



**VOTE  
26**

**ENERGY**



**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**

22 February 2017



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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](http://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](http://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.





# Energy

**National Treasury  
Republic of South Africa**



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# Vote 26

## Energy

### Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	239.5	231.8	3.5	4.3	245.9	264.0
Energy Policy and Planning	46.7	46.7	–	–	49.5	52.5
Petroleum and Petroleum Products Regulation	81.8	81.8	–	–	85.5	90.9
Electrification and Energy Programme and Project Management	6 184.0	61.0	6 123.0	–	6 432.4	7 791.7
Nuclear Energy	786.9	36.2	750.7	–	821.4	882.2
Clean Energy	774.5	100.4	674.1	–	835.2	869.5
<b>Total expenditure estimates</b>	<b>8 113.5</b>	<b>557.9</b>	<b>7 551.2</b>	<b>4.3</b>	<b>8 469.9</b>	<b>9 950.8</b>
Executive authority	Minister of Energy					
Accounting officer	Director General of Energy					
Website address	www.energy.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://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

Formulate energy policies, regulatory frameworks and legislation, and oversee their implementation, to ensure energy security, the promotion of environmentally friendly energy carriers, and access to affordable and reliable energy for all South Africans.

### Mandate

The Department of Energy is mandated to ensure the secure and sustainable provision of energy, in support of socioeconomic development. It aims to achieve this by developing an integrated energy plan for the entire energy sector and regulating energy industries, and promoting investment in accordance with the integrated resource plan for electricity. A number of acts regulate the energy sector and reflect the legislative measures the department has instituted to govern the energy sector.

- Key among these are:
  - the National Energy Act (2008)
  - the Petroleum Products Act (1977)
  - the Electricity Regulation Act (2006).
- The National Energy Act (2008) sets out the core aspects of the department's mandate and is the enabling legislation that empowers the Minister of Energy to:
  - ensure that diverse energy resources are available in sustainable quantities and at affordable prices in the South African economy to support economic growth and poverty alleviation, while taking into account environmental considerations
  - plan for the increased generation and consumption of renewable energy, a contingency energy supply, the holding of strategic energy feedstock and carriers, adequate investment in appropriate upkeep, and access to energy infrastructure
  - collect data and information regarding energy demand, supply and generation
  - promote electricity regulation, energy research and the efficient generation and consumption of energy.

The department is also mandated to regulate the petroleum industry at the manufacturing, wholesale and retail levels through the implementation of the Petroleum Products Act (1977). The Petroleum and Liquid Fuels Charter is annexed to the Petroleum Products Amendment Act (2003), and outlines the department's strategy to effect transformation in the industry.

In terms of its policy mandate, the department is working with a range of documents and legislation that support the long-term vision for South Africa to use as much renewable energy as possible; create the necessary conditions to stimulate an efficient electricity market; and position South Africa to become globally competitive in the use of innovative technology for the design, manufacture and deployment of state-of-the-art nuclear energy systems, power reactors and nuclear fuel cycle systems.

## Selected performance indicators

**Table 26.1 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
Number of new petroleum retail site inspections per year	Petroleum and Petroleum Products Regulation	Outcome 6: An efficient, competitive and responsive economic infrastructure network	1 945	2 070	1 956	1 500	1 500	1 500	1 500
Number of additional households electrified per year	Electrification and Energy Programme and Project Management		292 714	233 455	231 012	240 000	235 000	238 000	250 000
Number of new bulk substations built per year	Electrification and Energy Programme and Project Management		2	5	2	3	3	3	3
Number of additional substations upgraded per year	Electrification and Energy Programme and Project Management		2	15	6	3	4	4	4
Kilometres of new medium-voltage power lines constructed per year	Electrification and Energy Programme and Project Management		370km	440km	224km	90km	95km	100km	100km
Kilometres of existing medium-voltage power lines upgraded per year	Electrification and Energy Programme and Project Management		283km	12.3km	–	90km	95km	90km	90km
Number of non-grid connections per year	Electrification and Energy Programme and Project Management	Outcome 9: Responsive, accountable, effective and efficient developmental local government	14 059	14 030	20 000	20 000	20 000	20 000	20 000
Number of new operational integrated energy centres established per year	Electrification and Energy Programme and Project Management	Departmental mandate	2	1	1	1	1	1	1
Number of terawatt hours (TWh) of energy savings realised and verified from energy efficiency and demand side management projects per year	Clean Energy	Outcome 10: Protect and enhance our environmental assets and natural resources	1.2 TWh	0.5 TWh	–	0.5 TWh	0.5 TWh	0.5 TWh	0.5 TWh
Number of solar water heating units installed in residential and commercial sectors per year	Clean Energy		46 954	31 190	5 000	38 375	42 000	48 000	51 000

## Expenditure analysis

Over the medium term, the Department of Energy will focus on the security of energy resources and energy supply, including through increasing household access to electricity, enhancing energy efficiency, diversifying the energy generation mix, establishing the National Radioactive Waste Disposal Institute, and improving the quality and security of petroleum fuels. These focus areas support the realisation of the vision of the National Development Plan (NDP), that by 2030, South Africa will have an adequate supply of electricity and liquid fuels to maintain economic activity and prevent economic disruptions. The plan also envisages economic growth, development and social equity through expanded access to energy services that are environmentally sustainable.

### **Increasing household access to electricity**

The department's spending focus over the medium term is set to remain largely on household electrification. To this end, an additional R1 billion has been allocated in 2019/20 to support the *Integrated National Electrification Programme* subprogramme, which electrifies households through grid and non-grid connections, and builds and upgrades substations and electricity networks.

An estimated 723 000 grid and 60 000 non-grid connections to households are expected to be made over the medium term, funded by transfers to implementing municipalities, non-grid service providers and Eskom. Due

to the additional allocation, transfers to municipalities are expected to increase from R2.1 billion in 2017/18 to R3.3 billion in 2019/20, and transfers to Eskom from R3.8 billion in 2017/18 to R4.2 billion in 2019/20. The cost of connections is expected to increase over the medium term as the integrated national electrification programme shifts to deep rural areas, requiring more expensive hardware and covering larger geographic areas. Spending on household electrification, budgeted for in the *Integrated National Electrification Programme* subprogramme in the *Electrification and Energy Programme and Project Management programme*, is expected to increase from R5.7 billion in 2016/17 to R7.7 billion by 2019/20, at an average annual rate of 11 per cent.

Non-grid electrification projects using solar energy will be extended countrywide, and will be implemented in areas where extending the grid would not be cost-effective. This method of delivery provides better value for money and, over time, allows for a greater number of connections to be made due to the relative lower cost per connection. To provide more non-grid connections, spending on non-grid electrification projects is expected to increase from R171.8 million in 2016/17 to R212.9 million in 2019/20, at an average annual rate of 7.4 per cent, in the *Integrated National Electrification Programme* subprogramme. Over the medium term, funding of R13.4 million in this subprogramme has been earmarked for the oversight, monitoring and evaluation of non-grid electrification projects.

### **Enhancing energy efficiency**

Over the medium term, the department will accelerate the implementation of the revised solar water heater programme as part of the load reduction strategy to reduce reliance on the national grid. Recent changes to the programme will allow the industry value chain to mature through revised localisation targets and the development of small businesses. Spending on the solar water heater programme is set to increase from R478 million in 2017/18 to R534.1 million in 2019/20, and 141 000 solar water heater units are expected to be produced and installed. This includes spending on the transportation and warehousing of solar water heating systems. The initiative is funded through the *Energy Efficiency* subprogramme in the *Clean Energy* programme.

The department's *energy efficiency and demand side management conditional grant* provides subsidies to municipalities to reduce energy consumption through energy efficient public lighting, and the retrofitting of energy efficient technologies in municipal buildings. Over the medium term, subsidies of R645.3 million are set to be transferred to municipalities, saving an estimated 0.5 TWh of energy per year.

### **Diversifying energy**

The department will continue to promote the optimal use of South Africa's renewable energy resources to ensure the country's sustainable energy agenda is adhered to. This includes expanding the independent power producers procurement programme. Renewable energy is an integral part of South Africa's low-emissions development strategy, and is vital to addressing the challenges of climate change, access to energy, and energy security. To meet the needs of the economy without compromising government's commitment to sustainable development, the department is pursuing a balanced mix of energy that includes clean and renewable resources, as informed by the 2016 integrated resource plan. The plan has been released for public comment and is expected to be implemented over the medium term.

The newly developed integrated energy plan optimises the relationship between the supply of electricity, gas and liquid fuels for meeting energy demand in the period up to 2050. Whereas detailed electricity supply options are outlined in the integrated resource plan, the integrated energy plan focuses on liquid fuels (mainly in the transportation sector), including addressing whether new oil refining capacity is required. It also discusses piped gas, gas storage and liquefied natural gas infrastructure, considering regional gas options in terms of imports from Mozambique and Botswana, as well as local shale gas. Spending on these plans is in the *Energy Policy and Planning* programme, amounting to an estimated R52.5 million by 2019/20.

### **Establishing the National Radioactive Waste Disposal Institute**

An amount of R99.3 million over the medium term has been reprioritised from the *Integrated National Electrification Programme* subprogramme to provide operational funding for the National Radioactive Waste Disposal Institute, which has a mandate to manage the disposal of radioactive waste nationally. The institute has signed a service-level agreement with the South African Nuclear Energy Corporation. It will adopt the corporation's policies, procedures and internal controls, as well as finance, payroll and supply chain

management systems, to ensure it operates within an effective, efficient and transparent system of financial and risk management, and internal control.

### Improving the quality and security of petroleum fuels

The department plans to undertake 4 500 inspections of petroleum retail sites over the medium term to ensure that petroleum fuel meets regulated quality standards. Spending in the *Petroleum and Petroleum Products Regulation* programme is expected to increase from R81.8 million in 2017/18 to R90.9 million in 2019/20, mostly driven by inflation-related adjustments.

An allocation of R956 000 was reprioritised to the *Petroleum and Petroleum Products Regulation* programme in 2017/18 for the development and implementation of the fuel supply monitoring system. The department manages the export and import of petroleum products, monitors fuel stock levels, and coordinates corrective actions to avoid distribution shortages. The system will allow for the monitoring and verification of information from the industry, providing the department with access to the status of fuel levels and fuel availability at any given time across the country. This will assist the department in being proactive in ensuring that fuel disruptions are kept to a minimum.

## Expenditure trends

**Table 26.2 Vote expenditure trends by programme and economic classification**

Programmes														
1. Administration														
2. Energy Policy and Planning														
3. Petroleum and Petroleum Products Regulation														
4. Electrification and Energy Programme and Project Management														
5. Nuclear Energy														
6. Clean Energy														
Programme	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 (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	221.0	219.6	232.6	244.1	257.3	257.2	242.6	246.6	277.8	240.1	244.8	244.8	106.8%	104.5%
Programme 2	51.2	47.2	47.8	52.6	57.6	41.7	45.1	44.1	38.1	46.7	43.5	41.6	86.5%	88.0%
Programme 3	49.7	68.8	25.8	82.7	84.5	64.5	74.4	73.4	69.0	77.9	77.5	77.5	83.2%	77.9%
Programme 4	3 942.8	3 952.5	3 958.5	4 199.2	4 208.6	4 181.0	5 778.3	5 813.8	5 820.5	5 699.9	5 705.2	5 582.9	99.6%	99.3%
Programme 5	710.0	708.8	722.5	850.5	843.8	845.4	654.4	653.9	655.0	863.6	880.1	799.5	98.2%	97.9%
Programme 6	1 623.6	1 506.3	1 489.9	1 986.5	1 986.0	830.3	687.3	435.8	281.8	616.9	599.4	593.6	65.0%	70.6%
<b>Total</b>	<b>6 598.2</b>	<b>6 503.2</b>	<b>6 477.1</b>	<b>7 415.6</b>	<b>7 437.8</b>	<b>6 220.1</b>	<b>7 482.1</b>	<b>7 267.6</b>	<b>7 142.1</b>	<b>7 545.2</b>	<b>7 550.6</b>	<b>7 340.0</b>	<b>93.6%</b>	<b>94.5%</b>
Change to 2016											5.4			
Budget estimate														
Economic classification														
<b>Current payments</b>	<b>468.8</b>	<b>460.3</b>	<b>414.8</b>	<b>518.3</b>	<b>530.7</b>	<b>473.6</b>	<b>492.6</b>	<b>508.8</b>	<b>509.3</b>	<b>739.0</b>	<b>714.5</b>	<b>638.7</b>	<b>91.8%</b>	<b>92.0%</b>
Compensation of employees	247.6	242.6	228.5	291.9	286.0	264.3	289.5	289.5	296.0	310.8	318.3	318.3	97.1%	97.4%
Goods and services	221.3	217.7	186.2	226.4	244.7	209.3	203.1	219.3	213.3	428.2	396.2	320.4	86.1%	86.2%
<b>Transfers and subsidies</b>	<b>6 124.2</b>	<b>6 034.3</b>	<b>6 050.6</b>	<b>6 892.1</b>	<b>6 901.9</b>	<b>5 742.7</b>	<b>6 985.5</b>	<b>6 754.8</b>	<b>6 628.4</b>	<b>6 802.1</b>	<b>6 832.0</b>	<b>6 697.1</b>	<b>93.7%</b>	<b>94.7%</b>
Provinces and municipalities	1 815.5	1 815.5	1 815.5	1 241.6	1 241.6	1 241.6	2 158.2	2 158.2	2 158.2	2 131.9	2 131.9	2 131.9	100.0%	100.0%
Departmental agencies and accounts	202.5	202.5	202.5	196.4	197.3	197.2	87.3	87.1	87.1	38.2	62.5	62.5	-	-
Foreign governments and international organisations	13.6	13.6	38.9	12.1	12.1	21.3	16.6	19.6	29.6	17.4	17.4	17.4	179.7%	171.1%
Public corporations and private enterprises	4 092.3	4 002.3	3 993.4	5 441.7	5 450.6	4 278.7	4 723.0	4 489.5	4 349.8	4 612.4	4 617.8	4 482.9	90.6%	92.2%
Households	0.4	0.4	0.3	0.4	0.4	4.0	0.4	0.4	3.7	2.2	2.4	2.4	310.9%	296.5%
<b>Payments for capital assets</b>	<b>5.2</b>	<b>8.7</b>	<b>11.7</b>	<b>5.2</b>	<b>5.2</b>	<b>3.8</b>	<b>4.0</b>	<b>4.0</b>	<b>4.4</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>	<b>129.9%</b>	<b>109.1%</b>
Machinery and equipment	5.2	8.7	11.3	5.2	5.2	3.8	4.0	4.0	4.4	4.1	4.1	4.1	128.0%	107.5%
Software and other intangible assets	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6 598.2</b>	<b>6 503.2</b>	<b>6 477.1</b>	<b>7 415.6</b>	<b>7 437.8</b>	<b>6 220.1</b>	<b>7 482.1</b>	<b>7 267.6</b>	<b>7 142.1</b>	<b>7 545.2</b>	<b>7 550.6</b>	<b>7 340.0</b>	<b>93.6%</b>	<b>94.5%</b>

## Expenditure estimates

Table 26.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Energy Policy and Planning									
3. Petroleum and Petroleum Products Regulation									
4. Electrification and Energy Programme and Project Management									
5. Nuclear Energy									
6. Clean Energy									
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	244.8	3.7%	3.7%	239.5	245.9	264.0	2.5%	2.9%	
Programme 2	41.6	-4.1%	0.6%	46.7	49.5	52.5	8.0%	0.6%	
Programme 3	77.5	4.1%	0.9%	81.8	85.5	90.9	5.4%	1.0%	
Programme 4	5 582.9	12.2%	71.9%	6 184.0	6 432.4	7 791.7	11.8%	76.7%	
Programme 5	799.5	4.1%	11.1%	786.9	821.4	882.2	3.3%	9.7%	
Programme 6	593.6	-26.7%	11.8%	774.5	835.2	869.5	13.6%	9.1%	
<b>Total</b>	<b>7 340.0</b>	<b>4.1%</b>	<b>100.0%</b>	<b>8 113.5</b>	<b>8 469.9</b>	<b>9 950.8</b>	<b>10.7%</b>	<b>100.0%</b>	
Change to 2016 Budget estimate				(15.5)	(16.5)	982.6			
Economic classification									
<b>Current payments</b>	<b>638.7</b>	<b>11.5%</b>	<b>7.5%</b>	<b>557.9</b>	<b>611.3</b>	<b>626.4</b>	<b>-0.6%</b>	<b>7.2%</b>	
Compensation of employees	318.3	9.5%	4.1%	318.2	331.9	357.0	3.9%	3.9%	
Goods and services	320.4	13.7%	3.4%	239.7	279.4	269.4	-5.6%	3.3%	
<b>Transfers and subsidies</b>	<b>6 697.1</b>	<b>3.5%</b>	<b>92.4%</b>	<b>7 551.2</b>	<b>7 854.1</b>	<b>9 319.6</b>	<b>11.6%</b>	<b>92.8%</b>	
Provinces and municipalities	2 131.9	5.5%	27.0%	2 290.3	2 419.5	3 555.0	18.6%	30.7%	
Departmental agencies and accounts	62.5	-32.4%	2.0%	129.4	113.9	147.3	33.1%	1.3%	
Foreign governments and international organisations	17.4	8.6%	0.4%	17.9	18.9	20.0	4.8%	0.2%	
Public corporations and private enterprises	4 482.9	3.9%	62.9%	5 111.2	5 301.3	5 596.7	7.7%	60.5%	
Households	2.4	89.5%	-	2.4	0.5	0.5	-41.7%	-	
<b>Payments for capital assets</b>	<b>4.1</b>	<b>-22.1%</b>	<b>0.1%</b>	<b>4.3</b>	<b>4.5</b>	<b>4.8</b>	<b>5.3%</b>	<b>0.1%</b>	
Machinery and equipment	4.1	-22.1%	0.1%	4.3	4.5	4.8	5.3%	0.1%	
<b>Total</b>	<b>7 340.0</b>	<b>4.1%</b>	<b>100.0%</b>	<b>8 113.5</b>	<b>8 469.9</b>	<b>9 950.8</b>	<b>10.7%</b>	<b>100.0%</b>	

