.6% | 24.1% | |
| Cash and cash equivalents | 500 | -35.7% | 11.3% | 500 | 500 | 500 | - | 7.9% | |
| Total assets | 7 456 | -19.9% | 100.0% | 6 034 | 5 711 | 6 396 | -5.0% | 100.0% | |
| Accumulated surplus/(deficit) | 3 619 | -30.6% | 66.3% | 2 514 | 2 016 | 2 515 | -11.4% | 41.2% | |
| Trade and other payables | 2 355 | -1.1% | 20.8% | 1 964 | 2 062 | 2 166 | -2.8% | 33.5% | |
| Provisions | 1 482 | 6.2% | 13.0% | 1 556 | 1 633 | 1 715 | 5.0% | 25.3% | |
| Total equity and liabilities | 7 456 | -19.9% | 100.0% | 6 034 | 5 711 | 6 396 | -5.0% | 100.0% | |

Personnel information

Table 7.88 Office of the Pension Funds Adjudicator personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | | | | Number | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|-------------------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | |
| | | 2015/16 | | | 2016/17 | | | 2017/18 | | | 2018/19 | | | 2019/20 | | | | | 2016/17 - 2019/20 |
| Office of the Pension Funds Adjudicator | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | | | |
| Salary level | 62 | 63 | 56 | 26.9 | 0.5 | 62 | 33.1 | 0.5 | 64 | 36.2 | 0.6 | 64 | 38.4 | 0.6 | 64 | 40.8 | 0.6 | 7.2% | 100.0% |
| 1 – 6 | 9 | 9 | 13 | 2.0 | 0.2 | 9 | 1.5 | 0.2 | 7 | 1.2 | 0.2 | 5 | 0.9 | 0.2 | 4 | 0.7 | 0.2 | -21.6% | 9.9% |
| 7 – 10 | 34 | 34 | 28 | 8.2 | 0.3 | 34 | 11.1 | 0.3 | 39 | 13.9 | 0.4 | 37 | 12.6 | 0.3 | 36 | 12.3 | 0.3 | 3.6% | 57.5% |
| 11 – 12 | 8 | 8 | 6 | 4.5 | 0.7 | 8 | 6.2 | 0.8 | 5 | 3.9 | 0.8 | 9 | 6.7 | 0.7 | 10 | 7.4 | 0.7 | 6.4% | 12.6% |
| 13 – 16 | 10 | 11 | 8 | 9.2 | 1.2 | 10 | 11.5 | 1.2 | 12 | 14.0 | 1.2 | 12 | 14.9 | 1.2 | 13 | 16.9 | 1.3 | 13.5% | 18.5% |
| 17 – 22 | 1 | 1 | 1 | 3.0 | 3.0 | 1 | 2.9 | 2.9 | 1 | 3.1 | 3.1 | 1 | 3.3 | 3.3 | 1 | 3.5 | 3.5 | 6.7% | 1.6% |

1. Rand million.

Public Investment Corporation

Mandate

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

Selected performance indicators

Table 7.89 Public Investment Corporation performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|--|------------------------------|---|----------------|------------------|------------------|---------------|----------------|----------------|----------------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Value of net profit after tax per year | Investments | Outcome 11: Create a better South Africa and contribute to a better Africa and a better world | R209m | R330m | R424mm | R135m | R142m | R280m | R280m |
| Total amount of funds under management per year | Investments | | R1.6tr | R1.81tr | R1.86tr | R1.92tr | R2.02tr | R2.12tr | R2.12tr |
| Percentage contribution of assets under management towards education, health, housing, infrastructure and environmental sustainability per year | Investments | | 1.44% (R23m) | 0.8% (R15.1bn) | 2.5% (R63.7m) | 3.5% (R86.4m) | 5.5% (R111.1m) | - ¹ | - ¹ |
| Percentage increase in African and offshore investment portfolios per year | Investments | | 0.81% (R12.9m) | 15.25% (R14.3bn) | 15.66% (R16.92m) | 3.5% (R67.2m) | 4.5% (R90.9m) | - ¹ | - ¹ |
| Amount committed towards black-economic empowerment development property investments (new developments, refurbishments and upgrades, and rural development investments) per year | Investments | Outcome 4: Decent employment through inclusive growth | R45.7m | R1.5bn | R2bn | R2.5bn | R3bn | - ¹ | - ¹ |

1. Indicators discontinued from 2018/19.

Expenditure analysis

The Public Investment Corporation aims to align its activities with outcome 4 (decent employment through inclusive growth) and outcome 11 (create a better South Africa and contribute to a better Africa and a better world) of government's 2014-2019 medium-term strategic framework, to give expression to the NDP's vision of making developmental investments that have significant social, economic and environmental benefits, specifically in terms of job creation. The corporation makes investments through the Isibaya Fund, in line with the Government Employees Pension Fund's developmental investment framework.

Over the medium term, the corporation is set to spend an estimated R9 billion in investments on property development, including new developments, refurbishments and upgrades; and rural development investments. The value of African and offshore investments is expected to increase to R122.7 million by 2019/20, while contributions towards education, health, housing, and infrastructure and environmental sustainability; small,

medium and micro enterprises; priority sector investments; and transformation are expected to amount to R10 billion per year over the medium term.

As the corporation intensifies its investment activities, the value of its assets is expected to increase from R1.9 trillion in 2016/17 to R2.1 trillion in 2018/19, necessitating the appointment of additional asset managers to strengthen capacity.

Total expenditure is expected to increase at an average annual rate of 5.7 per cent, from R1.1 billion in 2016/17 to R1.3 billion in 2019/20, mainly because of inflationary adjustments in compensation of employees and goods and services. Spending on compensation of employees, the corporation's largest cost driver, is expected to increase at an average annual rate of 5.1 per cent over the medium term period, from R694.9 million in 2016/17 to R807.3 million in 2019/20. As at 31 October 2016, the corporation had 328 filled positions. The corporation's staff complement is expected to remain constant at 488 over the medium term.

The corporation derives its revenue mainly from fees for managing its clients' assets, including the Government Employees Pension Fund; and from interest received, board fees and other income. Revenue is expected to increase from R1.5 billion in 2016/17 to R1.7 billion in 2019/20, primarily due to the anticipated increase in management fees, growth in the equities portfolio, and the increase in assets under management for the consumer price index.

Programmes/objectives/activities

Table 7.90 Public Investment Corporation expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|----------------|-----------------|----------------|----------------|------------------|------------------|-------------------------|---------------------------------|----------------------------------|------------------|------------------|-------------------------|---------------------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | | | 2013/14 - 2016/17 | 2017/18 | 2018/19 | | |
| Administration | 291 830 | 386 117 | 333 604 | 359 367 | | 7.2% | 44.6% | 363 988 | 380 731 | 405 099 | 4.1% | 32.7% |
| Investments | 362 812 | 328 189 | 390 599 | 706 965 | | 24.9% | 55.4% | 741 039 | 807 729 | 852 962 | 6.5% | 67.3% |
| Total | 654 642 | 714 306 | 724 204 | 1 066 332 | | 17.7% | 100.0% | 1 105 027 | 1 188 460 | 1 258 061 | 5.7% | 100.0% |

Statements of historical financial performance and position

Table 7.91 Public Investment Corporation statements of historical financial performance and position

| Statement of financial performance | | | | | | | | | |
|--|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------------|
| R thousand | Budget | | Audited outcome | | Budget | | Audited outcome | | Average: Outcome/ Budget (%) |
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 805 561 | 863 519 | 917 531 | 1 044 065 | 1 186 661 | 1 147 898 | 1 279 109 | 1 481 182 | 108.3% |
| Sale of goods and services other than capital assets | 767 772 | 808 880 | 867 696 | 955 232 | 1 088 681 | 1 010 733 | 1 173 494 | 1 367 252 | 106.3% |
| of which: | | | | | | | | | |
| Sales by market establishment | 767 772 | 808 880 | 867 696 | 955 232 | 1 088 681 | 1 010 733 | 1 173 494 | 1 367 252 | 106.3% |
| Other non-tax revenue | 37 789 | 54 639 | 49 835 | 88 833 | 97 980 | 137 165 | 105 615 | 113 930 | 135.5% |
| Total revenue | 805 561 | 863 519 | 917 531 | 1 044 065 | 1 186 661 | 1 147 898 | 1 279 109 | 1 481 182 | 108.3% |
| Expenses | | | | | | | | | |
| Current expenses | 638 177 | 574 672 | 782 332 | 585 114 | 874 171 | 554 672 | 960 379 | 973 091 | 82.6% |
| Compensation of employees | 422 382 | 441 196 | 510 966 | 422 447 | 598 775 | 411 136 | 682 211 | 694 923 | 89.0% |
| Goods and services | 193 446 | 123 343 | 250 598 | 152 972 | 252 598 | 120 737 | 248 529 | 248 529 | 68.3% |
| Depreciation | 22 349 | 10 118 | 20 768 | 9 680 | 22 798 | 22 798 | 29 639 | 29 639 | 75.6% |
| Interest, dividends and rent on land | - | 15 | - | 15 | - | - | - | - | - |
| Total expenses | 685 044 | 654 642 | 824 069 | 714 306 | 934 769 | 724 204 | 1 053 620 | 1 066 332 | 90.3% |
| Surplus/(Deficit) | 120 517 | 208 877 | 93 462 | 329 759 | 251 892 | 423 694 | 225 489 | 414 850 | - |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 93 623 | 19 211 | 67 085 | 24 318 | 97 536 | 19 074 | 122 480 | 122 480 | 48.6% |
| of which: | | | | | | | | | |
| Acquisition of assets | (24 986) | (13 429) | (62 338) | (15 039) | (55 980) | (5 064) | (49 944) | (49 944) | 43.2% |
| Investments | 336 839 | 586 821 | 658 575 | 549 563 | 1 058 263 | 1 238 335 | 1 183 739 | 1 183 739 | 109.9% |
| Receivables and prepayments | 62 054 | 81 431 | 72 308 | 154 125 | 105 828 | 122 199 | 112 124 | 112 124 | 133.4% |
| Cash and cash equivalents | 429 463 | 451 750 | 489 592 | 829 443 | 465 183 | 605 521 | 561 371 | 561 371 | 125.8% |
| Taxation | 9 715 | 67 763 | 57 818 | 83 491 | 7 158 | 89 821 | 7 586 | 7 586 | 302.2% |
| Total assets | 931 694 | 1 206 976 | 1 345 378 | 1 640 940 | 1 733 968 | 2 074 950 | 1 987 300 | 1 987 300 | 115.2% |
| Accumulated surplus/(deficit) | 545 961 | 668 319 | 637 386 | 998 078 | 1 227 649 | 1 309 585 | 1 467 411 | 1 467 411 | 114.6% |
| Capital and reserves | 278 001 | 279 822 | 278 000 | 284 679 | 279 822 | 397 351 | 279 822 | 279 822 | 111.3% |
| Finance lease | - | 356 | - | 294 | 27 | 595 | 24 | 24 | 2 488.2% |
| Trade and other payables | 29 632 | 28 760 | 23 965 | 49 949 | 30 347 | 51 213 | 32 152 | 32 152 | 139.6% |
| Taxation | - | - | - | 13 457 | - | 4 590 | - | - | - |
| Provisions | 78 100 | 229 719 | 406 027 | 294 483 | 196 123 | 311 616 | 207 891 | 207 891 | 117.5% |
| Total equity and liabilities | 931 694 | 1 206 976 | 1 345 378 | 1 640 940 | 1 733 968 | 2 074 950 | 1 987 300 | 1 987 300 | 115.2% |