## Goods and services expenditure trends and estimates

Table 26.4 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	2017/18	2018/19		
R thousand					2013/14 - 2016/17				2016/17 - 2019/20		
Administrative fees	4 023	4 453	5 664	3 290	-6.5%	1.7%	3 635	3 764	3 975	6.5%	1.2%
Advertising	15 970	8 652	13 785	7 189	-23.4%	4.5%	7 299	7 448	7 854	3.0%	2.5%
Minor assets	389	367	1 036	2 814	93.4%	0.5%	3 367	3 976	4 182	14.1%	1.2%
Audit costs: External	4 460	3 578	4 233	3 804	-5.2%	1.6%	4 472	3 915	4 135	2.8%	1.4%
Bursaries: Employees	696	761	610	755	2.7%	0.3%	785	821	867	4.7%	0.3%
Catering: Departmental activities	2 641	1 032	1 961	1 829	-11.5%	0.7%	2 042	2 173	2 295	7.9%	0.7%
Communication	6 853	7 846	7 613	5 894	-4.9%	2.8%	5 836	6 095	6 435	3.0%	2.0%
Computer services	7 975	10 264	9 839	6 125	-8.4%	3.4%	6 115	6 397	6 758	3.3%	2.1%
Consultants: Business and advisory services	25 387	43 780	25 828	256 350	116.1%	35.0%	97 719	130 711	112 369	-24.0%	50.4%
Legal services	504	846	924	441	-4.4%	0.3%	458	490	517	5.4%	0.2%
Contractors	2 041	1 743	2 560	928	-23.1%	0.7%	1 451	1 547	1 634	20.8%	0.5%
Agency and support/outsourced services	995	270	3 305	7 877	99.3%	1.2%	9 909	10 348	10 928	11.5%	3.3%
Entertainment	69	22	1	91	9.7%	-	197	231	244	38.9%	0.1%
Fleet services (including government motor transport)	304	1 130	1 586	708	32.6%	0.4%	689	724	766	2.7%	0.2%
Consumable supplies	795	1 582	1 042	1 730	29.6%	0.5%	2 563	2 775	2 932	19.2%	0.8%
Consumables: Stationery, printing and office supplies	3 911	4 119	4 653	5 296	10.6%	1.8%	3 520	4 139	4 369	-6.2%	1.5%
Operating leases	26 709	27 145	34 063	30 932	5.0%	11.8%	34 080	36 097	38 118	7.2%	11.8%
Rental and hiring	28	15	93	200	92.6%	-	395	412	436	29.7%	0.1%
Property payments	6 181	3 849	4 082	188	-68.8%	1.4%	779	815	861	66.1%	0.2%
Transport provided: Departmental activity	345	1	238	40	-51.2%	0.1%	-	-	-	-100.0%	-
Travel and subsistence	58 034	56 344	65 249	41 981	-10.2%	22.0%	37 004	38 185	40 354	-1.3%	13.3%
Training and development	4 003	5 665	4 664	3 888	-1.0%	1.8%	4 049	4 216	4 452	4.6%	1.4%
Operating payments	2 817	6 171	4 898	6 433	31.7%	2.0%	5 239	5 510	5 820	-3.3%	1.9%
Venues and facilities	11 110	19 706	15 373	7 422	-12.6%	5.3%	8 073	8 649	9 094	7.0%	2.8%
<b>Total</b>	<b>186 240</b>	<b>209 341</b>	<b>213 300</b>	<b>396 205</b>	<b>28.6%</b>	<b>100.0%</b>	<b>239 676</b>	<b>279 438</b>	<b>269 395</b>	<b>-12.1%</b>	<b>100.0%</b>



## Transfers and subsidies expenditure trends and estimates

Table 26.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)		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		
R thousand											
<b>Provinces and municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	180 718	136 905	177 899	185 625	0.9%	2.7%	203 236	215 024	227 065	6.9%	2.6%
Energy efficiency and demand side management grant	180 718	136 905	177 899	185 625	0.9%	2.7%	203 236	215 024	227 065	6.9%	2.6%
<b>Capital</b>	1 634 772	1 104 658	1 980 340	1 946 246	6.0%	26.4%	2 087 048	2 204 477	3 327 928	19.6%	30.3%
Integrated national electrification programme grant	1 314 772	1 104 658	1 980 340	1 946 246	14.0%	25.1%	2 087 048	2 204 477	3 327 928	19.6%	30.3%
Integrated national electrification programme: Approach to distribution asset management	320 000	-	-	-	-100.0%	1.3%	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	131 156	85 828	86 762	62 148	-22.0%	1.4%	128 976	113 417	146 881	33.2%	1.4%
Energy and Water Sector Education and Training Authority	-	812	792	985	-	-	1 047	1 108	1 170	5.9%	-
National Nuclear Regulator	48 012	33 331	21 109	40 538	-5.5%	0.6%	38 155	16 068	42 629	1.7%	0.4%
National Radioactive Waste Disposal Institute	19 800	-	-	-	-100.0%	0.1%	30 000	33 000	36 300	-	0.3%
South African National Energy Development Institute	63 344	51 685	64 861	20 625	-31.2%	0.8%	59 774	63 241	66 782	47.9%	0.7%
<b>Capital</b>	71 348	111 366	378	398	-82.3%	0.7%	418	442	467	5.5%	-
National Nuclear Regulator	348	366	378	398	4.6%	-	418	442	467	5.5%	-
South African National Energy Development Institute	71 000	111 000	-	-	-100.0%	0.7%	-	-	-	-	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	(7)	4 272	1 679	660	-555.1%	-	700	741	782	5.8%	-
International Energy Forum	-	282	366	-	-	-	-	-	-	-	-
African Petroleum Producers Association	-	2 312	-	-	-	-	-	-	-	-	-
International Atomic Energy Agency	(7)	1 678	1 313	-	-100.0%	-	-	-	-	-	-
Generation IV International Forum	-	-	-	660	-	-	700	741	782	5.8%	-
<b>Capital</b>	38 910	17 003	27 885	16 715	-24.5%	0.4%	17 207	18 205	19 224	4.8%	0.2%
International Atomic Energy Agency	38 910	17 003	27 885	16 715	-24.5%	0.4%	17 207	18 205	19 224	4.8%	0.2%
<b>Public corporations and private enterprises</b>											
<b>Subsidies on products and production</b>											
<b>Current</b>	460 373	491 881	498 777	513 461	3.7%	7.8%	574 000	607 292	641 300	7.7%	7.4%
South African Nuclear Energy Corporation	460 373	491 881	482 657	496 375	2.5%	7.6%	555 888	588 130	621 065	7.8%	7.2%
South African Nuclear Energy Corporation	-	-	16 120	17 086	-	0.1%	18 112	19 162	20 235	5.8%	0.2%
<b>Capital</b>	2 272 836	3 216 834	3 694 824	3 612 211	16.7%	50.7%	3 936 325	4 057 432	4 283 196	5.8%	50.4%
Eskom	2 141 027	2 948 037	3 613 243	3 526 334	18.1%	48.4%	3 846 154	3 962 031	4 182 453	5.9%	49.2%
South African Nuclear Energy Corporation	131 809	268 797	81 581	85 877	-13.3%	2.2%	90 171	95 401	100 743	5.5%	1.2%
<b>Public corporations and private enterprises</b>											
<b>Subsidies on products and production</b>											
<b>Capital</b>	1 260 220	570 000	156 179	492 135	-26.9%	9.8%	600 919	636 582	672 230	11.0%	7.6%
Various institutions	110 320	70 000	156 179	171 809	15.9%	2.0%	189 828	201 649	212 941	7.4%	2.5%
Various institutions: Solar water heater project	1 149 900	500 000	-	320 326	-34.7%	7.8%	411 091	434 933	459 289	12.8%	5.2%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	269	3 253	2 945	351	9.3%	-	368	389	411	5.4%	-
Employee social benefits	269	3 253	2 945	351	9.3%	-	368	389	411	5.4%	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	-	710	711	2 009	-	-	2 044	65	69	-67.5%	-
Bursaries for non-employees	-	-	-	1 790	-	-	1 983	-	-	-100.0%	-
Employee ex-gratia payments	-	710	711	58	-	-	61	65	69	6.0%	-
Households: Bursaries (non-employees)	-	-	-	161	-	-	-	-	-	-100.0%	-
<b>Total</b>	<b>6 050 595</b>	<b>5 742 710</b>	<b>6 628 379</b>	<b>6 831 959</b>	<b>4.1%</b>	<b>100.0%</b>	<b>7 551 241</b>	<b>7 854 066</b>	<b>9 319 553</b>	<b>10.9%</b>	<b>100.0%</b>



## Personnel information

Table 26.6 Vote personnel numbers and cost by salary level and programme<sup>1</sup>

Number of posts estimated for 31 March 2017		Number and cost <sup>2</sup> 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	Unit cost	Number	Unit cost	Number	Unit cost						
<b>Energy</b>	<b>541</b>	<b>17</b>	<b>587</b>	<b>296.0</b>	<b>0.5</b>	<b>592</b>	<b>318.3</b>	<b>0.5</b>	<b>548</b>	<b>318.2</b>	<b>0.6</b>	<b>538</b>	<b>331.9</b>	<b>0.6</b>	<b>530</b>	<b>357.0</b>	<b>0.7</b>	<b>-3.6%</b>	<b>100.0%</b>
Salary level	541	17	587	296.0	0.5	592	318.3	0.5	548	318.2	0.6	538	331.9	0.6	530	357.0	0.7	-3.6%	100.0%
1 – 6	107	3	120	30.0	0.2	120	28.1	0.2	107	26.5	0.2	102	25.6	0.3	99	26.9	0.3	-6.2%	19.4%
7 – 10	260	7	278	106.9	0.4	278	115.3	0.4	262	121.5	0.5	258	126.2	0.5	253	133.7	0.5	-3.1%	47.6%
11 – 12	91	6	97	66.6	0.7	102	76.0	0.7	94	74.0	0.8	93	78.1	0.8	93	87.4	0.9	-3.0%	17.3%
13 – 16	81	1	90	88.3	1.0	90	94.6	1.1	83	91.9	1.1	83	97.3	1.2	83	104.0	1.3	-2.7%	15.4%
Other	2	–	2	4.2	2.1	2	4.3	2.2	2	4.3	2.2	2	4.6	2.3	2	5.1	2.5	–	0.4%
<b>Programme</b>	<b>541</b>	<b>17</b>	<b>587</b>	<b>296.0</b>	<b>0.5</b>	<b>592</b>	<b>318.3</b>	<b>0.5</b>	<b>548</b>	<b>318.2</b>	<b>0.6</b>	<b>538</b>	<b>331.9</b>	<b>0.6</b>	<b>530</b>	<b>357.0</b>	<b>0.7</b>	<b>-3.6%</b>	<b>100.0%</b>
Programme 1	259	11	289	138.7	0.5	290	144.3	0.5	261	138.9	0.5	251	141.4	0.6	248	153.7	0.6	-5.1%	47.6%
Programme 2	49	1	50	31.5	0.6	51	34.8	0.7	51	35.3	0.7	51	37.6	0.7	50	39.9	0.8	-0.7%	9.2%
Programme 3	114	1	120	52.6	0.4	123	56.8	0.5	115	60.9	0.5	115	64.7	0.6	112	68.8	0.6	-3.1%	21.1%
Programme 4	68	4	72	41.8	0.6	72	45.7	0.6	68	44.2	0.7	68	47.1	0.7	67	50.3	0.8	-2.4%	12.5%
Programme 5	28	–	29	17.0	0.6	29	19.4	0.7	29	21.2	0.7	29	22.5	0.8	29	24.3	0.8	–	5.3%
Programme 6	23	–	27	14.3	0.5	27	17.3	0.6	24	17.7	0.7	24	18.6	0.8	24	20.1	0.8	-3.9%	4.5%

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

2. Rand million.

## Departmental receipts

Table 26.7 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			2019/20	2016/17 - 2019/20
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19			2019/20	2016/17 - 2019/20
<b>Departmental receipts</b>	<b>6 472</b>	<b>5 277</b>	<b>805 987</b>	<b>5 975</b>	<b>5 975</b>	<b>-2.6%</b>	<b>95.7%</b>	<b>6 054</b>	<b>6 170</b>	<b>6 309</b>	<b>1.8%</b>	<b>100.0%</b>		
<b>Sales of goods and services produced by department</b>	<b>2 758</b>	<b>3 132</b>	<b>3 885</b>	<b>3 820</b>	<b>3 820</b>	<b>11.5%</b>	<b>1.6%</b>	<b>3 808</b>	<b>3 914</b>	<b>4 027</b>	<b>1.8%</b>	<b>63.5%</b>		
Sales by market establishments of which:	132	139	141	154	154	5.3%	0.1%	146	149	156	0.4%	2.5%		
Sales by market establishment: Parking	132	139	141	154	154	5.3%	0.1%	146	149	156	0.4%	2.5%		
Administrative fees of which:	2 536	2 896	3 631	3 550	3 550	11.9%	1.5%	3 550	3 650	3 750	1.8%	59.2%		
Administrative fees: Petroleum licence fees	2 536	2 896	3 631	3 550	3 550	11.9%	1.5%	3 550	3 650	3 750	1.8%	59.2%		
Other sales of which:	90	97	113	116	116	8.8%	–	112	115	121	1.4%	1.9%		
Other sales: Garnishees, photocopy, faxes	90	97	113	116	116	8.8%	–	112	115	121	1.4%	1.9%		
Sales of scrap, waste, arms and other used current goods of which:	2	1	–	–	–	-100.0%	–	2	2	2	–	–		
Sales: Waste paper	2	1	–	–	–	-100.0%	–	2	2	2	–	–		
Transfers received	3 270	1 587	1 059	1 750	1 750	-18.8%	0.9%	1 750	1 750	1 750	–	28.6%		
Interest, dividends and rent on land	24	47	489	130	130	75.6%	0.1%	29	30	32	-37.3%	0.9%		
Interest	24	47	489	130	130	75.6%	0.1%	29	30	32	-37.3%	0.9%		
Sales of capital assets	–	–	111	–	–	–	–	–	–	–	–	–		
Transactions in financial assets and liabilities	418	510	800 443	275	275	-13.0%	93.1%	465	474	498	21.9%	7.0%		
National Revenue Fund receipts of which:	37 000	–	–	–	–	-100.0%	4.3%	–	–	–	–	–		
Electricity Distribution Industry Holdings	37 000	–	–	–	–	-100.0%	4.3%	–	–	–	–	–		
<b>Total</b>	<b>43 472</b>	<b>5 277</b>	<b>805 987</b>	<b>5 975</b>	<b>5 975</b>	<b>-48.4%</b>	<b>100.0%</b>	<b>6 054</b>	<b>6 170</b>	<b>6 309</b>	<b>1.8%</b>	<b>100.0%</b>		

## Programme 1: Administration

### Programme purpose

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

## Expenditure trends and estimates

Table 26.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	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
R thousand											
Ministry	35 536	41 767	42 299	29 647	-5.9%	14.7%	25 250	26 334	28 112	-1.8%	11.0%
Departmental Management	43 271	45 787	52 619	56 225	9.1%	19.5%	58 100	60 598	64 853	4.9%	24.1%
Finance Administration	27 204	29 390	33 294	34 210	7.9%	12.3%	36 051	36 429	39 689	5.1%	14.7%
Audit Services	4 564	6 754	6 698	7 777	19.4%	2.5%	6 076	6 340	6 769	-4.5%	2.7%
Corporate Services	121 983	109 053	110 758	86 894	-10.7%	42.3%	80 753	81 004	87 351	0.2%	33.8%
Office Accommodation	-	24 417	32 100	30 069	-	8.6%	33 311	35 243	37 217	7.4%	13.7%
<b>Total</b>	<b>232 558</b>	<b>257 168</b>	<b>277 768</b>	<b>244 822</b>	<b>1.7%</b>	<b>100.0%</b>	<b>239 541</b>	<b>245 948</b>	<b>263 991</b>	<b>2.5%</b>	<b>100.0%</b>
Change to 2016				4 685			(10 977)	(13 250)	(12 693)		
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>	<b>221 076</b>	<b>248 394</b>	<b>268 555</b>	<b>237 543</b>	<b>2.4%</b>	<b>96.4%</b>	<b>231 796</b>	<b>239 847</b>	<b>257 556</b>	<b>2.7%</b>	<b>97.2%</b>
Compensation of employees	112 636	131 521	138 750	144 292	8.6%	52.1%	138 899	141 446	153 668	2.1%	58.2%
Goods and services <sup>1</sup>	108 440	116 873	129 805	93 251	-4.9%	44.3%	92 897	98 401	103 888	3.7%	39.1%
of which:											
Audit costs: External	4 460	3 578	4 233	3 804	-5.2%	1.6%	3 740	3 915	4 135	2.8%	1.6%
Computer services	7 397	10 204	9 807	6 027	-6.6%	3.3%	5 690	5 954	6 289	1.4%	2.4%
Consultants: Business and advisory services	3 511	5 103	4 025	4 905	11.8%	1.7%	4 215	4 457	4 704	-1.4%	1.8%
Operating leases	26 297	26 737	33 165	30 911	5.5%	11.6%	34 080	36 097	38 118	7.2%	14.0%
Travel and subsistence	29 872	27 842	32 467	19 526	-13.2%	10.8%	17 196	17 368	18 319	-2.1%	7.3%
Training and development	3 077	5 636	4 643	3 784	7.1%	1.7%	3 925	4 086	4 315	4.5%	1.6%
<b>Transfers and subsidies<sup>1</sup></b>	<b>170</b>	<b>5 007</b>	<b>4 789</b>	<b>3 184</b>	<b>165.6%</b>	<b>1.3%</b>	<b>3 459</b>	<b>1 562</b>	<b>1 650</b>	<b>-19.7%</b>	<b>1.0%</b>
Departmental agencies and accounts	-	812	792	985	-	0.3%	1 047	1 108	1 170	5.9%	0.4%
Foreign governments and international organisations	-	282	366	-	-	0.1%	-	-	-	-	-
Households	170	3 913	3 631	2 199	134.7%	1.0%	2 412	454	480	-39.8%	0.6%
<b>Payments for capital assets</b>	<b>11 312</b>	<b>3 763</b>	<b>4 424</b>	<b>4 095</b>	<b>-28.7%</b>	<b>2.3%</b>	<b>4 286</b>	<b>4 539</b>	<b>4 785</b>	<b>5.3%</b>	<b>1.8%</b>
Machinery and equipment	11 312	3 763	4 424	4 095	-28.7%	2.3%	4 286	4 539	4 785	5.3%	1.8%
<b>Payments for financial assets</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>232 558</b>	<b>257 168</b>	<b>277 768</b>	<b>244 822</b>	<b>1.7%</b>	<b>100.0%</b>	<b>239 541</b>	<b>245 948</b>	<b>263 991</b>	<b>2.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>3.6%</b>	<b>4.1%</b>	<b>3.9%</b>	<b>3.2%</b>	<b>-</b>	<b>-</b>	<b>3.0%</b>	<b>2.9%</b>	<b>2.7%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>-</b>	<b>812</b>	<b>792</b>	<b>985</b>	<b>-</b>	<b>0.3%</b>	<b>1 047</b>	<b>1 108</b>	<b>1 170</b>	<b>5.9%</b>	<b>0.4%</b>
Energy and Water Sector	-	812	792	985	-	0.3%	1 047	1 108	1 170	5.9%	0.4%
Education and Training Authority	-	-	-	-	-	-	-	-	-	-	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>-</b>	<b>282</b>	<b>366</b>	<b>-</b>	<b>-</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
International Energy Forum	-	282	366	-	-	0.1%	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>170</b>	<b>3 212</b>	<b>2 920</b>	<b>351</b>	<b>27.3%</b>	<b>0.7%</b>	<b>368</b>	<b>389</b>	<b>411</b>	<b>5.4%</b>	<b>0.2%</b>
Employee social benefits	170	3 212	2 920	351	27.3%	0.7%	368	389	411	5.4%	0.2%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>-</b>	<b>701</b>	<b>711</b>	<b>1 848</b>	<b>-</b>	<b>0.3%</b>	<b>2 044</b>	<b>65</b>	<b>69</b>	<b>-66.6%</b>	<b>0.4%</b>
Bursaries for Non-employees	-	-	-	1 790	-	0.2%	1 983	-	-	-100.0%	0.4%
Employee ex-gratia payments	-	701	711	58	-	0.1%	61	65	69	6.0%	-