Statements of estimates of financial performance and position

Table 7.92 Public Investment Corporation statements of estimates of financial performance and position

| Statement of financial performance | | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/Total (%) |
|--|------------------|-------------------------|--------------------------------|----------------------|------------------|------------------|-------------------------|--------------------------------|
| | Revised estimate | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| R thousand | | | | | | | | |
| Revenue | | | | | | | | |
| Non-tax revenue | 1 481 182 | 19.7% | 100.0% | 1 545 799 | 1 575 463 | 1 685 745 | 4.4% | 100.0% |
| Sale of goods and services other than capital assets | 1 367 252 | 19.1% | 91.4% | 1 425 034 | 1 447 451 | 1 548 773 | 4.2% | 92.1% |
| <i>of which:</i> | | | | | | | | |
| Sales by market establishment | 1 367 252 | 19.1% | 91.4% | 1 425 034 | 1 447 451 | 1 548 773 | 4.2% | 92.1% |
| Other non-tax revenue | 113 930 | 27.8% | 8.6% | 120 765 | 128 012 | 136 973 | 6.3% | 7.9% |
| Total revenue | 1 481 182 | 19.7% | 100.0% | 1 545 799 | 1 575 463 | 1 685 745 | 4.4% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 973 091 | 19.2% | 84.4% | 1 023 718 | 1 056 455 | 1 118 662 | 4.8% | 138.2% |
| Compensation of employees | 694 923 | 16.4% | 62.1% | 728 105 | 761 599 | 807 294 | 5.1% | 64.8% |
| Goods and services | 248 529 | 26.3% | 20.1% | 262 917 | 260 656 | 275 253 | 3.5% | 22.7% |
| Depreciation | 29 639 | 43.1% | 2.2% | 32 696 | 34 200 | 36 115 | 6.8% | 2.9% |
| Total expenses | 1 066 332 | 17.7% | 100.0% | 1 105 027 | 1 188 461 | 1 258 060 | 5.7% | 100.0% |
| Surplus/(Deficit) | 414 850 | - | - | 440 772 | 387 002 | 427 685 | 1.0% | - |
| Statement of financial position | | | | | | | | |
| Carrying value of assets | 122 480 | 85.4% | 2.5% | 96 878 | 101 334 | 108 428 | -4.0% | 4.8% |
| <i>of which:</i> | | | | | | | | |
| Acquisition of assets | (49 944) | 54.9% | -1.2% | (56 564) | (59 166) | (63 308) | 8.2% | -2.5% |
| Investments | 1 183 739 | 26.4% | 50.3% | 1 254 316 | 1 312 015 | 1 403 856 | 5.8% | 57.4% |
| Receivables and prepayments | 112 124 | 11.3% | 6.9% | 118 796 | 124 261 | 132 959 | 5.8% | 5.4% |
| Cash and cash equivalents | 561 371 | 7.5% | 36.4% | 732 736 | 766 442 | 820 093 | 13.5% | 31.9% |
| Taxation | 7 586 | -51.8% | 3.9% | 8 039 | 8 409 | 8 997 | 5.9% | 0.4% |
| Total assets | 1 987 300 | 18.1% | 100.0% | 2 210 765 | 2 312 460 | 2 474 332 | 7.6% | 100.0% |
| Accumulated surplus/(deficit) | 1 467 411 | 30.0% | 63.3% | 1 676 491 | 1 753 610 | 1 876 362 | 8.5% | 75.3% |
| Capital and reserves | 279 822 | - | 18.4% | 279 822 | 292 694 | 313 182 | 3.8% | 13.0% |
| Finance lease | 24 | -59.3% | 0.0% | 22 | 23 | 25 | 0.9% | 0.0% |
| Trade and other payables | 32 152 | 3.8% | 2.4% | 34 065 | 35 632 | 38 126 | 5.8% | 1.6% |
| Provisions | 207 891 | -3.3% | 15.6% | 220 365 | 230 502 | 246 637 | 5.9% | 10.1% |
| Total equity and liabilities | 1 987 300 | 18.1% | 100.0% | 2 210 765 | 2 312 460 | 2 474 332 | 7.6% | 100.0% |