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

## Personnel information

Table 26.9 Administration personnel numbers and cost by salary level<sup>1</sup>

Number of posts estimated for 31 March 2017		Number and cost <sup>2</sup> 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		259	11	289	138.7	0.5	290	144.3	0.5	261	138.9	0.5	251	141.4	0.6	248	153.7	0.6	-5.1%	100.0%
Salary level																				
1 – 6	76	1	86	21.3	0.2	86	20.8	0.2	75	18.9	0.3	70	17.7	0.3	69	18.9	0.3	-7.1%	28.6%	
7 – 10	118	4	126	45.6	0.4	126	48.7	0.4	118	50.8	0.4	114	51.1	0.4	112	53.9	0.5	-3.9%	44.8%	
11 – 12	32	5	36	26.3	0.7	37	28.2	0.8	33	26.0	0.8	32	26.8	0.8	32	31.9	1.0	-4.7%	12.8%	
13 – 16	31	1	39	41.3	1.1	39	42.2	1.1	33	38.9	1.2	33	41.2	1.2	33	43.9	1.3	-5.4%	13.1%	
Other	2	–	2	4.2	2.1	2	4.3	2.2	2	4.3	2.2	2	4.6	2.3	2	5.1	2.5	–	0.8%	

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

2. Rand million.

## Programme 2: Energy Policy and Planning

### Programme purpose

Ensure evidence-based planning, policy setting and investment decisions in the energy sector to improve the security of energy supply, regulation and competition.

### Objectives

- Improve energy security by:
  - regulating demand and introducing a diversified mix of energy-generation technologies on an ongoing basis
  - planning interventions to expand energy infrastructure through the development of a policy framework for the integrated energy plan, the integrated resource plan, the liquid fuels infrastructure roadmap, the transmission development plan and the major distribution infrastructure plan over the medium term
  - publishing an annual energy statistics report to facilitate information-based decision-making
  - addressing current and envisaged energy supply and distribution constraints through the development of an approach to distribution asset management norms and standards in order to rehabilitate critical municipal electricity distribution infrastructure over the medium term.
- Ensure the integration of renewable energy into South Africa's mainstream energy supply by:
  - planning and coordinating initiatives and interventions focused on the development and improvement of the renewable energy market on an ongoing basis
  - improving the generation capacity by implementing the integrated resource plan through determinations by under section 34 of the Energy Regulation Act (2006).

### Subprogrammes

- *Policy Analysis and Research* develops key indicators and monitors the impact of energy sector policies, planning and interventions; analyses all energy policies and their impact on access to energy and the security of energy supply; conducts research and analyses policies in relation to other countries; and conducts research and analysis on national and international trends or developments that affect the demand and supply of energy.
- *Energy Planning* manages energy data and information; develops and maintains an energy modelling system to simulate energy supply and distribution; identifies constraints in energy supply and distribution, and addresses them through the integrated energy plan; manages the overall collection, collation, validation, integrity and quality of energy data; and manages the development of energy plans and strategic interventions for the generation, refining, distribution and transmission of energy sources for demand and supply optimisation.
- *Hydrocarbon Policy* ensures secure energy supply, well-managed demand, and enhanced access to hydrocarbons; ensures a transformed energy sector; and ensures that energy regulation and competition is

improved through the development, promulgation and maintenance of a statutory framework for petroleum, petroleum products, petroleum infrastructure, coal and gas.

- *Electricity, Energy Efficiency and Environmental Policy* ensures secure energy supply, well-managed demand and a transformed energy sector, and energy regulation and competition that improve through the development, promulgation and maintenance of a statutory framework for electricity over the medium term. This includes reforming the electricity supply industry to introduce independent power producers in support of electricity security.

## Expenditure trends and estimates

**Table 26.10 Energy Policy and Planning 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											
Policy Analysis and Research	2 337	475	1 570	1 868	-7.2%	3.7%	2 531	2 638	2 820	14.7%	5.1%
Energy Planning	18 380	23 134	18 429	21 729	5.7%	47.7%	22 718	24 528	25 685	5.7%	49.3%
Hydrocarbon Policy	15 402	11 695	11 428	12 231	-7.4%	29.7%	12 770	13 319	14 298	5.3%	27.4%
Electricity, Energy Efficiency and Environmental Policy	11 637	6 445	6 668	7 690	-12.9%	19.0%	8 649	9 024	9 675	8.0%	18.2%
<b>Total</b>	<b>47 756</b>	<b>41 749</b>	<b>38 095</b>	<b>43 518</b>	<b>-3.1%</b>	<b>100.0%</b>	<b>46 668</b>	<b>49 509</b>	<b>52 478</b>	<b>6.4%</b>	<b>100.0%</b>
Change to 2016 Budget estimate				(3 230)			387	(589)	(1 167)		
<b>Economic classification</b>	<b>47 748</b>	<b>41 708</b>	<b>38 095</b>	<b>43 518</b>	<b>-3.0%</b>	<b>100.0%</b>	<b>46 668</b>	<b>49 509</b>	<b>52 478</b>	<b>6.4%</b>	<b>100.0%</b>
<b>Current payments</b>											
Compensation of employees	28 348	28 754	31 521	34 769	7.0%	72.1%	35 283	37 622	39 929	4.7%	76.8%
Goods and services <sup>1</sup>	19 400	12 954	6 574	8 749	-23.3%	27.9%	11 385	11 887	12 549	12.8%	23.2%
of which:											
Administrative fees	368	233	222	327	-3.9%	0.7%	469	489	516	16.4%	0.9%
Communication	441	408	265	283	-13.7%	0.8%	514	537	567	26.1%	1.0%
Consultants: Business and advisory services	9 643	8 144	342	3 520	-28.5%	12.7%	4 377	4 574	4 829	11.1%	9.0%
Consumables: Stationery, printing and office supplies	334	8	24	196	-16.3%	0.3%	304	317	334	19.4%	0.6%
Travel and subsistence	4 993	2 941	4 062	3 575	-10.5%	9.1%	3 661	3 816	4 030	4.1%	7.8%
Venues and facilities	1 510	212	693	100	-59.5%	1.5%	1 040	1 088	1 147	125.5%	1.8%
<b>Transfers and subsidies<sup>1</sup></b>	<b>8</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	8	41	-	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>47 756</b>	<b>41 749</b>	<b>38 095</b>	<b>43 518</b>	<b>-3.1%</b>	<b>100.0%</b>	<b>46 668</b>	<b>49 509</b>	<b>52 478</b>	<b>6.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	0.7%	0.7%	0.5%	0.6%	-	-	0.6%	0.6%	0.5%	-	-
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
Current	8	41	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	8	41	-	-	-100.0%	-	-	-	-	-	-

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

## Personnel information

**Table 26.11 Energy Policy and Planning personnel numbers and cost by salary level<sup>1</sup>**

Energy Policy and Planning	Number of posts estimated for 31 March 2017		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual 2015/16			Revised estimate 2016/17			Medium-term expenditure estimate						Average growth rate (%) 2016/17 - 2019/20	Average: Salary level/Total (%)			
			Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18		2018/19		2019/20						
Salary level	49	1	50	31.5	0.6	51	34.8	0.7	51	35.3	0.7	51	37.6	0.7	50	39.9	0.8	-0.7%	100.0%
1 - 6	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 - 10	26	1	28	11.6	0.4	28	13.2	0.5	28	14.3	0.5	28	15.3	0.5	27	15.9	0.6	-1.2%	54.7%
11 - 12	13	-	12	7.9	0.7	13	9.3	0.7	13	10.4	0.8	13	11.2	0.9	13	12.1	0.9	-	25.6%
13 - 16	10	-	10	11.7	1.2	10	12.4	1.2	10	10.5	1.1	10	11.2	1.1	10	12.0	1.2	-	19.7%

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

2. Rand million.

## Programme 3: Petroleum and Petroleum Products Regulation

### Programme purpose

Regulate the petroleum and petroleum products industry, to ensure the optimal and orderly functioning of the industry to achieve government's development goals.

### Objectives

- Ensure the development and transformation of the liquid fuels industry and the security of the supply of petroleum products in the South African economy by monitoring and enforcing technical and economic compliance to legislation, specifications, standards and licence conditions on an annual basis.
- Facilitate the orderly development of the petroleum sector through the analysis and efficient adjudication of licences for manufacturing, wholesale and retail activities on an ongoing basis.
- Strengthen the regulatory framework in the liquid fuels petroleum industry by implementing the regulatory accounting system on an ongoing basis to introduce a transparent fuel pricing mechanism that will provide an appropriate return to investors in the liquid fuels sector across the value chain.

### Subprogrammes

- *Petroleum Compliance, Monitoring and Enforcement* monitors and enforces technical, commercial and legal compliance by the petroleum industry to the prescripts of the Petroleum Products Act (1977) and its regulations. This includes compliance with import and export conditions, as well as the enforcement of the submission of data by the industry. The subprogramme also processes arbitration requests and the promotion of access to information on behalf of the Controller of Petroleum Products.
- *Petroleum Licensing and Fuel Supply* manages the petroleum licensing process, regulates the permitting of the export and import of petroleum products, monitors fuel stock levels, and coordinates corrective measures to avoid distribution shortages. This entails conducting licence analyses, ensuring the supply of petroleum products and compliance with permits and the empowerment charter.
- *Fuel Pricing* regulates the pricing of petroleum products in accordance with legislation. This entails determining, reviewing, updating and maintaining fuel levies and margins, and the process of paying fuel levies. The administration of fuel prices includes developing, evaluating and monitoring price models; updating elements of the basic fuel price; and ensuring secure audit services for the auditing of fuel prices to ensure the internationally competitive pricing of petroleum products to enable investment in the sector.
- *Regional Petroleum Regulation Offices* provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, and ensures economic and technical compliance with relevant legislation. In addition, all annual information submitted by licence holders is captured and analysed.

### Expenditure trends and estimates

**Table 26.12 Petroleum and Petroleum Products Regulation 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					2016/17 - 2019/20	
Petroleum Compliance, Monitoring and Enforcement	6 797	13 541	13 847	13 569	25.9%	20.2%	12 728	13 306	14 151	1.4%	16.0%
Petroleum Licensing and Fuel Supply	15 473	19 400	20 740	24 009	15.8%	33.6%	26 946	28 116	30 178	7.9%	32.5%
Fuel Pricing	3 566	9 158	6 839	7 485	28.0%	11.4%	8 465	7 844	8 367	3.8%	9.6%
Regional Petroleum Regulation Offices	–	22 449	27 532	32 465	–	34.8%	33 689	36 275	38 203	5.6%	41.9%
<b>Total</b>	<b>25 836</b>	<b>64 548</b>	<b>68 958</b>	<b>77 528</b>	<b>44.2%</b>	<b>100.0%</b>	<b>81 828</b>	<b>85 541</b>	<b>90 899</b>	<b>5.4%</b>	<b>100.0%</b>
Change to 2016 Budget estimate				(343)			4 799	5 167	4 875		

**Table 26.12 Petroleum and Petroleum Products Regulation 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	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2019/20
<b>Current payments</b>	<b>25 783</b>	<b>62 236</b>	<b>68 958</b>	<b>77 528</b>	<b>44.3%</b>	<b>99.0%</b>	<b>81 828</b>	<b>85 541</b>	<b>90 899</b>	<b>5.4%</b>	<b>100.0%</b>
Compensation of employees	19 084	41 927	52 566	56 792	43.8%	71.9%	60 917	64 650	68 839	6.6%	74.8%
Goods and services <sup>1</sup>	6 699	20 309	16 392	20 736	45.7%	27.1%	20 911	20 891	22 060	2.1%	25.2%
of which:											
Advertising	3 175	468	432	876	-34.9%	2.1%	995	1 040	1 099	7.9%	1.2%
Communication	302	286	675	632	27.9%	0.8%	610	637	673	2.1%	0.8%
Consultants: Business and advisory services	396	9 056	10 023	9 219	185.5%	12.1%	9 965	9 431	9 961	2.6%	11.5%
Travel and subsistence	1 649	5 714	4 270	5 059	45.3%	7.0%	3 895	4 082	4 307	-5.2%	5.2%
Operating payments	108	3 036	254	2 328	178.3%	2.4%	2 362	2 474	2 613	3.9%	2.9%
Venues and facilities	52	367	218	1 121	178.3%	0.7%	1 221	1 280	1 351	6.4%	1.5%
<b>Transfers and subsidies<sup>1</sup></b>	<b>53</b>	<b>2 312</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>1.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Foreign governments and international organisations	-	2 312	-	-	-	1.0%	-	-	-	-	-
Households	53	-	-	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>25 836</b>	<b>64 548</b>	<b>68 958</b>	<b>77 528</b>	<b>44.2%</b>	<b>100.0%</b>	<b>81 828</b>	<b>85 541</b>	<b>90 899</b>	<b>5.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.4%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>-</b>	<b>-</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.9%</b>	<b>-</b>	<b>-</b>

**Details of transfers and subsidies**

<b>Foreign governments and international organisations</b>											
<b>Current</b>	-	2 312	-	-	-	1.0%	-	-	-	-	-
African Petroleum Producer Association	-	2 312	-	-	-	1.0%	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	53	-	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	53	-	-	-	-100.0%	-	-	-	-	-	-

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

**Personnel information****Table 26.13 Petroleum and Petroleum Products Regulation personnel numbers and cost by salary level<sup>1</sup>**

Petroleum and Petroleum Products Regulation	Number of posts estimated for 31 March 2017		Number and cost <sup>2</sup> 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											
Salary level	114	1	120	52.6	0.4	123	56.8	0.5	115	60.9	0.5	115	64.7	0.6	112	68.8	0.6	-3.1%	100.0%
1 - 6	31	-	31	6.8	0.2	31	6.7	0.2	32	7.6	0.2	32	7.9	0.2	30	8.0	0.3	-1.1%	26.9%
7 - 10	58	1	62	26.2	0.4	62	27.3	0.4	57	28.3	0.5	57	30.1	0.5	56	32.1	0.6	-3.3%	49.9%
11 - 12	9	-	10	6.1	0.6	13	8.9	0.7	10	8.1	0.8	10	8.7	0.9	10	9.4	0.9	-8.4%	9.2%
13 - 16	16	-	17	13.5	0.8	17	14.0	0.8	16	16.9	1.1	16	18.0	1.1	16	19.3	1.2	-2.0%	14.0%

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

2. Rand million.

**Programme 4: Electrification and Energy Programme and Project Management****Programme purpose**

Manage, coordinate and monitor programmes and projects that are focused on access to energy.

**Objectives**

- Increase households' access to electricity by managing, funding and monitoring the implementation of the integrated national electrification programme on an ongoing basis.



- Increase public awareness on energy issues while empowering disadvantaged and vulnerable groups by identifying, implementing, managing and coordinating upliftment programmes and projects on an ongoing basis.
- Ensure the efficient management of electricity supply by:
  - enhancing the application of project management business principles to assist programme and project managers on an ongoing basis
  - coordinating, monitoring and reporting on the implementation of programmes and projects focused on the development, improvement and transformation of the energy generation, refinement, transmission and distribution industry and its infrastructure on an ongoing basis.

## Subprogrammes

- *Integrated National Electrification Programme* oversees and manages the finance and implementation processes for the electrification programme; manages the annual planning processes, including electrification infrastructure plans; and manages and coordinates technical audits for the programme.
- *Energy Regional Offices* provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, manages and coordinates regional electrification planning, and ensures economic and technical compliance with relevant legislation.
- *Programme and Project Management Office* provides specialised assistance to programme and project managers, and management in general, to apply management principles, coordinate project information and report on projects.
- *Electricity Infrastructure/Industry Transformation* oversees programmes and projects focused on the development, improvement and transformation of the electricity generation, transmission and distribution sector, and independent power producers.
- *Community Upliftment Programmes and Projects* implements, manages and coordinates programmes and projects aimed at the mainstreaming, upliftment and empowerment of disadvantaged and vulnerable groups, and increases public awareness on energy issues. This subprogramme also establishes integrated energy centres, which provide energy services and education to communities.