Personnel information

Table 7.93 Public Investment Corporation personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | Number | | | | |
|---|---|--|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|---------|-------|-----------|-------------------------|---------------------------------|-----------|-------------------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | |
| | | 2015/16 | | Unit cost | 2016/17 | | Unit cost | 2017/18 | | Unit cost | 2018/19 | | Unit cost | | | 2019/20 | |
| | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | 2016/17 - 2019/20 |
| Public Investment Corporation | | | | | | | | | | | | | | | | | |
| Salary level | | | | | | | | | | | | | | | | | |
| 1 - 6 | - | 16 | 3.9 | 0.2 | 24 | 4.5 | 0.2 | 24 | 4.9 | 0.2 | 24 | 5.1 | 0.2 | 24 | 5.4 | 0.2 | 6.3% |
| 7 - 10 | - | 145 | 101.5 | 0.7 | 192 | 111.2 | 0.6 | 192 | 119.2 | 0.6 | 192 | 124.4 | 0.6 | 192 | 131.9 | 0.7 | 5.8% |
| 11 - 12 | - | 55 | 81.7 | 1.5 | 125 | 147.3 | 1.2 | 125 | 154.9 | 1.2 | 125 | 162.0 | 1.3 | 125 | 171.7 | 1.4 | 5.2% |
| 13 - 16 | - | 64 | 145.4 | 2.3 | 125 | 282.2 | 2.3 | 125 | 295.3 | 2.4 | 125 | 308.9 | 2.5 | 125 | 327.5 | 2.6 | 5.1% |
| 17 - 22 | - | 16 | 78.6 | 4.9 | 22 | 149.7 | 6.8 | 22 | 153.8 | 7.0 | 22 | 161.2 | 7.3 | 22 | 170.9 | 7.8 | 4.5% |

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 Africa and internationally. The airline is regarded as a strategic asset that enables the state to preserve its ability to contribute to key domestic, regional and international air linkages.

Expenditure analysis

South African Airways' revenue is derived from passenger travel services, cargo and mail services, as well as from excess baggage services and rebates. The airline's revenue is expected to increase to R45.8 billion in 2019/20. However, this growth in income has been surpassed by the exponential growth in total costs.

South African Special Risks Insurance Association

Mandate

The South African Special Risks Insurance Association was established in 1979 and was registered in terms of section 21 of the Companies Act (1973). In line with the amendments of the South African Special Risks Insurance Association Act (1998) and the Companies Act (2008), government became the company's sole shareholder. The entity 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 7.94 South African Special Risks Insurance Association performance indicators by programme/objective/activity and related outcome

| Indicator | Programme/objective/activity | Outcome | Past | | | Current | Projections | | |
|---|--|---|----------------|--------------------|----------------------------|----------------|----------------|----------------|----------------|
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Value of gross written premium per year | Sustainable revenue growth: Gross written premium income growth | Outcome 4: Decent employment through inclusive growth | R1.4bn | R1.52bn | R1.68bn | R1.74bn | R1.86bn | R1.99bn | R2.13bn |
| Value of net underwriting profit per year | Sustainable revenue growth: Net underwriting profit growth | | R789.9m | R489.3m | R431.7m | R458.9m | R489.8m | R525.8m | R569.4m |
| Percentage of all fast-tracked claims to be settled within 30 days from the date of submission per year | Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time | Entity mandate | - ¹ | 74% (982/1 327) | 86.5% (1 686/ 1 949) | 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 | 65% (129/198) | 68.1% (273/400) | 60% | 70% | 70% | 70% |
| Amount spent on awareness campaigns per year | Increase brand awareness | Outcome 11: Create a better South Africa and contribute to a better Africa and a better world | R3.9m | R4.5m | R5.5m | - ² | - ² | - ² | - ² |
| Average number of days per year for processing claims less than R250 000 | Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time | Entity mandate | 30 days | 30 days | 30 days | 30 days | 30 days | 30 days | 30 days |
| Average number of days per year for processing large claims | Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time | | - ¹ | 30 days | 60 days | 70 days | 70 days | 70 days | 70 days |

1. No historical data available.

2. Indicator phased out from 2016/17.

Expenditure analysis

Over the medium term, the South African Special Risks Insurance Association will focus on creating brand awareness to the industry, the end customer and internal staff; collate market intelligence and conduct research; and conduct a needs analysis per customer segment to better understand the needs of end customers. By ensuring guaranteed special risk insurance cover at a reasonable cost, the association contributes to outcome 11 (create a better South Africa and contribute to a better Africa and a better world) and outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework.

Total expenditure is expected to increase at an average annual rate of 7.1 per cent over the medium term, from R1.6 billion in 2016/17 to R2 billion in 2019/20, due to increases in underwriting expenses that comprise reinsurance premiums paid, claims paid, and administration and marketing expenses. The increase is mainly due to budgeted claims incurred, commission and binder fees, and administration and marketing expenditure. Spending on goods and services is expected to increase at an average annual rate of 6.9 per cent over the medium term period, from R1.3 billion in 2016/17 to R1.6 billion in 2019/20.

Spending on compensation of employees is expected to increase at an average annual rate of 7 per cent over the medium term, from R58.8 million in 2016/17 to R72 million in 2019/20. The increase is due to an increase in the association's staff complement to deal with the influx in claims, additional regulatory requirements and the

development of new products. As at 31 October 2016, the entity had a staff complement of 87, which is set to increase to 93 by 2019/20. One of the association's objectives over the period is to develop a skills base to reduce its reliance on external consultants, hence the increase in the staff complement and resultant expenditure.