## Expenditure trends and estimates

**Table 26.14 Electrification and Energy Programme and Project Management 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	
Integrated National Electrification Programme	3 907 895	4 142 550	5 775 682	5 662 437	13.2%	99.1%	6 143 507	6 390 133	7 746 428	11.0%	99.3%
Energy Regional Offices	33 204	17 581	20 271	15 678	-22.1%	0.4%	15 805	16 477	17 717	4.2%	0.3%
Programme and Project Management Office	5 926	7 245	9 095	8 969	14.8%	0.2%	11 338	11 832	12 628	12.1%	0.2%
Electricity Infrastructure/Industry Transformation	4 262	6 575	8 593	12 184	41.9%	0.2%	7 713	8 046	8 637	-10.8%	0.1%
Community Upliftment Programmes and Projects	7 238	7 022	6 844	5 887	-6.7%	0.1%	5 665	5 911	6 328	2.4%	0.1%
<b>Total</b>	<b>3 958 525</b>	<b>4 180 973</b>	<b>5 820 485</b>	<b>5 705 155</b>	<b>13.0%</b>	<b>100.0%</b>	<b>6 184 028</b>	<b>6 432 399</b>	<b>7 791 738</b>	<b>10.9%</b>	<b>100.0%</b>
Change to 2016 Budget estimate				5 248			(32 078)	(33 749)	962 554		

**Table 26.14 Electrification and Energy Programme and Project Management 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											
<b>Current payments</b>	<b>72 011</b>	<b>58 240</b>	<b>70 718</b>	<b>60 766</b>	<b>-5.5%</b>	<b>1.3%</b>	<b>60 998</b>	<b>64 242</b>	<b>68 416</b>	<b>4.0%</b>	<b>1.0%</b>
Compensation of employees	46 050	36 224	41 796	45 749	-0.2%	0.9%	44 232	47 060	50 270	3.2%	0.7%
Goods and services <sup>1</sup>	25 961	22 016	28 922	15 017	-16.7%	0.5%	16 766	17 182	18 146	6.5%	0.3%
of which:											
Administrative fees	1 152	991	1 328	759	-13.0%	-	833	863	912	6.3%	-
Catering: Departmental activities	1 096	261	1 435	580	-19.1%	-	641	669	708	6.9%	-
Communication	485	537	421	696	12.8%	-	714	748	789	4.3%	-
Consultants: Business and advisory services	1	25	19	1 983	1156.3%	-	3 515	4 111	4 341	29.8%	0.1%
Travel and subsistence	15 271	14 254	15 700	7 725	-20.3%	0.3%	7 505	7 843	8 282	2.3%	0.1%
Venues and facilities	5 188	4 447	7 153	1 966	-27.6%	0.1%	1 616	1 686	1 780	-3.3%	-
<b>Transfers and subsidies<sup>1</sup></b>	<b>3 886 157</b>	<b>4 122 704</b>	<b>5 749 762</b>	<b>5 644 389</b>	<b>13.2%</b>	<b>98.7%</b>	<b>6 123 030</b>	<b>6 368 157</b>	<b>7 723 322</b>	<b>11.0%</b>	<b>99.0%</b>
Provinces and municipalities	1 634 772	1 104 658	1 980 340	1 946 246	6.0%	33.9%	2 087 048	2 204 477	3 327 928	19.6%	36.6%
Public corporations and private enterprises	2 251 347	3 018 037	3 769 422	3 698 143	18.0%	64.8%	4 035 982	4 163 680	4 395 394	5.9%	62.4%
Households	38	9	-	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>357</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	9	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	348	-	-	-	-100.0%	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>29</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3 958 525</b>	<b>4 180 973</b>	<b>5 820 485</b>	<b>5 705 155</b>	<b>13.0%</b>	<b>100.0%</b>	<b>6 184 028</b>	<b>6 432 399</b>	<b>7 791 738</b>	<b>10.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>61.1%</b>	<b>67.2%</b>	<b>81.5%</b>	<b>75.6%</b>	<b>-</b>	<b>-</b>	<b>76.2%</b>	<b>75.9%</b>	<b>78.3%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	38	-	-	-	-100.0%	-	-	-	-	-	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee ex-gratia payments	-	9	-	-	-	-	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Capital</b>	<b>1 634 772</b>	<b>1 104 658</b>	<b>1 980 340</b>	<b>1 946 246</b>	<b>6.0%</b>	<b>33.9%</b>	<b>2 087 048</b>	<b>2 204 477</b>	<b>3 327 928</b>	<b>19.6%</b>	<b>36.6%</b>
Integrated national electrification programme grant	1 314 772	1 104 658	1 980 340	1 946 246	14.0%	32.3%	2 087 048	2 204 477	3 327 928	19.6%	36.6%
Integrated national electrification programme: Approach to distribution asset management	320 000	-	-	-	-100.0%	1.6%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Private enterprises (subsidies on products and production)</b>											
<b>Capital</b>	<b>110 320</b>	<b>70 000</b>	<b>156 179</b>	<b>171 809</b>	<b>15.9%</b>	<b>2.6%</b>	<b>189 828</b>	<b>201 649</b>	<b>212 941</b>	<b>7.4%</b>	<b>3.0%</b>
Various institutions	110 320	70 000	156 179	171 809	15.9%	2.6%	189 828	201 649	212 941	7.4%	3.0%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Public corporations (subsidies on products and production)</b>											
<b>Capital</b>	<b>2 141 027</b>	<b>2 948 037</b>	<b>3 613 243</b>	<b>3 526 334</b>	<b>18.1%</b>	<b>62.2%</b>	<b>3 846 154</b>	<b>3 962 031</b>	<b>4 182 453</b>	<b>5.9%</b>	<b>59.4%</b>
Eskom	2 141 027	2 948 037	3 613 243	3 526 334	18.1%	62.2%	3 846 154	3 962 031	4 182 453	5.9%	59.4%

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



## Personnel information

Table 26.15 Electrification and Energy Programme and Project Management personnel numbers and cost by salary level<sup>1</sup>

Number of posts estimated for 31 March 2017		Number and cost <sup>2</sup> 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			
Electrification and Energy Programme and Project Management		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	68	4	72	41.8	0.6	72	45.7	0.6	68	44.2	0.7	68	47.1	0.7	67	50.3	0.8	-2.4%	100.0%
1 – 6	–	2	2	1.5	0.7	2	0.6	0.3	–	–	–	–	–	–	–	–	–	-100.0%	0.7%
7 – 10	39	1	40	16.0	0.4	40	18.3	0.5	39	19.0	0.5	39	20.2	0.5	38	21.3	0.6	-1.7%	56.7%
11 – 12	19	1	20	14.3	0.7	20	15.9	0.8	19	14.7	0.8	19	15.7	0.8	19	17.0	0.9	-1.7%	28.0%
13 – 16	10	–	10	10.0	1.0	10	11.1	1.1	10	10.5	1.1	10	11.1	1.1	10	11.9	1.2	–	14.5%

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

2. Rand million.

## Programme 5: Nuclear Energy

### Programme purpose

Manage the South African nuclear energy industry and control nuclear materials in terms of international obligations, nuclear legislation and policies to ensure the peaceful use of nuclear energy.

### Objectives

- Regulate the security of nuclear material, related equipment and facilities by developing and publishing appropriate regulations on an ongoing basis.
- Promote the safe management and disposal of radioactive waste by establishing and ensuring the full operation of the National Radioactive Waste Disposal Institute by 2017/18, as provided for in the radioactive waste management policy and strategy of 2005, and the National Radioactive Waste Disposal Institute Act (2008).
- Contribute to ensuring security in energy supply by coordinating all activities of the new nuclear build programme to ensure policy alignment, for which Eskom will be the owner and operator of the nuclear power plants and the South African Nuclear Energy Corporation the owner of the front-end fuel facilities, over the medium term.
- Increase nuclear energy awareness and the level of nuclear knowledge among all South Africans through active demystification campaigns on an ongoing basis.
- Ensure compliance with international nuclear obligations by developing, maintaining, implementing and enforcing a relevant and appropriate statutory framework for nuclear energy policy on an ongoing basis.

### Subprogrammes

- *Nuclear Safety and Technology* manages and implements all matters related to nuclear safety and technology, as required by legislation and international agreements; implements nuclear energy policy in line with the requirements of the integrated resource plan; and administers all matters related to nuclear safety, liability and emergency management with the aim of improving the governance of the nuclear sector, specifically in relation to nuclear safety and nuclear technology. This subprogramme is responsible for the overall coordination and oversight for the new nuclear build programme together with the necessary due diligence on the proposed transaction. This subprogramme also makes transfers to the South African Nuclear Energy Corporation, the National Nuclear Regulator and the National Radioactive Waste Disposal Institute.
- *Nuclear Non-proliferation and Radiation Security* manages and implements all matters related to nuclear non-proliferation and radiation security, as required by legislation and international agreements. This entails accounting for and controlling nuclear material through authorisation; ensuring compliance by conducting inspections and audits; and regulating the security of nuclear material by implementing security measures during transportation, use, storage and major public events.

- *Nuclear Policy* develops and reviews policies and legislation, as required by international agreements and the governance principles of the nuclear energy sector in South Africa; undertakes research and development on matters related to nuclear policy and legislation; and reviews and monitors nuclear safety, nuclear technology, nuclear non-proliferation and nuclear radiation security policies and legislation, and provides advice accordingly.

## Expenditure trends and estimates

**Table 26.16 Nuclear Energy expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/ Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	Average Expenditure/ Total (%)
R thousand											
<b>Total</b>	<b>722 501</b>	<b>845 418</b>	<b>655 028</b>	<b>880 141</b>	<b>6.8%</b>	<b>100.0%</b>	<b>786 875</b>	<b>821 395</b>	<b>882 162</b>	<b>0.1%</b>	<b>100.0%</b>
Change to 2016 Budget estimate				16 566			22 415	13 897	29 037		
<b>Economic classification</b>											
<b>Current payments</b>	<b>23 249</b>	<b>34 040</b>	<b>25 273</b>	<b>222 331</b>	<b>112.3%</b>	<b>9.8%</b>	<b>36 224</b>	<b>50 246</b>	<b>40 717</b>	<b>-43.2%</b>	<b>10.4%</b>
Compensation of employees	10 058	13 446	17 040	19 429	24.5%	1.9%	21 181	22 500	24 250	7.7%	2.6%
Goods and services <sup>1</sup>	13 191	20 594	8 233	202 902	148.7%	7.9%	15 043	27 746	16 467	-56.7%	7.8%
of which:											
Advertising	4 129	476	1 571	1 470	-29.1%	0.2%	2 091	2 018	2 131	13.2%	0.2%
Communication	166	146	277	237	12.6%	-	244	255	269	4.3%	-
Consultants: Business and advisory services	3 252	11 847	752	197 543	293.1%	6.9%	10 078	22 552	10 986	-61.8%	7.2%
Consumables: Stationery, printing and office supplies	236	468	130	883	55.2%	0.1%	465	484	511	-16.7%	0.1%
Travel and subsistence	3 485	3 386	3 177	1 948	-17.6%	0.4%	1 368	1 591	1 678	-4.9%	0.2%
Venues and facilities	774	3 437	1 791	608	-7.7%	0.2%	541	573	605	-0.2%	0.1%
<b>Transfers and subsidies<sup>1</sup></b>	<b>699 252</b>	<b>811 378</b>	<b>629 755</b>	<b>657 810</b>	<b>-2.0%</b>	<b>90.2%</b>	<b>750 651</b>	<b>771 149</b>	<b>841 445</b>	<b>8.6%</b>	<b>89.6%</b>
Departmental agencies and accounts	68 160	33 697	21 487	40 936	-15.6%	5.3%	68 573	49 510	79 396	24.7%	7.1%
Foreign governments and international organisations	38 910	17 003	27 885	17 375	-23.6%	3.3%	17 907	18 946	20 006	4.8%	2.2%
Public corporations and private enterprises	592 182	760 678	580 358	599 338	0.4%	81.6%	664 171	702 693	742 043	7.4%	80.3%
Households	-	-	25	161	-	-	-	-	-	-100.0%	-
<b>Total</b>	<b>722 501</b>	<b>845 418</b>	<b>655 028</b>	<b>880 141</b>	<b>6.8%</b>	<b>100.0%</b>	<b>786 875</b>	<b>821 395</b>	<b>882 162</b>	<b>0.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>11.2%</b>	<b>13.6%</b>	<b>9.2%</b>	<b>11.7%</b>	<b>-</b>	<b>-</b>	<b>9.7%</b>	<b>9.7%</b>	<b>8.9%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>67 812</b>	<b>33 331</b>	<b>21 109</b>	<b>40 538</b>	<b>-15.8%</b>	<b>5.2%</b>	<b>68 155</b>	<b>49 068</b>	<b>78 929</b>	<b>24.9%</b>	<b>7.0%</b>
National Nuclear Regulator	48 012	33 331	21 109	40 538	-5.5%	4.6%	38 155	16 068	42 629	1.7%	4.1%
National Radioactive Waste Disposal Institute	19 800	-	-	-	-100.0%	0.6%	30 000	33 000	36 300	-	2.9%
<b>Capital</b>	<b>348</b>	<b>366</b>	<b>378</b>	<b>398</b>	<b>4.6%</b>	<b>-</b>	<b>418</b>	<b>442</b>	<b>467</b>	<b>5.5%</b>	<b>0.1%</b>
National Nuclear Regulator	348	366	378	398	4.6%	-	418	442	467	5.5%	0.1%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>660</b>	<b>-</b>	<b>-</b>	<b>700</b>	<b>741</b>	<b>782</b>	<b>5.8%</b>	<b>0.1%</b>
Generation IV International Forum	-	-	-	660	-	-	700	741	782	5.8%	0.1%
<b>Capital</b>	<b>38 910</b>	<b>17 003</b>	<b>27 885</b>	<b>16 715</b>	<b>-24.5%</b>	<b>3.2%</b>	<b>17 207</b>	<b>18 205</b>	<b>19 224</b>	<b>4.8%</b>	<b>2.1%</b>
International Atomic Energy Agency	38 910	17 003	27 885	16 715	-24.5%	3.2%	17 207	18 205	19 224	4.8%	2.1%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	-	-	25	-	-	-	-	-	-	-	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Households: Bursaries (non-employees)	-	-	-	161	-	-	-	-	-	-100.0%	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Public corporations (subsidies on products and production)</b>											
<b>Current</b>	<b>460 373</b>	<b>491 881</b>	<b>498 777</b>	<b>513 461</b>	<b>3.7%</b>	<b>63.3%</b>	<b>574 000</b>	<b>607 292</b>	<b>641 300</b>	<b>7.7%</b>	<b>69.3%</b>
South African Nuclear Energy Corporation	460 373	491 881	482 657	496 375	2.5%	62.2%	555 888	588 130	621 065	7.8%	67.1%
South African Nuclear Energy Corporation	-	-	16 120	17 086	-	1.1%	18 112	19 162	20 235	5.8%	2.2%
<b>Capital</b>	<b>131 809</b>	<b>268 797</b>	<b>81 581</b>	<b>85 877</b>	<b>-13.3%</b>	<b>18.3%</b>	<b>90 171</b>	<b>95 401</b>	<b>100 743</b>	<b>5.5%</b>	<b>11.0%</b>
South African Nuclear Energy Corporation	131 809	268 797	81 581	85 877	-13.3%	18.3%	90 171	95 401	100 743	5.5%	11.0%

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

## Personnel information

Table 26.17 Nuclear Energy personnel numbers and cost by salary level<sup>1</sup>

Number of posts estimated for 31 March 2017		Number and cost <sup>2</sup> 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			
Nuclear Energy		28	–	–	29	17.0	0.6	29	19.4	0.7	29	21.2	0.7	29	22.5	0.8	29	24.3	0.8	–	100.0%	
Salary level																						
1 – 6	–	–	–	–	–	0.2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	10	–	–	11	3.4	0.3	–	11	3.5	0.3	11	4.8	0.4	11	5.1	0.5	11	5.6	0.5	–	37.9%	
11 – 12	10	–	–	10	6.5	0.7	–	10	7.1	0.7	10	7.7	0.8	10	8.2	0.8	10	8.9	0.9	–	34.5%	
13 – 16	8	–	–	8	7.0	0.9	–	8	8.8	1.1	8	8.7	1.1	8	9.2	1.1	8	9.8	1.2	–	27.6%	

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

2. Rand million.

## Programme 6: Clean Energy

### Programme purpose

Manage and facilitate the development and implementation of clean and renewable energy initiatives, as well as energy efficiency and demand-side management initiatives.

### Objectives

- Manage climate change and environmental matters by monitoring the implementation of climate change regulations to mitigate the risk of environmental impact on an ongoing basis, and publishing climate change strategies and plans.
- Promote and facilitate energy efficiency and demand management by:
  - monitoring and reporting on energy savings on an ongoing basis
  - coordinating, monitoring and reporting on the progress and impact of energy efficiency and demand management strategies on annual basis
  - reviewing the energy efficiency tax incentive and energy conservation schemes on an ongoing basis.
- Improve energy demand side management by:
  - facilitating the development of an annual energy management plan
  - drafting and submitting the post-2015 national energy efficiency strategy for approval by 2017/18.

### Subprogrammes

- *Energy Efficiency* advances energy efficiency in South Africa by planning and coordinating initiatives and interventions that are focused on developing and improving the energy efficiency market, and ensures the integration and coordination of energy efficiency initiatives and interventions with relevant associated institutions. This subprogramme also makes transfers in respect of the solar water heater project.
- *Renewable Energy* ensures the integration of renewable energy into South Africa's mainstream energy supply by planning and coordinating initiatives and interventions that are focused on the development and improvement of the renewable energy market, and ensures the integration and coordination of renewable energy initiatives and interventions with relevant associated institutions. This subprogramme also makes transfers to the South African National Energy Development Institute.
- *Climate Change and Designated National Authority* ensures that climate change and environmental response measures, in terms of mitigation and adaptation, are implemented within the energy sector. It also ensures the fulfilment of international energy commitments and obligations under the United Nations Framework Convention on Climate Change pertaining to the Kyoto Protocol.