Revenue is expected to increase at an average rate of 7.3 per cent over the medium term period, from R2.2 billion in 2016/17 to R2.8 billion in 2019/20, due to the expected increase in brand and product awareness and the introduction of new and enhanced products.

Programmes/objectives/activities

Table 7.95 South African Special Risks Insurance Association expenditure trends and estimates by programme/objective/activity

| R thousand | Audited outcome | | | Revised estimate 2016/17 | Average growth rate (%) 2013/14 - 2016/17 | Average: Expenditure/Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) 2016/17 - 2019/20 | Average: Expenditure/Total (%) | |
|--|------------------|------------------|------------------|-----------------------------|--|--------------------------------|----------------------------------|------------------|------------------|--|--------------------------------|------|
| | 2013/14 | 2014/15 | 2015/16 | | | | 2017/18 | 2018/19 | 2019/20 | | | |
| Administration | 547 508 | 536 763 | 542 274 | 609 173 | 3.6% | 40.2% | 698 418 | 705 615 | 760 195 | 7.7% | 38.7% | |
| Sustainable revenue growth: Gross written premium income growth | 120 987 | 176 730 | 205 514 | 233 256 | 24.5% | 12.9% | 255 044 | 272 353 | 293 249 | 7.9% | 14.7% | |
| Sustainable revenue growth: Net underwriting profit growth | 501 991 | 601 462 | 759 188 | 731 288 | 13.4% | 45.9% | 779 456 | 828 383 | 890 354 | 6.8% | 45.1% | |
| Capital management : Ensure compliance with statutory capital requirements and the calculation of an economic risk basis for capital value | - | - | - | 5 745 | - | 0.1% | - | - | - | - | 100.0% | 0.1% |
| Customer centricity: Provide superior customer service to external stakeholders by reducing the internal claim turnaround time | 2 366 | 2 902 | 6 690 | 7 159 | 44.6% | 0.3% | 7 660 | 8 196 | 8 770 | 7.0% | 0.4% | |
| People, capacity and capability: Attract, retain and develop skills that support our aspirations | 2 199 | 3 926 | 4 757 | 8 104 | 54.5% | 0.3% | 8 384 | 8 674 | 8 983 | 3.5% | 0.5% | |
| Brand development: Create a trusted brand that resonates with all our customers | - | 5 693 | 5 502 | 6 207 | - | 0.3% | 6 580 | 6 974 | 7 393 | 6.0% | 0.4% | |
| Regulatory environment: Proactively manage compliance | - | 368 | 153 | 106 | - | - | 112 | 119 | 126 | 5.8% | - | |
| Total | 1 175 051 | 1 327 844 | 1 524 078 | 1 601 038 | 10.9% | 100.0% | 1 755 654 | 1 830 314 | 1 969 070 | 7.1% | 100.0% | |

Statements of historical financial performance and position

Table 7.96 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 | Average: Outcome/Budget (%) |
| | 2013/14 | 2014/15 | 2014/15 | 2015/16 | 2015/16 | 2016/17 | 2016/17 | 2013/14 - 2016/17 | |
| Revenue | | | | | | | | | |
| Non-tax revenue | 1 404 666 | 1 856 117 | 1 638 513 | 1 938 529 | 2 076 792 | 2 028 197 | 2 244 248 | 2 230 788 | 109.4% |
| Sale of goods and services other than capital assets | 1 126 668 | 1 412 972 | 1 318 723 | 1 546 914 | 1 639 703 | 1 710 017 | 1 767 599 | 1 760 396 | 109.9% |
| of which: | | | | | | | | | |
| Sales by market establishment | 1 126 668 | 1 412 972 | 1 318 723 | 1 546 914 | 1 639 703 | 1 710 017 | 1 767 599 | 1 760 396 | 109.9% |
| Other non-tax revenue | 277 998 | 443 145 | 319 790 | 391 615 | 437 089 | 318 180 | 476 649 | 470 392 | 107.4% |
| Total revenue | 1 404 666 | 1 860 977 | 1 638 513 | 1 938 529 | 2 076 792 | 2 028 197 | 2 244 248 | 2 230 788 | 109.4% |
| Expenses | | | | | | | | | |
| Current expenses | 697 732 | 916 937 | 979 305 | 1 102 658 | 1 343 836 | 1 318 828 | 1 350 311 | 1 350 311 | 107.3% |
| Compensation of employees | 28 407 | 41 616 | 43 033 | 46 266 | 53 430 | 54 901 | 58 772 | 58 772 | 109.8% |
| Goods and services | 664 492 | 871 999 | 928 277 | 1 050 125 | 1 281 816 | 1 256 836 | 1 283 024 | 1 283 024 | 107.3% |
| Depreciation | 4 833 | 3 322 | 7 995 | 6 266 | 8 590 | 7 091 | 8 515 | 8 515 | 84.2% |
| Total expenses | 891 741 | 1 175 050 | 979 305 | 1 327 845 | 1 549 064 | 1 524 078 | 1 601 038 | 1 601 038 | 112.1% |
| Surplus/(Deficit) | 512 925 | 685 927 | 659 208 | 610 684 | 527 728 | 504 119 | 643 210 | 629 750 | - |
| Statement of financial position | | | | | | | | | |
| Carrying value of assets | 72 317 | 51 019 | 45 209 | 54 198 | 60 511 | 60 052 | 66 611 | 59 721 | 92.0% |
| of which: | | | | | | | | | |
| Acquisition of assets | (9 671) | (15 564) | (3 850) | (4 098) | (8 646) | (5 216) | (2 877) | (6 169) | 124.0% |
| Investments | 4 855 469 | 4 035 497 | 4 440 045 | 4 478 517 | 5 135 251 | 4 591 336 | 5 530 665 | 5 091 170 | 91.2% |
| Receivables and prepayments | 243 868 | 151 927 | 149 689 | 145 617 | 131 451 | 179 426 | 140 658 | 78 905 | 83.5% |
| Cash and cash equivalents | 467 129 | 1 240 288 | 858 499 | 1 344 566 | 784 235 | 1 767 111 | 883 466 | 1 561 840 | 197.6% |
| Non-current assets held for sale | - | - | - | 36 000 | - | - | - | - | - |
| Total assets | 5 638 783 | 5 478 731 | 5 493 442 | 6 058 898 | 6 111 448 | 6 597 925 | 6 621 400 | 6 791 637 | 104.5% |
| Accumulated surplus/(deficit) | 4 839 923 | 4 296 106 | 4 522 713 | 4 674 237 | 2 899 644 | 4 937 786 | 3 118 505 | 2 426 986 | 106.2% |
| Capital and reserves | - | 350 610 | 263 372 | 377 385 | 2 428 242 | 434 750 | 2 619 956 | 3 438 710 | 86.6% |
| Deferred income | - | 4 159 | 591 | 5 146 | 6 259 | 5 968 | 6 748 | 2 664 | 131.9% |
| Trade and other payables | 124 774 | 759 301 | 642 771 | 921 222 | 723 542 | 1 110 136 | 819 909 | 861 923 | 158.1% |
| Taxation | 54 694 | 56 627 | 56 995 | 69 361 | 44 765 | 94 264 | 46 656 | 54 842 | 135.4% |
| Provisions | - | 11 928 | 7 000 | 11 547 | 8 996 | 15 021 | 9 626 | 6 512 | 175.7% |
| Total equity and liabilities | 5 638 783 | 5 478 731 | 5 493 442 | 6 058 898 | 6 111 448 | 6 597 925 | 6 621 400 | 6 791 637 | 104.5% |