## Expenditure trends and estimates

Table 26.18 Clean Energy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2013/14	2014/15	2015/16		2013/14 - 2016/17	Average Expenditure/Total (%)	2017/18	2018/19	2019/20	2016/17 - 2019/20	
R thousand											
Energy Efficiency	1 347 547	658 657	206 211	564 528	-25.2%	86.7%	700 703	757 306	787 071	11.7%	91.3%
Renewable Energy	137 538	167 419	69 774	27 055	-41.8%	12.6%	65 752	69 457	73 430	39.5%	7.7%
Climate Change and Designated National Authority	4 802	4 181	5 798	7 809	17.6%	0.7%	8 055	8 388	9 005	4.9%	1.1%
<b>Total</b>	<b>1 489 887</b>	<b>830 257</b>	<b>281 783</b>	<b>599 392</b>	<b>-26.2%</b>	<b>100.0%</b>	<b>774 510</b>	<b>835 151</b>	<b>869 506</b>	<b>13.2%</b>	<b>100.0%</b>
Change to 2016 Budget estimate				(17 541)			(76)	12 067	(21)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>24 918</b>	<b>28 989</b>	<b>37 710</b>	<b>72 816</b>	<b>43.0%</b>	<b>5.1%</b>	<b>100 409</b>	<b>121 953</b>	<b>116 370</b>	<b>16.9%</b>	<b>13.4%</b>
Compensation of employees	12 369	12 394	14 336	17 266	11.8%	1.8%	17 735	18 622	20 085	5.2%	2.4%
Goods and services <sup>1</sup>	12 549	16 595	23 374	55 550	64.2%	3.4%	82 674	103 331	96 285	20.1%	11.0%
of which:											
Advertising	403	559	4 571	1 363	50.1%	0.2%	806	837	871	-13.9%	0.1%
Consultants: Business and advisory services	8 584	9 605	10 667	39 180	65.9%	2.1%	65 569	85 586	77 548	25.6%	8.7%
Agency and support/outourced services	–	–	1 095	7 101	–	0.3%	9 120	9 529	10 063	12.3%	1.2%
Property payments	–	–	–	132	–	–	711	744	786	81.3%	0.1%
Travel and subsistence	2 764	2 207	5 573	4 148	14.5%	0.5%	3 379	3 485	3 738	-3.4%	0.5%
Venues and facilities	217	3 682	415	1 347	83.8%	0.2%	1 324	1 317	1 356	0.2%	0.2%
<b>Transfers and subsidies<sup>1</sup></b>	<b>1 464 955</b>	<b>801 268</b>	<b>244 073</b>	<b>526 576</b>	<b>-28.9%</b>	<b>94.9%</b>	<b>674 101</b>	<b>713 198</b>	<b>753 136</b>	<b>12.7%</b>	<b>86.6%</b>
Provinces and municipalities	180 718	136 905	177 899	185 625	0.9%	21.3%	203 236	215 024	227 065	6.9%	27.0%
Departmental agencies and accounts	134 344	162 685	64 861	20 625	-46.5%	11.9%	59 774	63 241	66 782	47.9%	6.8%
Foreign governments and international organisations	(7)	1 678	1 313	–	-100.0%	0.1%	–	–	–	–	–
Public corporations and private enterprises	1 149 900	500 000	–	320 326	-34.7%	61.5%	411 091	434 933	459 289	12.8%	52.8%
<b>Payments for capital assets</b>	<b>14</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Machinery and equipment	14	–	–	–	-100.0%	–	–	–	–	–	–
<b>Total</b>	<b>1 489 887</b>	<b>830 257</b>	<b>281 783</b>	<b>599 392</b>	<b>-26.2%</b>	<b>100.0%</b>	<b>774 510</b>	<b>835 151</b>	<b>869 506</b>	<b>13.2%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	23.0%	13.3%	3.9%	7.9%	–	–	9.5%	9.9%	8.7%	–	–
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>63 344</b>	<b>51 685</b>	<b>64 861</b>	<b>20 625</b>	<b>-31.2%</b>	<b>6.3%</b>	<b>59 774</b>	<b>63 241</b>	<b>66 782</b>	<b>47.9%</b>	<b>6.8%</b>
South African National Energy Development Institute	63 344	51 685	64 861	20 625	-31.2%	6.3%	59 774	63 241	66 782	47.9%	6.8%
<b>Capital</b>	<b>71 000</b>	<b>111 000</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>5.7%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
South African National Energy Development Institute	71 000	111 000	–	–	-100.0%	5.7%	–	–	–	–	–
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>(7)</b>	<b>1 678</b>	<b>1 313</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
International Atomic Energy Agency	(7)	1 678	1 313	–	-100.0%	0.1%	–	–	–	–	–
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>180 718</b>	<b>136 905</b>	<b>177 899</b>	<b>185 625</b>	<b>0.9%</b>	<b>21.3%</b>	<b>203 236</b>	<b>215 024</b>	<b>227 065</b>	<b>6.9%</b>	<b>27.0%</b>
Energy efficiency and demand side management grant	180 718	136 905	177 899	185 625	0.9%	21.3%	203 236	215 024	227 065	6.9%	27.0%
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Private enterprises (subsidies on products and production)</b>											
<b>Capital</b>	<b>1 149 900</b>	<b>500 000</b>	<b>–</b>	<b>320 326</b>	<b>-34.7%</b>	<b>61.5%</b>	<b>411 091</b>	<b>434 933</b>	<b>459 289</b>	<b>12.8%</b>	<b>52.8%</b>
Various institutions: Solar water heater project	1 149 900	500 000	–	320 326	-34.7%	61.5%	411 091	434 933	459 289	12.8%	52.8%

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

## Personnel information

Table 26.19 Clean Energy personnel numbers and cost by salary level<sup>1</sup>

Number of posts estimated for 31 March 2017		Number and cost <sup>2</sup> 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
Clean Energy																			
Salary level	23	-	27	14.3	0.5	27	17.3	0.6	24	17.7	0.7	24	18.6	0.8	24	20.1	0.8	-3.9%	100.0%
1 - 6	-	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-100.0%	1.0%
7 - 10	9	-	11	4.1	0.4	11	4.4	0.4	9	4.2	0.5	9	4.5	0.5	9	4.8	0.5	-6.5%	38.4%
11 - 12	8	-	9	5.4	0.6	9	6.7	0.7	9	7.1	0.8	9	7.5	0.8	9	8.2	0.9	-	36.4%
13 - 16	6	-	6	4.8	0.8	6	6.2	1.0	6	6.4	1.1	6	6.6	1.1	6	7.1	1.2	-	24.2%

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

2. Rand million.

## Entities<sup>1</sup>

### Central Energy Fund

#### Mandate

The Central Energy Fund is listed as a schedule 2 entity in the Public Finance Management Act (1999), and is governed by the Central Energy Fund Act (1977) and the Companies Act (2008). Its mandate is to research, finance, develop and exploit appropriate energy solutions across the spectrum of energy sources to meet South Africa's future energy needs.

Through its eight operating subsidiaries, the fund is also mandated to finance and promote the acquisition of coal; exploit coal deposits; manufacture liquid fuel, oil and other products from coal; and market these products. It is also mandated to acquire, generate, manufacture, market, distribute or research any other form of energy. Its subsidiaries are: the Petroleum Oil and Gas Corporation of South Africa; the South African Gas Development Company; the Petroleum Agency of South Africa; Oil Pollution Control South Africa; the Strategic Fuel Fund Association; African Exploration; ETA Energy; and CCE Solutions.

#### Selected performance indicators

Table 26.20 Central Energy Fund 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
Volume of liquid fuel supplied to South African market per year	Oil and gas, national oil company	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- <sup>1</sup>	4.4 million	4.8 million	2.5 million	2.5 million	2.5 million	2.9 million
Number of reportable environmental incidents at PetroSA per year	Oil and gas, national oil company		- <sup>1</sup>	7	8	11	11	11	11
Number of crude oil barrels maintained as per ministerial directive per year	Strategic stock and pollution control		10.3 million	10.3 million	10.3 million	10.3 million	-	-	-
Number of tonnes (in thousands) of coal produced at Vlakfontein by the African Exploration Mining and Finance Corporation per year	Mining, coal		1 700	1 150	1 565	1 560	2 085	3 483	6 038

1. No historical data available.

<sup>1</sup> This section has been compiled with the latest available information from the entities concerned.

## Expenditure analysis

The Central Energy Fund's Vision 2025 strategic roadmap will guide the organisation's work over the medium term and beyond. The roadmap aims to return the fund to commercial viability, and will in particular focus on the financial viability of PetroSA, the most significant entity in the fund, which has been affected by increasing costs, declining revenue due to low gas-to-liquid production as a result of reduced supply of gas feedstock, and low cash reserves. Through this focus, the roadmap supports the realisation of the vision of the NDP that, by 2030, South Africa should have an adequate supply of electricity and liquid fuels so that economic activity and welfare are not disrupted.

The key activities in the stabilisation phase of the PetroSA turnaround plan focus on projects that will deliver gas feedstock and additional condensate to increase capacity at the entity's gas-to-liquid refinery. This will be done through the optimisation of operations to reduce costs; gas field exploration, including the possible revival of out-of-use wells and the life extension of current wells to increase gas feedstock; and the implementation of the condensate project. The condensate project is expected to help address gas feedstock challenges by converting the gas-to-liquid refinery to full condensate processing facility, compensating for the reduction in gas feed and increasing total production capacity. The stabilisation phase is under way, and is expected to be completed in 2017/18. In the growth phase, set to take place between 2017/18 and 2023/24, the fund will consider a gas-to-power project with Eskom to divert tail gas to Eskom's Gourikwa Power Station.

As a result of these projects, expenditure on acquisition of assets is projected to be R8.4 billion over the medium term, while expenditure in the oil and gas, national oil company programme is projected to be R68.5 billion, increasing at an average annual rate of 13.8 per cent. The increased gas-to-liquid production resulting from these activities is also expected to contribute to an increase in revenue from R18.2 billion in 2016/17 to R29 billion in 2019/20, at an average annual rate of 16.4 per cent.

The number of filled posts in the fund is expected to decrease from 2 074 to 1 886 over the medium term due to downsizing as a result of diminished gas reserves. Expenditure on compensation of employees is expected to amount to R3.7 billion over the medium term.

## Programmes/objectives/activities

Table 26.21 Central Energy Fund expenditure trends and estimates by programme/objective/activity

	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	2016/17				2017/18	2018/19	2019/20		
R thousand												
Administration	217 576	207 868	222 239	233 166	2.3%	0.9%	247 156	261 985	277 704	6.0%	1.1%	
Clean and renewable energy	16 949	6 047	16 963	114 614	89.1%	0.2%	67 283	71 320	75 599	-13.0%	0.4%	
Oil and gas, national oil company	24 350 952	33 856 378	16 233 604	16 744 777	-11.7%	90.6%	20 332 390	23 478 281	24 661 026	13.8%	92.8%	
Strategic stock and pollution control	173 208	315 578	4 873 745	277 762	17.0%	6.4%	310 327	328 948	348 685	7.9%	1.4%	
Mining, coal	256 534	265 471	383 227	239 521	-2.3%	1.2%	504 500	880 730	1 634 395	89.7%	3.3%	
Gas and gas infrastructure	24 717	20 740	20 336	53 518	29.4%	0.1%	46 898	40 606	35 731	-12.6%	0.2%	
Promotion, licensing and regulation	83 587	89 218	108 191	152 998	22.3%	0.5%	168 792	180 550	198 065	9.0%	0.8%	
<b>Total</b>	<b>25 123 524</b>	<b>34 761 300</b>	<b>21 858 305</b>	<b>17 816 356</b>	<b>-10.8%</b>	<b>100.0%</b>	<b>21 677 344</b>	<b>25 242 419</b>	<b>27 231 205</b>	<b>15.2%</b>	<b>100.0%</b>	

## Statements of historical financial performance and position

Table 26.22 Central Energy Fund statements of historical financial performance and position

Statement of financial performance									
	Audited outcome		Audited outcome		Audited outcome		Budget estimate		Average: Outcome/Budget (%) 2013/14 - 2016/17
	Budget	2013/14	Budget	2014/15	Budget	2015/16	Budget estimate	Revised estimate	
R thousand									
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>26 303 553</b>	<b>23 670 657</b>	<b>19 288 958</b>	<b>19 719 524</b>	<b>19 936 402</b>	<b>22 117 028</b>	<b>20 264 338</b>	<b>18 213 859</b>	<b>97.6%</b>
Sale of goods and services other than capital assets	22 915 445	21 553 172	18 481 286	18 515 161	19 187 205	20 716 465	19 381 775	17 344 253	97.7%
of which:									
Sales by market establishment	22 915 445	21 553 172	18 481 286	18 515 161	19 187 205	20 716 465	19 381 775	17 344 253	97.7%
Other non-tax revenue	3 388 108	2 117 485	807 672	1 204 363	749 197	1 400 563	882 563	869 606	96.0%
<b>Total revenue</b>	<b>26 303 553</b>	<b>23 670 657</b>	<b>19 288 958</b>	<b>20 562 801</b>	<b>19 960 910</b>	<b>22 117 028</b>	<b>20 264 338</b>	<b>18 213 859</b>	<b>98.5%</b>



Table 26.22 Central Energy Fund statements of historical financial performance and position

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
<b>Expenses</b>									
<b>Current expenses</b>	<b>24 517 758</b>	<b>24 995 710</b>	<b>117 272 125</b>	<b>34 761 300</b>	<b>19 348 749</b>	<b>21 489 976</b>	<b>17 788 520</b>	<b>17 788 520</b>	<b>55.3%</b>
Compensation of employees	1 492 581	756 556	1 629 227	1 408 580	1 013 412	1 377 568	1 080 286	1 080 286	88.6%
Goods and services	20 051 684	22 297 712	115 515 548	29 661 870	18 139 574	18 086 930	15 566 428	15 566 428	50.6%
Depreciation	1 800 318	1 040 011	83 465	2 360 326	73 325	1 913 126	1 007 445	1 007 445	213.2%
Interest, dividends and rent on land	1 173 174	901 432	43 885	1 330 524	122 438	112 352	134 361	134 361	168.2%
<b>Total expenses</b>	<b>24 517 758</b>	<b>25 123 524</b>	<b>117 506 283</b>	<b>34 761 300</b>	<b>19 470 566</b>	<b>21 858 305</b>	<b>17 816 356</b>	<b>17 816 356</b>	<b>55.5%</b>
<b>Surplus/(Deficit)</b>	<b>1 785 796</b>	<b>(1 452 867)</b>	<b>(98 217 325)</b>	<b>(14 198 499)</b>	<b>490 344</b>	<b>258 723</b>	<b>2 447 982</b>	<b>397 503</b>	
<b>Statement of financial position</b>									
Carrying value of assets	18 721 221	21 336 771	25 560 980	11 237 529	14 678 785	12 527 758	14 031 150	14 031 150	81.0%
of which:									
Acquisition of assets	(550)	(5 476 796)	(6 399 902)	(5 975 928)	(3 883 208)	(2 155 456)	(2 382 247)	(2 382 247)	126.2%
Investments	20 958 787	6 060 194	12 066 604	3 656 252	7 768 229	1 989 474	5 636 358	5 636 358	37.4%
Inventory	3 464 027	2 984 535	2 163 932	2 213 232	2 290 728	1 992 402	1 986 146	1 986 146	92.6%
Loans	-	8 413	1 409 954	165 867	-	236 062	-	-	29.1%
Receivables and prepayments	3 395 484	3 720 831	3 417 151	3 664 423	2 080 554	2 506 857	1 575 906	1 575 906	109.5%
Cash and cash equivalents	1 466 410	11 310 905	5 000 273	10 364 006	8 085 795	16 153 554	8 799 138	8 799 138	199.7%
Non-current assets held for sale	-	10 669	-	60 669	-	60 669	35 972	35 972	467.0%
Taxation	5 871	12 724	5 257	-	5 540	5 557	4 933	4 933	107.5%
<b>Total assets</b>	<b>48 011 800</b>	<b>45 445 042</b>	<b>49 624 151</b>	<b>31 361 978</b>	<b>34 909 631</b>	<b>35 472 333</b>	<b>32 069 603</b>	<b>32 069 603</b>	<b>87.7%</b>
Accumulated surplus/(deficit)	25 588 385	27 762 270	28 370 915	13 094 835	18 314 501	12 929 050	13 866 245	13 866 245	78.5%
Capital and reserves	80 720	1 457 859	2 123 855	1 700 347	275 974	2 136 143	1 704 074	1 704 074	167.2%
Borrowings	12 961 000	394 061	4 218 958	1 152 990	1 330 005	1 619 305	1 022 320	1 022 320	21.4%
Finance lease	-	-	-	310	-	150	-	-	-
Accrued interest	-	-	-	-	435	-	-	-	-
Deferred income	-	2 587	2 334	703	-	750	-	-	173.1%
Trade and other payables	798 034	3 597 780	3 435 354	4 016 444	2 880 392	5 478 199	1 525 420	1 525 420	169.2%
Taxation	1 491	1 837 784	1 419 795	1 021 624	1 654 494	1 388 010	1 838 938	1 838 938	123.8%
Provisions	8 572 978	8 759 074	10 052 940	10 327 882	9 882 601	11 864 954	11 555 106	11 555 106	106.1%
Managed funds (e.g. Poverty Alleviation Fund)	9 192	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	1 633 627	-	46 843	571 229	55 772	557 500	557 500	203.2%
<b>Total equity and liabilities</b>	<b>48 011 800</b>	<b>45 445 042</b>	<b>49 624 151</b>	<b>31 361 978</b>	<b>34 909 631</b>	<b>35 472 333</b>	<b>32 069 603</b>	<b>32 069 603</b>	<b>87.7%</b>