Statements of estimates of financial performance and position

Table 7.97 South African Special Risks Insurance Association statements of estimates of financial performance and position

| Statement of financial performance | | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|------------------|-------------------------|---------------------------------|----------------------|------------------|------------------|-------------------------|---------------------------------|
| Revised estimate | 2016/17 | 2013/14 - 2016/17 | | 2017/18 | 2018/19 | 2019/20 | 2016/17 - 2019/20 | |
| R thousand | | | | | | | | |
| Revenue | | | | | | | | |
| Non-tax revenue | 2 230 788 | 6.3% | 99.9% | 2 393 845 | 2 560 193 | 2 757 878 | 7.3% | 100.0% |
| Sale of goods and services other than capital assets | 1 760 396 | 7.6% | 79.7% | 1 877 469 | 2 002 688 | 2 155 813 | 7.0% | 78.4% |
| <i>of which:</i> | | | | | | | | |
| Sales by market establishment | 1 760 396 | 7.6% | 79.7% | 1 877 469 | 2 002 688 | 2 155 813 | 7.0% | 78.4% |
| Other non-tax revenue | 470 392 | 2.0% | 20.2% | 516 376 | 557 505 | 602 065 | 8.6% | 21.6% |
| Total revenue | 2 230 788 | 6.2% | 100.0% | 2 393 845 | 2 560 193 | 2 757 878 | 7.3% | 100.0% |
| Expenses | | | | | | | | |
| Current expenses | 1 350 311 | 13.8% | 83.0% | 1 437 648 | 1 530 867 | 1 644 756 | 6.8% | 116.6% |
| Compensation of employees | 58 772 | 12.2% | 3.6% | 62 885 | 67 287 | 71 997 | 7.0% | 3.6% |
| Goods and services | 1 283 024 | 13.7% | 79.0% | 1 367 745 | 1 457 821 | 1 568 109 | 6.9% | 79.3% |
| Depreciation | 8 515 | 36.9% | 0.4% | 7 018 | 5 759 | 4 650 | -18.3% | 0.4% |
| Total expenses | 1 601 038 | 10.9% | 100.0% | 1 755 654 | 1 830 314 | 1 969 070 | 7.1% | 100.0% |
| Surplus/(Deficit) | 629 750 | - | - | 638 191 | 729 879 | 788 808 | 7.8% | - |
| Statement of financial position | | | | | | | | |
| Carrying value of assets | 59 721 | 5.4% | 0.9% | 55 834 | 53 519 | 52 768 | -4.0% | 0.7% |
| <i>of which:</i> | | | | | | | | |
| Acquisition of assets | (6 169) | -26.5% | -0.1% | (2 920) | (3 424) | (3 845) | -14.6% | -0.1% |
| Investments | 5 091 170 | 8.1% | 73.0% | 5 584 822 | 6 102 761 | 6 664 071 | 9.4% | 76.8% |
| Receivables and prepayments | 78 905 | -19.6% | 2.3% | 82 549 | 86 449 | 91 218 | 5.0% | 1.1% |
| Cash and cash equivalents | 1 561 840 | 8.0% | 23.7% | 1 553 796 | 1 640 121 | 1 724 976 | 3.4% | 21.3% |
| Non-current assets held for sale | - | - | 0.1% | - | - | - | - | - |
| Total assets | 6 791 637 | 7.4% | 100.0% | 7 277 002 | 7 882 850 | 8 533 033 | 7.9% | 100.0% |
| Accumulated surplus/(deficit) | 2 426 986 | -17.3% | 66.5% | 3 788 488 | 4 209 044 | 4 778 888 | 25.3% | 49.3% |
| Capital and reserves | 3 438 710 | 114.1% | 17.5% | 2 526 472 | 2 644 338 | 2 644 338 | -8.4% | 37.5% |
| Deferred income | 2 664 | -13.8% | 0.1% | 2 592 | 2 514 | 2 418 | -3.2% | 0.0% |
| Trade and other payables | 861 923 | 4.3% | 14.6% | 852 030 | 908 299 | 976 094 | 4.2% | 11.8% |
| Taxation | 54 842 | -1.1% | 1.1% | 105 113 | 116 349 | 128 989 | 33.0% | 1.3% |
| Provisions | 6 512 | -18.3% | 0.2% | 2 306 | 2 306 | 2 306 | -29.3% | - |
| Total equity and liabilities | 6 791 637 | 7.4% | 100.0% | 7 277 002 | 7 882 850 | 8 533 033 | 7.9% | 100.0% |