### Statements of estimates of financial performance and position

Table 26.23 Central Energy Fund 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 (%)	
				2017/18	2018/19	2019/20			2016/17 - 2019/20
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>18 213 859</b>	<b>-8.4%</b>	<b>99.0%</b>	<b>23 676 863</b>	<b>26 510 850</b>	<b>28 844 745</b>	<b>16.6%</b>	<b>99.5%</b>	
Sale of goods and services other than capital assets	17 344 253	-7.0%	92.5%	22 780 920	25 593 121	27 873 901	17.1%	95.7%	
of which:									
Sales by market establishment	17 344 253	-7.0%	92.5%	22 780 920	25 593 121	27 873 901	17.1%	95.7%	
Other non-tax revenue	869 606	-25.7%	6.5%	895 942	917 729	970 844	3.7%	3.8%	
Transfers received	-	-	-	157 100	167 900	174 858	-	0.5%	
<b>Total revenue</b>	<b>18 213 859</b>	<b>-8.4%</b>	<b>100.0%</b>	<b>23 833 963</b>	<b>26 678 750</b>	<b>29 019 603</b>	<b>16.8%</b>	<b>100.0%</b>	
<b>Expenses</b>									
<b>Current expenses</b>	<b>17 788 520</b>	<b>-10.7%</b>	<b>99.4%</b>	<b>21 624 484</b>	<b>25 046 633</b>	<b>26 792 407</b>	<b>14.6%</b>	<b>96.5%</b>	
Compensation of employees	1 080 286	12.6%	4.9%	1 157 800	1 242 241	1 311 807	6.7%	5.3%	
Goods and services	15 566 428	-11.3%	86.1%	19 565 544	22 895 577	24 545 064	16.4%	89.6%	
Depreciation	1 007 445	-1.1%	6.3%	768 298	778 038	805 132	-7.2%	3.8%	
Interest, dividends and rent on land	134 361	-47.0%	2.2%	132 842	130 778	130 405	-1.0%	0.6%	
<b>Total expenses</b>	<b>17 816 356</b>	<b>-10.8%</b>	<b>100.0%</b>	<b>21 677 344</b>	<b>25 242 419</b>	<b>27 231 205</b>	<b>15.2%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>397 503</b>	<b>(2.0)</b>	<b>-</b>	<b>2 156 618</b>	<b>1 436 331</b>	<b>1 788 398</b>	<b>65.1%</b>	<b>-</b>	

**Table 26.23 Central Energy Fund 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 (%)
					2016/17	2013/14 - 2016/17	2017/18		
R thousand									
Carrying value of assets		14 031 150	-13.0%	40.5%	17 390 710	20 526 262	20 577 785	13.6%	48.4%
of which:									
Acquisition of assets		(2 382 247)	-24.2%	-11.2%	(4 079 054)	(3 081 488)	(1 190 775)	-20.6%	-7.4%
Investments		5 636 358	-2.4%	12.0%	5 775 318	5 925 589	6 068 854	2.5%	15.8%
Inventory		1 986 146	-12.7%	6.4%	2 216 904	2 468 548	2 605 117	9.5%	6.2%
Receivables and prepayments		1 575 906	-24.9%	8.0%	1 964 198	2 196 026	2 385 567	14.8%	5.4%
Cash and cash equivalents		8 799 138	-8.0%	32.7%	8 667 400	8 120 642	10 295 841	5.4%	24.2%
Non-current assets held for sale		35 972	50.0%	0.1%	-	-	-	-100.0%	-
Taxation		4 933	-27.1%	-	5 540	5 540	5 540	3.9%	-
<b>Total assets</b>		<b>32 069 603</b>	<b>-11.0%</b>	<b>100.0%</b>	<b>36 020 070</b>	<b>39 242 607</b>	<b>41 938 704</b>	<b>9.4%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		13 866 245	-20.7%	45.6%	16 012 796	17 439 276	19 218 038	11.5%	44.5%
Capital and reserves		1 704 074	5.3%	5.0%	1 704 074	1 704 074	1 704 074	-	4.6%
Borrowings		1 022 320	37.4%	3.1%	2 196 332	3 177 365	3 358 725	48.7%	6.3%
Trade and other payables		1 525 420	-24.9%	10.2%	1 599 291	1 806 131	1 894 397	7.5%	4.6%
Taxation		1 838 938	0.0%	4.2%	1 838 929	1 838 888	1 838 838	-0.0%	5.0%
Provisions		11 555 106	9.7%	30.4%	12 104 148	12 685 373	13 306 632	4.8%	33.4%
Derivatives financial instruments		557 500	-30.1%	1.4%	564 500	591 500	618 000	3.5%	1.6%
<b>Total equity and liabilities</b>		<b>32 069 603</b>	<b>-11.0%</b>	<b>100.0%</b>	<b>36 020 070</b>	<b>39 242 607</b>	<b>41 938 704</b>	<b>9.4%</b>	<b>100.0%</b>

## Personnel information

**Table 26.24 Central Energy Fund personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2017		Number and cost <sup>1</sup> 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			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
<b>Central Energy Fund</b>																			
Salary level	1 886	1 886	2 074	1 377.6	0.7	1 886	1 080.3	0.6	1 886	1 157.8	0.6	1 886	1 242.2	0.7	1 886	1 311.8	0.7	6.7%	100.0%
1 - 6	252	252	264	27.0	0.1	252	26.2	0.1	252	28.0	0.1	252	30.0	0.1	252	32.1	0.1	7.0%	13.4%
7 - 10	1 218	1 218	1 328	761.9	0.6	1 218	580.9	0.5	1 218	623.4	0.5	1 218	670.4	0.6	1 218	700.0	0.6	6.4%	64.6%
11 - 12	166	166	194	149.4	0.8	166	134.0	0.8	166	143.3	0.9	166	153.4	0.9	166	164.1	1.0	7.0%	8.8%
13 - 16	250	250	288	439.2	1.5	250	339.3	1.4	250	363.0	1.5	250	388.4	1.6	250	415.6	1.7	7.0%	13.3%

1. Rand million.

## South African Nuclear Energy Corporation

### Mandate

The South African Nuclear Energy Corporation is a schedule 2 public entity, and derives its mandate from the Nuclear Energy Act (1999), the nuclear energy policy of 2008 and directives conferred on it by the Minister of Energy. The corporation is responsible for research on nuclear energy and radiation science, the development and innovation of nuclear-related products in South Africa, and the execution of nuclear fuel cycle activities. Its subsidiaries include Pelchem and Nuclear Technology Products (NTP) Radioisotopes.

Other responsibilities also include: operating the SAFARI-1 research nuclear reactor for research and development purposes, and providing irradiation services for the production of radioisotopes; decommissioning and decontaminating nuclear facilities; and contributing to South Africa's obligations in terms of international nuclear treaties and agreements.



## Selected performance indicators

Table 26.25 South African Nuclear Energy 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
Number of scientific articles published per year	Administration	Outcome 6: An efficient, competitive and responsive economic infrastructure network	40	31	28	28	28	28	28
Number of product and process innovations per year	Administration		14	17	12	12	12	12	12
Number of days per year that the reactor is operationally available out of the days scheduled for operation	Radiation products and services		303	303	287	287	287	287	287
Maximum allowable annual radiation dose (microsievert) in terms of licence conditions	South African Nuclear Energy Corporation as a host of nuclear programmes		6 µSv	6 µSv	6 µSv	6 µSv	6 µSv	6 µSv	6 µSv

## Expenditure analysis

The South African Nuclear Energy Corporation's activities over the medium term will be focused on radioisotope production, radiation applications, research and development, specialised nuclear manufacturing, the nuclear fuel cycle, and support for nuclear power generation. The first three priorities aim to expand research and development programmes in support of the corporation's core activities, contribute to the national system of innovation, and strengthen the global market position of NTP Radioisotopes through the sale of medical isotopes. The subsequent three focus areas are aligned with the 2010-2030 integrated resource plan for electricity, and the requirements for the building of new nuclear power reactors.

The corporation contributes to the health component of the NDP's goals through NTP Radioisotopes, which produces and sells medical radioisotopes locally and internationally for the diagnosis and treatment of cancers. This activity accounts for the largest proportion of spending within the corporation. Expenditure in the radiation products and services programme is expected to grow from R1.4 billion in 2016/17 to R1.8 billion in 2019/20, at an average annual rate of 7.9 per cent, accounting for 50.3 per cent of total expenditure. This spending will allow the SAFARI-1 reactor to be operational for 287 days per year, and will allow the corporation to comply with international safety requirements and maintain radiation doses within acceptable levels. To carry out these activities, the number of personnel in the corporation is expected to remain constant at 1 891 over the medium term. Expenditure on compensation of employees is expected to increase from R916.1 million in 2016/17 to R1.1 billion in 2019/20 due to inflationary increases.

The sale of nuclear technology products, chemical products and nuclear engineering services contributes 73.9 per cent of the corporation's revenue. The balance is from transfer payments received from the department, which funds operational requirements and specific activities such as the decommissioning of strategic plants, waste management at all disused nuclear facilities, the production and conversion of low-enriched uranium fuel, and nuclear safety. Total revenue is projected to grow from R2.6 billion in 2016/17 to R3.6 billion over the medium term, at an average annual rate of 11.5 per cent, driven by higher projected sales of nuclear radiation products as a result of improved market conditions and an increase in the transfer from the department following budget reductions in previous years.

The corporation will continue over the medium term to install technologies that are related to small-angle neutron scattering and neutron radiography facilities, to further enhance its research capabilities. It will also continue to implement its programme on critical site infrastructure upgrades and refurbishment, which includes liquid-effluent management services, analytical and calibration services, material test reactor fuel facilities, and security upgrades. As a result, acquisition of assets is expected to amount to R171.6 million over the medium term. The corporation will also focus on decommissioning some strategic nuclear facilities, for which R57.5 million has been allocated over the period.

**Programmes/objectives/activities****Table 26.26 South African Nuclear Energy Corporation 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	283 637	384 344	387 091	409 956	13.1%	14.1%	562 070	605 896	644 267	16.3%	18.0%
Nuclear energy	324 486	407 712	391 395	379 434	5.4%	14.7%	327 144	360 619	380 814	0.1%	11.9%
Radiation products and services	928 909	706 863	3 821 818	1 402 297	14.7%	53.1%	1 488 098	1 516 496	1 763 792	7.9%	50.3%
South African Nuclear Energy Corporation as a host of nuclear programmes	311 563	637 689	391 552	471 937	14.8%	18.1%	556 139	697 061	736 096	16.0%	19.9%
<b>Total</b>	<b>1 848 595</b>	<b>2 136 608</b>	<b>4 991 856</b>	<b>2 663 624</b>	<b>12.9%</b>	<b>100.0%</b>	<b>2 933 451</b>	<b>3 180 072</b>	<b>3 524 970</b>	<b>9.8%</b>	<b>100.0%</b>

**Statements of historical financial performance and position****Table 26.27 South African Nuclear Energy Corporation statements of historical financial performance and position**

Statement of financial performance								Average: Outcome/ Budget (%) 2013/14 - 2016/17	
R thousand	Budget 2013/14	Audited outcome 2014/15	Budget 2014/15	Audited outcome 2015/16	Budget 2015/16	Audited outcome 2016/17	Budget estimate 2016/17		Revised estimate 2016/17
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>1 462 078</b>	<b>1 334 710</b>	<b>1 662 199</b>	<b>1 300 646</b>	<b>1 613 276</b>	<b>4 704 798</b>	<b>1 958 081</b>	<b>1 929 057</b>	<b>138.4%</b>
Sale of goods and services other than capital assets	1 390 577	1 148 001	1 567 688	1 265 526	1 511 710	1 510 008	1 912 445	1 883 421	91.0%
of which:									
Sales by market establishment	1 390 577	1 148 001	1 567 688	1 265 526	1 511 710	1 510 008	1 912 445	1 883 421	91.0%
Other non-tax revenue	71 501	186 709	94 511	35 120	101 566	3 194 790	45 636	45 636	1 105.4%
<b>Transfers received</b>	<b>583 637</b>	<b>522 637</b>	<b>992 295</b>	<b>793 459</b>	<b>650 463</b>	<b>614 268</b>	<b>649 376</b>	<b>649 376</b>	<b>89.7%</b>
<b>Total revenue</b>	<b>2 045 715</b>	<b>1 857 347</b>	<b>2 654 494</b>	<b>2 094 105</b>	<b>2 263 739</b>	<b>5 319 066</b>	<b>2 607 457</b>	<b>2 578 433</b>	<b>123.8%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>1 895 477</b>	<b>1 790 717</b>	<b>1 947 151</b>	<b>2 100 390</b>	<b>2 382 408</b>	<b>4 910 057</b>	<b>2 653 975</b>	<b>2 598 050</b>	<b>128.4%</b>
Compensation of employees	786 454	674 787	795 088	797 378	916 852	863 953	972 061	916 136	93.7%
Goods and services	1 008 705	1 027 532	1 044 941	1 175 018	1 387 862	3 945 552	1 611 874	1 611 874	153.6%
Depreciation	92 642	74 266	101 840	63 340	77 694	94 802	65 524	65 524	88.2%
Interest, dividends and rent on land	7 676	14 132	5 282	64 654	-	5 750	4 516	4 516	509.6%
<b>Transfers and subsidies</b>	<b>30 313</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses</b>	<b>1 971 428</b>	<b>1 848 595</b>	<b>2 014 137</b>	<b>2 136 608</b>	<b>2 430 437</b>	<b>4 991 856</b>	<b>2 718 960</b>	<b>2 663 624</b>	<b>127.4%</b>
<b>Surplus/(Deficit)</b>	<b>74 287</b>	<b>8 752</b>	<b>640 358</b>	<b>(42 503)</b>	<b>(166 698)</b>	<b>327 210</b>	<b>(111 502)</b>	<b>(85 191)</b>	
<b>Statement of financial position</b>									
Carrying value of assets	1 167 148	1 022 839	1 245 762	1 068 556	1 391 386	1 326 801	1 491 839	1 463 356	92.2%
of which:									
Acquisition of assets	(167 593)	(129 740)	(247 645)	(134 883)	(174 404)	(143 902)	(109 964)	(109 964)	74.1%
Investments	153 567	195 379	265 858	477 961	294 794	3 339 168	371 483	3 340 544	677.3%
Inventory	288 224	206 055	298 716	264 017	221 660	231 886	262 674	256 406	89.5%
Loans	1 029	-	-	-	-	-	-	-	-
Receivables and prepayments	255 546	353 993	316 231	311 076	212 391	430 200	270 526	279 899	130.4%
Cash and cash equivalents	496 893	489 281	621 475	671 828	594 006	781 511	554 179	598 334	112.1%
Taxation	19 153	8 051	42 785	31 367	1 257	36 570	1 253	15 741	142.3%
<b>Total assets</b>	<b>2 381 559</b>	<b>2 275 598</b>	<b>2 790 827</b>	<b>2 824 805</b>	<b>2 715 494</b>	<b>6 146 136</b>	<b>2 951 954</b>	<b>5 954 280</b>	<b>158.7%</b>
Accumulated surplus/(deficit)	537 871	591 627	734 674	349 023	482 061	509 265	537 835	267 086	74.9%
Capital and reserves	366 980	320 417	316 877	372 727	367 948	545 729	402 874	422 412	114.2%
Capital reserve fund	357 627	427 506	514 975	-	703 317	-	764 292	601 608	44.0%
Borrowings	119 572	21 902	72 812	66 219	31 523	82 734	30 641	85 238	100.6%
Finance lease	6 264	7 759	6 830	8 215	10 902	8 202	9 956	4 641	84.9%
Deferred income	-	-	-	188 080	-	110 593	-	-	-
Trade and other payables	379 218	261 859	331 447	236 716	321 682	305 891	370 616	226 887	73.5%
Benefits payable	-	-	-	-	-	22 234	-	-	-
Taxation	1 525	83	1 416	203	-	2 529	-	-	95.7%
Provisions	612 502	535 614	779 692	611 568	748 506	691 161	800 706	992 714	96.2%
Managed funds (e.g. Poverty Alleviation Fund)	-	66 813	21 277	52 390	-	33 049	-	-	715.6%
Derivatives financial instruments	-	42 018	10 827	939 664	49 555	3 834 749	35 034	3 353 694	8 562.6%
<b>Total equity and liabilities</b>	<b>2 381 559</b>	<b>2 275 598</b>	<b>2 790 828</b>	<b>2 824 805</b>	<b>2 715 494</b>	<b>6 146 136</b>	<b>2 951 954</b>	<b>5 954 280</b>	<b>158.7%</b>

## Statements of estimates of financial performance and position

Table 26.28 South African Nuclear Energy 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	2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	
R thousand								
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>1 929 057</b>	<b>13.1%</b>	<b>74.3%</b>	<b>2 453 490</b>	<b>2 558 738</b>	<b>2 780 550</b>	<b>13.0%</b>	<b>76.8%</b>
Sale of goods and services other than capital assets	1 883 421	17.9%	55.9%	2 340 690	2 458 561	2 662 062	12.2%	73.9%
of which:								
Sales by market establishment	1 883 421	17.9%	55.9%	2 340 690	2 458 561	2 662 062	12.2%	73.9%
Other non-tax revenue	45 636	-37.5%	18.4%	112 800	100 177	118 488	37.4%	2.9%
<b>Transfers received</b>	<b>649 376</b>	<b>7.5%</b>	<b>25.7%</b>	<b>712 898</b>	<b>754 182</b>	<b>796 415</b>	<b>7.0%</b>	<b>23.2%</b>
<b>Total revenue</b>	<b>2 578 433</b>	<b>11.6%</b>	<b>100.0%</b>	<b>3 166 388</b>	<b>3 312 920</b>	<b>3 576 966</b>	<b>11.5%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>2 598 050</b>	<b>13.2%</b>	<b>97.8%</b>	<b>2 869 446</b>	<b>3 071 330</b>	<b>3 247 765</b>	<b>7.7%</b>	<b>114.4%</b>
Compensation of employees	916 136	10.7%	31.4%	971 432	1 030 052	1 092 176	6.0%	32.7%
Goods and services	1 611 874	16.2%	62.5%	1 737 908	1 928 656	2 036 661	8.1%	59.5%
Depreciation	65 524	-4.1%	2.8%	155 117	109 063	115 171	20.7%	3.6%
Interest, dividends and rent on land	4 516	-31.6%	1.0%	4 989	3 559	3 758	-5.9%	0.1%
<b>Total expenses</b>	<b>2 663 624</b>	<b>12.9%</b>	<b>100.0%</b>	<b>2 933 451</b>	<b>3 180 072</b>	<b>3 524 970</b>	<b>9.8%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(85 191)</b>	<b>(3)</b>		<b>232 937</b>	<b>132 848</b>	<b>51 996</b>	<b>-184.8%</b>	
<b>Statement of financial position</b>								
Carrying value of assets	1 463 356	12.7%	32.2%	1 541 213	1 596 594	1 619 277	3.4%	24.1%
of which:								
Acquisition of assets	(109 964)	-5.4%	-3.7%	(52 633)	(57 876)	(61 117)	-17.8%	-1.1%
Investments	3 340 544	157.6%	34.0%	3 420 371	3 504 804	3 590 226	2.4%	53.7%
Inventory	256 406	7.6%	6.6%	323 836	397 539	449 050	20.5%	5.5%
Receivables and prepayments	279 899	-7.5%	9.6%	382 732	405 964	445 361	16.7%	5.8%
Cash and cash equivalents	598 334	6.9%	17.0%	617 348	699 273	859 305	12.8%	10.7%
Taxation	15 741	25.0%	0.6%	15 741	15 741	15 741	-	0.2%
<b>Total assets</b>	<b>5 954 280</b>	<b>37.8%</b>	<b>100.0%</b>	<b>6 301 241</b>	<b>6 619 915</b>	<b>6 978 960</b>	<b>5.4%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	267 086	-23.3%	12.8%	458 992	725 761	960 794	53.2%	9.1%
Capital and reserves	422 412	9.6%	10.8%	485 446	518 087	538 514	8.4%	7.6%
Capital reserve fund	601 608	12.1%	7.2%	664 171	702 693	750 088	7.6%	10.5%
Borrowings	85 238	57.3%	1.5%	99 944	35 820	31 701	-28.1%	1.0%
Finance lease	4 641	-15.7%	0.2%	3 830	2 922	2 517	-18.5%	0.1%
Trade and other payables	226 887	-4.7%	7.2%	255 502	271 232	300 519	9.8%	4.1%
Provisions	992 714	22.8%	18.3%	1 046 497	1 103 515	1 160 760	5.4%	16.6%
Derivatives financial instruments	3 353 694	330.6%	38.5%	3 286 859	3 259 885	3 234 067	-1.2%	51.0%
<b>Total equity and liabilities</b>	<b>5 954 280</b>	<b>37.8%</b>	<b>100.0%</b>	<b>6 301 241</b>	<b>6 619 915</b>	<b>6 978 960</b>	<b>5.4%</b>	<b>100.0%</b>