Personnel information

Table 7.98 South African Special Risks Insurance Association personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 | | Number and cost ¹ of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|---|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|-----------|-------------------|-----------|--------|
| Number of funded posts | Number of posts on approved establishment | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Average: Salary level/Total (%) | | | | |
| | | 2015/16 | | Unit cost | 2016/17 | | Unit cost | 2017/18 | | Unit cost | 2018/19 | | Unit cost | | | 2019/20 | | Unit cost | |
| South African Special Risks Insurance Association | | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | Number | Cost | Unit cost | 2016/17 - 2019/20 | | |
| Salary level | 87 | 87 | 81 | 54.9 | 0.7 | 87 | 58.8 | 0.7 | 93 | 62.9 | 0.7 | 93 | 67.3 | 0.7 | 93 | 72.0 | 0.8 | 7.0% | 100.0% |
| 1 - 6 | 20 | 20 | 23 | 3.8 | 0.2 | 20 | 3.2 | 0.2 | 20 | 3.4 | 0.2 | 20 | 3.7 | 0.2 | 20 | 3.9 | 0.2 | 7.0% | 21.9% |
| 7 - 10 | 39 | 39 | 30 | 13.4 | 0.4 | 39 | 14.5 | 0.4 | 43 | 15.5 | 0.4 | 43 | 16.6 | 0.4 | 43 | 17.8 | 0.4 | 7.0% | 45.9% |
| 11 - 12 | 14 | 14 | 18 | 16.6 | 0.9 | 14 | 14.8 | 1.1 | 16 | 15.9 | 1.0 | 16 | 17.0 | 1.1 | 16 | 18.2 | 1.1 | 7.0% | 16.9% |
| 13 - 16 | 13 | 13 | 9 | 18.0 | 2.0 | 13 | 22.9 | 1.8 | 13 | 24.6 | 1.9 | 13 | 26.3 | 2.0 | 13 | 28.1 | 2.2 | 7.0% | 14.2% |
| 17 - 22 | 1 | 1 | 1 | 3.1 | 3.1 | 1 | 3.3 | 3.3 | 1 | 3.5 | 3.5 | 1 | 3.7 | 3.7 | 1 | 4.0 | 4.0 | 7.0% | 1.1% |

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 | | |
|--|------------------|------------------|------------------|------------------------|----------------------------------|------------------|------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| 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 | 326 369 |
| Local government financial management grant | 424 798 | 449 138 | 452 491 | 465 264 | 502 006 | 531 122 | 560 865 |
| Neighbourhood development partnership grant | 585 935 | 590 390 | 583 575 | 624 000 | 663 390 | 701 867 | 741 172 |
| Infrastructure skills development grant | 98 500 | 104 425 | 124 465 | 130 471 | 140 774 | 148 939 | 157 280 |
| Total | 1 149 233 | 1 398 953 | 1 411 831 | 1 486 540 | 1 598 289 | 1 690 990 | 1 785 686 |

1. Detail provided in the Division of Revenue Act (2017).

Table 7.B Summary of expenditure on infrastructure

| Project name | Service delivery outputs | Current project stage | Total project cost | Audited outcome | | | Adjusted appropriation 2016/17 | Medium-term expenditure estimate | | |
|---|---|-----------------------|--------------------|-----------------|----------------|----------------|--------------------------------|----------------------------------|----------------|----------------|
| | | | | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 |
| R thousand | | | | | | | | | | |
| Infrastructure transfers to other spheres, agencies and departments | | | | | | | | | | |
| Mega projects (total project cost of at least R1 billion over the project lifecycle) | | | | | | | | | | |
| Neighbourhood development partnership grant | Long term township regeneration planning, catalytic and third party nodal development | Various | 9 000 000 | 585 935 | 590 390 | 607 000 | 624 000 | 663 390 | 701 867 | 741 172 |
| Total | | | 9 000 000 | 585 935 | 590 390 | 607 000 | 624 000 | 663 390 | 701 867 | 741 172 |