## Personnel information

Table 26.29 South African Nuclear Energy Corporation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost <sup>1</sup> 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	2016/17	Unit	2017/18		2018/19		2019/20		2016/17 - 2019/20							
South African Nuclear Energy Corporation		Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost			
Salary level	1 891	1 891	1 891	864.0	0.5	1 891	916.1	0.5	1 891	971.4	0.5	1 891	1 030.1	0.5	1 891	1 092.2	0.6	6.0%	100.0%
1 - 6	461	461	461	90.6	0.2	461	96.2	0.2	461	102.1	0.2	461	108.3	0.2	461	114.9	0.2	6.1%	24.4%
7 - 10	1 074	1 074	1 074	428.9	0.4	1 074	454.8	0.4	1 074	482.2	0.4	1 074	511.3	0.5	1 074	542.1	0.5	6.0%	56.8%
11 - 12	234	234	234	183.7	0.8	234	194.8	0.8	234	206.5	0.9	234	219.0	0.9	234	232.1	1.0	6.0%	12.4%
13 - 16	116	116	116	146.3	1.3	116	155.1	1.3	116	164.4	1.4	116	174.3	1.5	116	184.8	1.6	6.0%	6.1%
17 - 22	6	6	6	14.4	2.4	6	15.3	2.5	6	16.2	2.7	6	17.2	2.9	6	18.2	3.0	6.0%	0.3%

1. Rand million.

## National Energy Regulator of South Africa

### Mandate

The National Energy Regulator of South Africa was established in 2005 in terms of the National Energy Regulator Act (2004) and is listed as a schedule 3A public entity. The entity is mandated to regulate the electricity industry in terms of the Electricity Regulation Act (2006), regulate the piped gas industry in terms of the Gas Act (2001), and regulate the petroleum pipelines industry in terms of the Petroleum Pipelines Act (2003). This includes issuing licences, setting or approving tariffs and prices, monitoring and enforcing compliance with licensee conditions, registering import and production activities, and resolving disputes, including through mediation, arbitration and handling complaints.

## Selected performance indicators

**Table 26.30 National Energy Regulator 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
Number of new technical distribution and transmission audits completed per year	Electricity	Outcome 6: An efficient, competitive and responsive economic infrastructure network	9	20	20	22	27	30	33
Number of new generation audits completed on power stations per year	Electricity		6	7	7	10	12	15	18
Number of maximum price applications for gas approved within 150 days from date of receipt per year	Piped gas	Outcome 4: Decent employment through inclusive growth	3	3	3	3	3	3	3
Number of days taken from the date of receipt of price application to complete and consider maximum price application per year	Piped gas		150	120	120	120	120	120	120
Percentage of licence applications per year considered within the statutory deadline of 60 days	Petroleum pipelines	Entity mandate	92% (22/24)	100% (28)	100% (19)	100% (20)	100% (24)	100% (28)	100% (18)

## Expenditure analysis

The National Energy Regulator of South Africa will build on its capacity over the medium term to ensure better regulation of the price, supply and quality in the electricity, piped gas and petroleum pipeline sectors. This supports the realisation of the NDP's goal that, by 2030, more than 90 per cent of the population should enjoy access to grid-connected or off-grid electricity, and an energy sector that promotes economic growth and development, social equity and environmental sustainability. The regulator will also give effect to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework by setting and approving cost-reflective tariffs and prices that encourage investment; facilitating third-party access to petroleum storage facilities; setting rules and frameworks that facilitate the building of new energy infrastructure; and monitoring compliance through technical audits to ensure the regular maintenance and refurbishment of energy infrastructure.

The regulator derives 97.9 per cent of its revenue from imposing prescribed levies on the electricity, piped gas and petroleum pipeline industries, and from interest earned on investments. Revenue is expected to amount to R1 billion over the period ahead.

Over the medium term, the regulator will embark on an annual review of the implementation of the regulating reporting manuals for non-financial and financial information by licensees; an annual regulatory impact assessment; and an assessment of the impact of global, regional and local energy trends on the regulator's business. To meet these objectives, total expenditure is expected to increase from R295.5 million in 2016/17 to R350.2 million in 2019/20, at an average annual rate of 5.8 per cent. This increase will further enable the regulator to approve licence and tariff applications in time to meet the statutory deadlines.

The Petroleum Pipelines Act (2003) requires owners of storage facilities to inform the regulator of excess capacity in their facilities. The regulator ensures that these facilities are made available to third parties, especially emerging petroleum companies that do not have funds for investment in infrastructure, thereby reducing barriers to entry in this capital-intensive sector.

Following the recommendations of an organisational review, the number of personnel in the regulator is expected to increase to 257, with most of the new positions funded by the budget that was previously for temporary employees. This is expected to result in increased expenditure in compensation of employees from R189.5 million in 2016/17 to a projected R242.9 million in 2019/20.

The regulator is currently undergoing infrastructure refurbishment at its offices, at a projected cost of R60 million over the next 24 months.

## Programmes/objectives/activities

Table 26.31 National Energy Regulator 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				2017/18	2018/19	2019/20		
Administration	137 377	155 707	157 626	178 964	9.2%	60.8%	171 448	183 631	196 598	3.2%	57.2%
Electricity	49 490	53 411	55 890	64 129	9.0%	21.5%	76 103	81 312	86 885	10.7%	24.1%
Piped gas	19 313	22 166	21 360	25 314	9.4%	8.5%	31 255	33 485	35 876	12.3%	9.8%
Petroleum pipelines	20 995	21 030	25 433	27 039	8.8%	9.1%	26 968	28 809	30 859	4.5%	8.9%
<b>Total</b>	<b>227 176</b>	<b>252 313</b>	<b>260 309</b>	<b>295 446</b>	<b>9.2%</b>	<b>100.0%</b>	<b>305 774</b>	<b>327 237</b>	<b>350 218</b>	<b>5.8%</b>	<b>100.0%</b>

## Statements of historical financial performance

Table 26.32 National Energy Regulator of South Africa statements of historical financial performance

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			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>275 908</b>	<b>231 490</b>	<b>324 076</b>	<b>296 280</b>	<b>315 693</b>	<b>314 658</b>	<b>296 497</b>	<b>296 497</b>	<b>94.0%</b>
Sale of goods and services other than capital assets	271 767	226 977	320 293	290 263	308 945	305 137	288 937	288 937	93.4%
<i>of which:</i>									
Administrative fees	34 981	–	16 615	–	–	–	–	–	–
Sales by market establishment	236 786	226 977	303 679	290 263	308 945	305 137	288 937	288 937	97.6%
Electricity levies	137 044	127 680	173 192	154 093	179 666	171 547	166 210	166 210	94.4%
Piped gas levies	48 808	51 970	64 357	66 988	57 702	58 144	55 946	55 946	102.7%
Petroleum pipeline levies	50 934	47 328	66 130	69 181	71 577	75 446	66 781	66 781	101.3%
Other non-tax revenue	4 141	4 513	3 783	6 017	6 748	9 520	7 560	7 560	124.2%
<b>Total revenue</b>	<b>275 908</b>	<b>231 490</b>	<b>324 076</b>	<b>296 280</b>	<b>315 693</b>	<b>314 658</b>	<b>296 497</b>	<b>296 497</b>	<b>94.0%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>252 828</b>	<b>227 176</b>	<b>272 354</b>	<b>252 313</b>	<b>285 453</b>	<b>260 309</b>	<b>295 446</b>	<b>295 446</b>	<b>93.6%</b>
Compensation of employees	128 039	139 000	150 400	158 275	175 104	165 250	189 523	189 523	101.4%
Goods and services	124 789	83 060	121 953	86 550	102 442	90 474	96 746	96 746	80.0%
Depreciation	–	5 116	–	7 489	7 908	4 585	9 177	9 177	154.3%
<b>Total expenses</b>	<b>252 828</b>	<b>227 176</b>	<b>272 354</b>	<b>252 313</b>	<b>285 453</b>	<b>260 309</b>	<b>295 446</b>	<b>295 446</b>	<b>93.6%</b>
<b>Surplus/(Deficit)</b>	<b>23 080</b>	<b>4 315</b>	<b>51 723</b>	<b>43 967</b>	<b>30 240</b>	<b>54 349</b>	<b>1 051</b>	<b>1 051</b>	

## Statements of estimates of financial performance

Table 26.33 National Energy Regulator of South Africa statements of estimates of financial performance

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		
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>296 497</b>	<b>8.6%</b>	<b>100.0%</b>	<b>308 595</b>	<b>335 910</b>	<b>359 314</b>	<b>6.6%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	288 937	8.4%	97.6%	302 505	329 515	352 600	6.9%	97.9%
<i>of which:</i>								
Sales by market establishment	288 937	8.4%	97.6%	302 505	329 515	352 600	6.9%	97.9%
Electricity levies	166 210	9.2%	54.4%	177 563	198 181	208 101	7.8%	57.6%
Piped gas levies	55 946	2.5%	20.6%	57 879	72 509	77 516	11.5%	20.2%
Petroleum pipeline levies	66 781	12.2%	22.6%	67 063	58 825	66 983	0.1%	20.1%
Other non-tax revenue	7 560	18.8%	2.4%	6 090	6 394	6 714	-3.9%	2.1%
<b>Total revenue</b>	<b>296 497</b>	<b>8.6%</b>	<b>100.0%</b>	<b>308 595</b>	<b>335 910</b>	<b>359 314</b>	<b>6.6%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>295 446</b>	<b>9.2%</b>	<b>100.0%</b>	<b>305 774</b>	<b>327 237</b>	<b>350 218</b>	<b>5.8%</b>	<b>121.8%</b>
Compensation of employees	189 523	10.9%	62.9%	210 606	226 169	242 883	8.6%	67.9%
Goods and services	96 746	5.2%	34.6%	95 168	101 068	107 335	3.5%	31.4%
Depreciation	9 177	21.5%	2.5%	–	–	–	-100.0%	0.8%
<b>Total expenses</b>	<b>295 446</b>	<b>9.2%</b>	<b>100.0%</b>	<b>305 774</b>	<b>327 237</b>	<b>350 218</b>	<b>5.8%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>1 051</b>	<b>–</b>	<b>–</b>	<b>2 820</b>	<b>8 672</b>	<b>9 096</b>	<b>105.3%</b>	<b>–</b>

## Personnel information

Table 26.34 National Energy Regulator of South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost <sup>1</sup> 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	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
National Energy Regulator of South Africa	242	242	241	165.2	0.7	242	189.5	0.8	257	210.6	0.8	257	226.2	0.9	257	242.9	0.9	8.6%	100.0%
Salary level	242	242	241	165.2	0.7	242	189.5	0.8	257	210.6	0.8	257	226.2	0.9	257	242.9	0.9	8.6%	100.0%
1 – 6	10	10	44	27.5	0.6	10	30.9	3.1	9	38.7	4.3	9	41.5	4.6	9	44.6	5.0	13.0%	3.7%
7 – 10	125	125	104	39.7	0.4	125	48.5	0.4	128	50.6	0.4	128	54.3	0.4	128	58.3	0.5	6.4%	50.3%
11 – 12	47	47	52	41.6	0.8	47	36.4	0.8	68	53.0	0.8	68	56.9	0.8	68	61.1	0.9	18.9%	24.7%
13 – 16	56	56	38	50.2	1.3	56	65.3	1.2	48	59.8	1.2	48	64.3	1.3	48	69.0	1.4	1.8%	19.8%
17 – 22	4	4	3	6.2	2.1	4	8.5	2.1	4	8.5	2.1	4	9.2	2.3	4	9.9	2.5	5.3%	1.6%

1. Rand million.

## National Nuclear Regulator

### Mandate

The National Nuclear Regulator is listed as a schedule 3A public entity, and derives its mandate from the National Nuclear Regulator Act (1999). In terms of the act, the regulator is mandated to:

- provide protection to persons, property and the environment against nuclear damage through the establishment of safety standards and regulatory practices
- exercise regulatory control related to safety over the setting, design, construction, operation and manufacture of component parts; and the decontamination, decommissioning and closure of nuclear installations
- exercise regulatory control through the granting of nuclear authorisations
- provide assurance of compliance with the conditions of nuclear authorisations by implementing a system of compliance inspections
- fulfil national obligations in relation to international legal instruments governing nuclear safety
- ensure that provisions for nuclear emergency planning are in place.

### Selected performance indicators

Table 26.35 National Nuclear Regulator 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 compliance assurance inspections conducted per year at Koeberg nuclear power station	Standards authorisations and review assessments	Entity mandate	56	46	72	72	72	72	72
Number of compliance assurance inspections conducted per year related to nuclear technology and waste products	Compliance assurance and enforcement		114	126	146	146	146	146	146
Number of compliance assurance inspections conducted per year related to naturally occurring radioactive materials	Compliance assurance and enforcement		190	185	181	181	181	181	181
Number of compliance audits conducted per year related to nuclear technology and waste products	Compliance assurance and enforcement		6	4	6	6	6	6	6
Number of compliance audits conducted per year related to naturally occurring radioactive materials	Compliance assurance and enforcement		6	12	16	16	16	16	16



**Table 26.35 National Nuclear Regulator 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 compliance assurance inspections conducted per year related to nuclear security products	Compliance assurance and enforcement	Entity mandate	-1	21	21	21	21	21	21
Number of compliance audits conducted per year related to nuclear power plant materials	Compliance assurance and enforcement		-1	-1	2	2	2	2	2
Number of compliance assurance samples conducted per year related to nuclear power plant products	Compliance assurance and enforcement		-1	-1	75	75	75	75	75
Number of compliance assurance samples conducted per year related to nuclear technology and waste products	Compliance assurance and enforcement		-1	-1	78	78	78	78	78
Number of compliance assurance samples conducted per year related to naturally occurring radioactive material products	Compliance assurance and enforcement		-1	-1	352	352	352	252	252

1. No historical data available.

### Expenditure analysis

The National Nuclear Regulator is the oversight authority required to fulfil South Africa's obligations concerning the International Atomic Energy Agency's regulations for nuclear safety and the safe transport of radioactive materials. This is done mostly through compliance audits, inspections and the analysis of samples, for which fees are charged. The regulator generates revenue mostly from these fees, which account for 76.2 per cent of total projected revenue over the medium term, while transfer payments from the department account for 15.2 per cent. Revenue generated over the period is expected to amount to R700 million.

Over the medium term, the regulator is expected to evaluate an application from Eskom, lodged in March 2016, to license a site for nuclear installation. In 2016/17, the department reprioritised R24.3 million to the regulator to initiate the process. This allocation is responsible for the large increase in the standards authorisations and review assessments programme from R63.9 million in 2015/16 to R104.1 million in 2016/17. The funds will be recovered from the regulator's 2018/19 baseline, and the full costs for the process will be recovered from Eskom over time.

As part of the regulator's oversight of the replacement of steam generators at Koeberg nuclear power station, it plans to conduct 72 compliance assurance inspections per year over the medium term, and inspect facilities and manufacturing processes in other countries where the generators are fabricated and assembled. To exercise proper oversight, ensure that all safety regulations are abided by, and create the additional capacity required in preparation for the new nuclear build programme, the steam generator replacement project and the centre for nuclear safety and security, the number of personnel in the regulator is expected to increase from 143 in 2016/17 to 162 in 2019/20. This is expected to result in increased expenditure on compensation of employees from R118.4 million in 2016/17 to R146.9 million in 2019/20, at an average annual rate of 7.4 per cent. A centre for nuclear safety and security will be established to advance education and training in nuclear-related fields. The centre aims to produce graduates up to doctoral and post-doctoral level, and create capacity and laboratories for research and innovation. The project will begin operations in 2017/18 and is expected to be fully established in three years. As a result of these activities, expenditure on goods and services is expected to amount to R233.1 million over the period. Funding for the compliance assurance and enforcement programme over the medium term will increase from R34.9 million in 2016/17 to R43.7 million in 2019/20 to enable the regulator to complete the review and realignment of the inspector training programme with international best practices.

## Programmes/objectives/activities

Table 26.36 National Nuclear Regulator 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		
Administration	70 274	85 932	100 450	76 420	2.8%	47.0%	102 718	108 146	113 431	14.1%	43.6%
Standards authorisations and review assessments	47 594	59 024	63 861	104 116	29.8%	37.5%	94 901	76 198	80 465	-8.2%	39.0%
Compliance assurance and enforcement	22 819	25 159	28 808	34 934	15.3%	15.5%	39 099	41 367	43 684	7.7%	17.4%
<b>Total</b>	<b>140 687</b>	<b>170 115</b>	<b>193 119</b>	<b>215 470</b>	<b>15.3%</b>	<b>100.0%</b>	<b>236 718</b>	<b>225 711</b>	<b>237 580</b>	<b>3.3%</b>	<b>100.0%</b>

## Statements of historical financial performance

Table 26.37 National Nuclear Regulator statements of historical financial performance

R thousand	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	2017/18	2017/18	2018/19	2018/19		
<b>Revenue</b>													
<b>Non-tax revenue</b>	<b>120 348</b>	<b>135 939</b>	<b>137 149</b>	<b>146 679</b>	<b>147 887</b>	<b>159 873</b>	<b>161 052</b>	<b>174 534</b>					<b>108.9%</b>
Sale of goods and services other than capital assets	118 773	115 411	136 581	132 065	143 739	147 443	156 676	156 676					99.2%
<i>of which:</i>													
Administrative fees	118 773	115 411	136 581	132 065	143 739	147 443	156 676	156 676					99.2%
Other non-tax revenue	1 575	20 528	568	14 614	4 148	12 430	4 376	17 858					613.4%
<b>Transfers received</b>	<b>48 360</b>	<b>31 012</b>	<b>33 697</b>	<b>33 697</b>	<b>21 487</b>	<b>21 487</b>	<b>16 636</b>	<b>40 936</b>					<b>105.8%</b>
<b>Total revenue</b>	<b>168 708</b>	<b>166 951</b>	<b>170 846</b>	<b>180 376</b>	<b>169 374</b>	<b>181 360</b>	<b>177 688</b>	<b>215 470</b>					<b>108.4%</b>
<b>Expenses</b>													
<b>Current expenses</b>	<b>168 708</b>	<b>140 687</b>	<b>170 846</b>	<b>170 115</b>	<b>169 374</b>	<b>193 119</b>	<b>177 688</b>	<b>215 470</b>					<b>104.8%</b>
Compensation of employees	96 951	87 889	106 952	105 284	108 716	122 353	116 228	118 428					101.2%
Goods and services	60 366	36 868	49 689	46 446	42 205	52 068	44 820	80 402					109.5%
Depreciation	5 031	9 763	8 373	12 316	13 090	12 774	11 886	11 886					121.8%
Interest, dividends and rent on land	6 360	6 167	5 832	6 069	5 363	5 924	4 754	4 754					102.7%
<b>Total expenses</b>	<b>168 708</b>	<b>140 687</b>	<b>170 846</b>	<b>170 115</b>	<b>169 374</b>	<b>193 119</b>	<b>177 688</b>	<b>215 470</b>					<b>104.8%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>26 264</b>	<b>-</b>	<b>10 261</b>	<b>-</b>	<b>(11 759)</b>	<b>-</b>	<b>-</b>					<b>-</b>

## Statements of estimates of financial performance

Table 26.38 National Nuclear Regulator statements of estimates of financial performance

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		
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>174 534</b>	<b>8.7%</b>	<b>83.0%</b>	<b>198 145</b>	<b>209 201</b>	<b>194 484</b>	<b>3.7%</b>	<b>84.8%</b>
Sale of goods and services other than capital assets	156 676	10.7%	74.1%	170 776	180 339	190 438	6.7%	76.2%
<i>of which:</i>								
Administrative fees	156 676	10.7%	74.1%	170 776	180 339	190 438	6.7%	76.2%
Other non-tax revenue	17 858	-4.5%	8.9%	27 369	28 862	4 046	-39.0%	8.6%
<b>Transfers received</b>	<b>40 936</b>	<b>9.7%</b>	<b>17.0%</b>	<b>38 573</b>	<b>16 510</b>	<b>43 095</b>	<b>1.7%</b>	<b>15.2%</b>
<b>Total revenue</b>	<b>215 470</b>	<b>8.9%</b>	<b>100.0%</b>	<b>236 718</b>	<b>225 711</b>	<b>237 579</b>	<b>3.3%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>215 470</b>	<b>15.3%</b>	<b>100.0%</b>	<b>236 718</b>	<b>225 711</b>	<b>237 579</b>	<b>3.3%</b>	<b>130.8%</b>
Compensation of employees	118 428	10.5%	60.7%	138 156	139 063	146 851	7.4%	59.2%
Goods and services	80 402	29.7%	29.4%	84 675	72 561	75 853	-1.9%	34.3%
Depreciation	11 886	6.8%	6.6%	9 801	10 369	10 950	-2.7%	4.7%
Interest, dividends and rent on land	4 754	-8.3%	3.3%	4 086	3 718	3 926	-6.2%	1.8%
<b>Total expenses</b>	<b>215 470</b>	<b>15.3%</b>	<b>100.0%</b>	<b>236 718</b>	<b>225 711</b>	<b>237 579</b>	<b>3.3%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Personnel information

**Table 26.39 National Nuclear Regulator personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2017		Number and cost <sup>1</sup> 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 Salary level/Total (%)				
		Number	Cost	Unit cost	Number	Cost	Unit cost	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	2016/17 - 2019/20		
National Nuclear Regulator		155			143	118.4	0.8	156	138.2	0.9	157	139.1	0.9	162	146.9	0.9	7.4%	100.0%	
Salary level																			
1 – 6	22	22	23	2.8	0.1	15	1.9	0.1	9	1.3	0.1	2	0.4	0.2	2	0.4	0.2	-38.7%	4.7%
7 – 10	47	47	47	26.0	0.6	47	25.7	0.5	59	31.8	0.5	62	31.2	0.5	62	33.0	0.5	8.7%	37.1%
11 – 12	26	26	26	22.8	0.9	26	21.5	0.8	26	25.4	1.0	31	26.9	0.9	34	28.2	0.8	9.5%	18.9%
13 – 16	58	58	49	66.3	1.4	53	65.0	1.2	60	74.8	1.2	60	75.2	1.3	62	79.7	1.3	7.1%	38.0%
17 – 22	2	2	2	4.4	2.2	2	4.4	2.2	2	4.9	2.4	2	5.3	2.7	2	5.5	2.8	8.1%	1.3%

1. Rand million.

## South African National Energy Development Institute

### Mandate

The South African National Energy Development Institute was established in 2011 in terms of the National Energy Act (2008). The institute's mandate is divided into two main categories: energy efficiency, and energy research and development.

In relation to energy efficiency, the institute is mandated to: undertake energy efficiency measures directed by the Minister of Energy; increase energy efficiency throughout the economy; increase GDP per unit of energy consumed; and optimise the use of finite energy resources.

In relation to energy research and development, the institute is mandated to: stimulate innovation in energy research and development; conduct and implement energy research in all energy fields other than nuclear energy; register patents and intellectual property from its activities and issue licences for their use; make grants available for research; promote the training of research workers; and advise the Minister of Energy and the Minister of Science and Technology on research in the field of energy technology.

### Selected performance indicators

**Table 26.40 South African National Energy Development Institute 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
Percentage of data accurately completed on the database	Working for Energy	Outcome 10: Protect and enhance our environmental assets and natural resources	- <sup>1</sup>	100%	100%	100%	100%	100%	100%
Number of demonstration renewable energy projects commissioned in low-income rural and urban communities per year	Working for Energy	Outcome 12: An efficient, effective and development-oriented public service	9	12	20	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>
Number of demonstration energy management projects commissioned in low-income rural and urban communities per year	Working for Energy	Outcome 11: Create a better South Africa and contribute to a better Africa and a better world	4	6	6	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>
Number of renewable energy technologies in the process of commercialisation per year	Working for Energy	Entity mandate	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	2	2	2

1. No historical data available.

2. No targets over the medium term as funding for projects has not been finalised.

### Expenditure analysis

The institute's objectives over the medium term are to grow a pool of energy-related skills and capacity in the energy sector, stimulate innovation and projects in energy efficiency, and reduce administrative expenses. Administrative personnel expenses will be maintained at an average of 20.9 per cent of total spending over the medium term, and opportunities for further cost containment will be explored.

The purpose of the energy efficiency programme is to accelerate a shift towards a resource and energy efficient society. This programme provides technical support to National Treasury, the South African Revenue Service

and the Department of Trade and Industry for the administration of the section 12I tax incentive (which supports investments in manufacturing assets and the training of personnel to improve productivity) and section 12L tax incentive (a deduction based on energy efficiency savings); and supports preferential commercial financing for energy efficiency and renewable energy projects. The programme has been mandated by the department to coordinate the feasibility of the cool surfaces project, which uses a chemical compound roof paint that improves insulation to provide cost-effective energy efficiency. The programme offers massive potential for energy savings, environmental benefits, job creation, and the improved insulation of state-subsidised and low-cost housing. As a result of these projects, the energy efficiency programme is expected to grow from R9.6 million in 2016/17 to R15.7 million in 2019/20 at an average annual rate of 18 per cent.

An amount of R4.9 million will be invested over the medium term to build capacity in renewable energy in the applied energy research programme. It is anticipated that the investment of these funds will yield 500 researchers in the energy sector.

The institute expects to derive 95.5 per cent of its revenue over the medium term from transfers from the department and from project-specific donor funding. Revenue is expected to decrease from R324.7 million in 2016/17 to R179.3 million in 2019/20 due to some donor funded projects that will be concluded over the medium term. The number of personnel in the institute is expected to decrease from 62 in 2016/17 to 59 in 2019/20 due to the termination of employment contracts linked these projects. This is expected to result in average annual growth of 0.1 per cent over the medium term in expenditure on compensation of employees.

### Programmes/objectives/activities

Table 26.41 South African National Energy Development Institute 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	62 376	53 480	51 271	55 807	-3.6%	40.5%	40 083	42 328	44 698	-7.1%	20.9%
Applied energy research	4 266	8 442	12 190	134 840	216.2%	14.9%	99 783	77 623	81 970	-15.3%	43.6%
Energy efficiency programme	8 448	9 058	7 305	9 560	4.2%	6.1%	12 315	14 860	15 692	18.0%	6.4%
Smart grids	675	28 826	81 283	77 410	385.8%	22.1%	53 679	5 385	5 687	-58.1%	13.2%
Working for Energy	1 890	2 211	16 875	6 512	51.0%	3.5%	4 654	4 983	5 262	-6.9%	2.4%
Clean energy solutions	7 414	9 283	36 252	29 863	59.1%	10.8%	21 469	22 358	23 610	-7.5%	11.1%
Centre for Energy Systems Analysis and Research	-	1 234	2 157	5 060	-	0.9%	5 138	4 928	2 416	-21.8%	2.0%
Shale gas	-	817	4 199	5 600	-	1.1%	-	-	-	-100.0%	0.4%
<b>Total</b>	<b>85 069</b>	<b>113 351</b>	<b>211 532</b>	<b>324 652</b>	<b>56.3%</b>	<b>100.0%</b>	<b>237 121</b>	<b>172 465</b>	<b>179 335</b>	<b>-17.9%</b>	<b>100.0%</b>

### Statements of historical financial performance

Table 26.42 South African National Energy Development Institute statements of historical financial performance

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%) 2013/14 - 2016/17
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome			
R thousand	2013/14		2014/15		2015/16		2016/17		
<b>Revenue</b>									
Non-tax revenue	-	2 260	7 277	909	-	26 429	-	16 130	628.4%
Other non-tax revenue	-	2 260	7 277	909	-	26 429	-	16 130	628.4%
Transfers received	206 144	91 372	226 685	112 477	403 550	418 263	191 245	308 522	90.6%
<b>Total revenue</b>	<b>206 144</b>	<b>93 632</b>	<b>233 962</b>	<b>113 386</b>	<b>403 550</b>	<b>444 692</b>	<b>191 245</b>	<b>324 652</b>	<b>94.3%</b>
<b>Expenses</b>									
Current expenses	206 144	85 069	223 955	86 801	316 550	211 532	191 245	324 652	75.5%
Compensation of employees	31 567	34 032	43 800	39 688	45 711	44 638	48 911	51 961	100.2%
Goods and services	174 085	47 997	179 225	42 267	267 091	163 200	136 727	267 084	68.8%
Depreciation	492	3 040	930	4 846	3 748	3 694	5 607	5 607	159.5%
Transfers and subsidies	-	-	-	26 550	87 000	-	-	-	30.5%
<b>Total expenses</b>	<b>206 144</b>	<b>85 069</b>	<b>223 955</b>	<b>113 351</b>	<b>403 550</b>	<b>211 532</b>	<b>191 245</b>	<b>324 652</b>	<b>71.7%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>8 563</b>	<b>10 007</b>	<b>35</b>	<b>-</b>	<b>233 160</b>	<b>-</b>	<b>-</b>	

## Statements of estimates of financial performance

Table 26.43 South African National Energy Development Institute statements of estimates of financial performance

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	2016/17 - 2019/20
<b>Revenue</b>								
Non-tax revenue	16 130	92.5%	3.5%	4 716	9 504	10 036	-14.6%	4.5%
Other non-tax revenue	16 130	92.5%	3.5%	4 716	9 504	10 036	-14.6%	4.5%
Transfers received	308 522	50.0%	96.5%	232 405	162 960	169 299	-18.1%	95.5%
<b>Total revenue</b>	<b>324 652</b>	<b>51.4%</b>	<b>100.0%</b>	<b>237 121</b>	<b>172 464</b>	<b>179 335</b>	<b>-17.9%</b>	<b>100.0%</b>
<b>Expenses</b>								
Current expenses	324 652	56.3%	94.1%	237 121	172 464	179 335	-17.9%	123.5%
Compensation of employees	51 961	15.1%	28.0%	46 512	49 349	52 112	0.1%	23.3%
Goods and services	267 084	77.2%	63.3%	188 220	120 593	124 559	-22.5%	75.3%
Depreciation	5 607	22.6%	2.8%	2 389	2 523	2 664	-22.0%	1.4%
<b>Total expenses</b>	<b>324 652</b>	<b>56.3%</b>	<b>100.0%</b>	<b>237 121</b>	<b>172 464</b>	<b>179 335</b>	<b>-17.9%</b>	<b>100.0%</b>
Surplus/(Deficit)	-	(1)	-	-	-	-	-	-

## Personnel information

Table 26.44 South African National Energy Development Institute personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017			Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	South African National Energy Development Institute	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
Salary level			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20	
1-6	3	3	57	44.6	0.8	62	52.0	0.8	59	46.5	0.8	59	49.3	0.8	59	52.1	0.9	0.1%	100.0%
7-10	40	40	3	0.3	0.1	3	0.3	0.1	5	1.2	0.2	5	1.3	0.3	5	1.4	0.3	58.9%	7.6%
11-12	11	11	35	21.4	0.6	40	25.0	0.6	34	17.9	0.5	34	19.0	0.6	34	20.1	0.6	-7.1%	59.3%
13-16	7	7	11	11.6	1.1	11	13.4	1.2	10	10.1	1.0	10	10.7	1.1	10	11.3	1.1	-5.4%	17.1%
17-22	1	1	7	9.4	1.3	7	10.9	1.6	9	14.8	1.6	9	15.7	1.7	9	16.6	1.8	15.0%	14.3%
			1	2.0	2.0	1	2.3	2.3	1	2.5	2.5	1	2.7	2.7	1	2.8	2.8	6.5%	1.7%

1. Rand million.

## Additional tables

Table 26.A Summary of conditional grants to provinces and municipalities<sup>1</sup>

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Conditional grants to municipalities</b>							
<b>Electrification and Energy Programme and Project Management</b>							
Integrated national electrification programme grant	1 314 772	1 104 658	1 980 340	1 946 246	2 087 048	2 204 477	3 327 928
Integrated national electrification programme: Approach to distribution asset management	320 000	-	-	-	-	-	-
<b>Clean Energy</b>							
Energy efficiency and demand side management grant	180 718	136 905	177 899	185 625	203 236	215 024	227 065
<b>Total</b>	<b>1 815 490</b>	<b>1 241 563</b>	<b>2 158 239</b>	<b>2 131 871</b>	<b>2 290 284</b>	<b>2 419 501</b>	<b>3 554 993</b>

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

Table 26.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
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>										
Integrated national electrification programme: Eskom	Provision of capital subsidies to Eskom to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	Ongoing	-	2 141 027	2 948 037	3 613 243	3 526 334	3 846 154	3 962 031	4 182 453
Integrated national electrification programme: Municipalities	Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	Ongoing	-	1 314 772	1 104 658	1 980 340	1 946 246	2 087 048	2 204 477	3 327 928
<b>Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)</b>										
Integrated national electrification programme: Non-grid	Provision of capital subsidies to non-grid electrification service providers to address electrification backlogs	Ongoing	-	110 320	70 000	156 179	171 809	189 828	201 649	212 941
<b>Total</b>			-	<b>3 566 119</b>	<b>4 122 695</b>	<b>5 749 762</b>	<b>5 644 389</b>	<b>6 123 030</b>	<b>6 368 157</b>	<b>7 723 322</b>

Table 26.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																	
<b>Foreign</b>																	
In cash																	
Switzerland	Support for energy efficiency monitoring and implementation project	Petroleum and Petroleum Products Regulation	1 August 2010 - 31 December 2013	13 950	Departmental agencies and accounts	Support to the energy efficiency monitoring and implementation project	1 685	2 970	2 865	-	-	-	-	-	-	-	-
European Union	Smart metering implementation programme (general budget support)	Petroleum and Petroleum Products Regulation	1 April 2012 - 31 March 2015	179 500	Departmental agencies and accounts	Support to the renewable energy independent power producers programme	71 800	117 000	151 593	68 460	-	-	-	-	-	-	-
Danish Government	South African-Danish renewable energy development programme	Clean Energy	1 April 2014 - November 2017	40 000	Departmental agencies and accounts	Wind Atlas for South Africa (phase 2)	-	15 102	31 079	23 498	-	-	-	-	-	-	-
<b>Local</b>																	
In kind																	
Sector Education and Training Authorities - EWSETA, CHIETA	Appointment of interns as part of in-service training programmes, training, bursaries programmes to non-officials	Electrification and Energy Programme and Project Management	1 April 2014 - continues based on annual applications approved for assistance by SETAs	-	Households	Offer training on electrification programmes	793	-	1 059	1 420	-	-	-	-	-	-	-
<b>Total</b>				<b>233 450</b>			<b>74 278</b>	<b>135 072</b>	<b>186 596</b>	<b>93 378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>







# BUDGET 2017

## ESTIMATES OF NATIONAL EXPENDITURE

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**national treasury**

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National Treasury  
REPUBLIC OF SOUTH AFRICA