Table 7.C Summary of donor funding

| Donor | Project | Programme | Period of commitment | Amount committed | Main economic classification | Spending focus | Audited outcome | | | Estimate 2016/17 | Medium-term expenditure estimate | | | |
|--|---|--|----------------------|------------------|------------------------------|--|-----------------|---------|---------|------------------|----------------------------------|---------|---------|---|
| | | | | | | | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 | |
| 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 | 20 | - | 120 | - | - | - | - | - |
| Belgian Technical Cooperation | Training on non-accredited courses through the GCRA | Financial Accounting and Supply Chain Management Systems | six months | 1 775 | Goods and services | Training on non-accredited courses | - | - | 1 775 | - | - | - | - | - |
| Organisation of Economic Cooperation and Development | United Nations Framework Convention on Climate Change | Technical Support and Development Finance | Once off | 1 942 | Goods and services | Attending of climate change expert group global forum | - | 1 942 | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - |
| Belgian Technical Cooperation | Developing standard operating procedures in relation to the Municipal Finance Management Act (2003) | Financial Accounting and Supply Chain Management Systems | 1 year | 2 560 | Goods and services | Provision of technical assistance for public finance management in the development of Municipal Finance Management Act (2003) standard operating procedures | - | - | 2 318 | 242 | - | - | - | - |
| European Union | General advisory and policy support services | Technical Support and Development Finance | 4 years | 215 400 | Goods and services | Strengthening of the capability of the programme by providing technical support for public institutional strengthening, thereby contributing to an efficient, effective and development oriented public service (outcome 12) | 58 500 | 74 100 | 61 000 | - | - | - | - | - |
| European Union | Public finance management assessment in provinces using public expenditure and financial accountability methodology | Public Finance and Budget Management | 1 year | 8 500 | Goods and services | Provision of public finance management assessment in provinces using public expenditure and financial accountability methodology | 8 000 | - | - | - | - | - | - | - |
| Japan International Cooperation Agency | Municipal Minimum Competency Training | Financial Accounting and Supply Chain Management Systems | 15 months | 1 270 | Goods and services | Training of 22 municipal officials on the Minimum Competency Programme | - | - | 770 | 500 | - | - | - | - |

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 | | |
|---|---|--|----------------------|------------------|------------------------------|---|-----------------|---------|---------|----------------------------------|---------|---------|
| | | | | | | | 2013/14 | 2014/15 | 2015/16 | Estimate 2016/17 | 2017/18 | 2018/19 |
| R thousand European Union | Official development assistance programme (2) | Public Finance and Budget Management | 4 years | 12 577 | Goods and services | Improvement of outcome orientated delivery systems by leveraging off the official development assistance programme | 8 500 | 6 054 | 376 | - | - | - |
| Deutsche Gesellschaft für Internationale Zusammenarbeit European Union | Technical and advisory support to the chief directorate: International development cooperation Capacity building | Public Finance and Budget Management | 1 year | 670 | Goods and services | Provision of technical and advisory support to the chief directorate: International development cooperation | 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 | 4 750 | 13 700 | 19 000 | 7 500 | 6 000 | 2 000 |
| European Union | Capacity building | Financial Accounting and Supply Chain Management Systems | 3 years | 3 150 | Goods and services | Conducting of audits and evaluations | 700 | 750 | 250 | 500 | 400 | 400 |
| Flanders | Technical and management support programme | Financial Accounting and Supply Chain Management Systems | 4 years | 27 000 | Goods and services | Provision of technical and management support | 5 000 | 8 900 | 8 200 | 4 700 | - | - |
| Canada | Building a capable state | Public Finance and Budget Management | 5 years | 65 450 | Goods and services | Provision of assistance to the government of South Africa to improve service delivery and accountability within its administration and its public service | 582 | 14 801 | 14 184 | 6 605 | 29 278 | - |
| Foreign In kind | | | | | | | | | | | | |
| 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 | 4 800 | 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 | 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 | - | - | - |
| Swiss Development Cooperation | Monitoring and evaluation framework for capacity building in public finance management | Public Finance and Budget 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 | 500 | - | - | - | - | - |

Table 7.C Summary of donor funding

| Donor | Project | Programme | Period of commitment | Amount committed | Main economic classification | Spending focus | Audited outcome | | | Estimate 2016/17 | Medium-term expenditure estimate | | | |
|---|---|--|----------------------|------------------|------------------------------|---|-----------------|----------------|----------------|------------------|----------------------------------|--------------|----------|----------|
| | | | | | | | 2013/14 | 2014/15 | 2015/16 | | 2017/18 | 2018/19 | 2019/20 | |
| R thousand | | | | | | | | | | | | | | |
| 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 off the official development assistance programme | - | 13 950 | 13 950 | 13 950 | - | - | - | - |
| European Union | Official development assistance programme (2) | Public Finance and Budget Management | 3 years | 30 250 | Goods and services | Improvement of outcome orientated delivery systems by leveraging off the official development assistance programme | - | 16 675 | 6 760 | - | - | - | - | - |
| Total | | | | 649 068 | | | 135 752 | 197 334 | 187 703 | 44 697 | 35 678 | 2 400 | - | - |

BUDGET 2017

ESTIMATES OF NATIONAL EXPENDITURE

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