

Vote 26

Energy

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	282.6	276.5	1.6	4.5	299.1	314.8
Energy Policy and Planning	53.1	53.1	–	–	56.2	60.3
Petroleum and Petroleum Products Regulation	87.1	84.3	2.9	–	92.7	99.3
Electrification and Energy Programme and Project Management	5 435.4	67.2	5 368.2	–	5 845.4	6 168.4
Nuclear Energy	816.6	49.5	767.0	–	870.3	912.1
Clean Energy	370.2	82.2	288.0	–	409.9	442.7
Total expenditure estimates	7 045.0	612.8	6 427.7	4.5	7 573.6	7 997.6

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. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

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 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	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of new petroleum retail site inspections per year	Petroleum and Petroleum Products Regulation	Outcome 6: An efficient, competitive and responsive economic infrastructure network	2 070	1 956	1 515	1 200	1 500	1 500	1 500
Number of additional households electrified with grid electrification per year	Electrification and Energy Programme and Project Management	Outcome 9: Responsive, accountable, effective and efficient developmental local government	233 455	260 000	301 976	235 000	200 000	210 000	215 000
Number of additional substations upgraded per year	Electrification and Energy Programme and Project Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	4	4	3	4	3	3	3
Number of bulk substations built per year	Electrification and Energy Programme and Project Management		2	6	3	4	2	2	2
Kilometers of new medium voltage power lines constructed per year	Electrification and Energy Programme and Project Management		30	224	295	95	50	50	50
Kilometers of existing medium voltage power lines upgraded per year	Electrification and Energy Programme and Project Management		0	0	9	95	50	50	50
Number of additional households electrified with non-grid electrification per year	Electrification and Energy Programme and Project Management	Outcome 9: Responsive, accountable, effective and efficient developmental local government	3 786	25 076	16 922	15 000	20 000	20 000	20 000

Expenditure analysis

The National Development Plan envisages that, by 2030, South Africa will have an adequate supply of electricity and liquid fuels to maintain economic activity and prevent economic disruptions. This is given expression by outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 9 (responsive, accountable, effective and efficient developmental local government) of government's 2014-2019 medium-term strategic framework, which are closely aligned with the work of the Department of Energy. Over the medium term, the department intends to focus on securing energy resources and energy supply, increasing household access to electricity, enhancing energy efficiency, diversifying the energy generation mix, and improving the quality and security of petroleum fuels.

The department's total spending is expected to decrease at an average annual rate of 0.6 per cent over the MTEF period, from R8.1 billion in 2017/18 to R8 billion in 2020/21. This decrease is largely due to Cabinet approved reductions of R1.4 billion in 2018/19, R2.4 billion in 2019/20 and R2.5 billion in 2020/21. These reductions are mostly on the *Electrification and Energy Programme and Project Management* programme, the department's largest programme, which accounts for 76.9 per cent (R17.4 billion) of total projected expenditure over the medium term.

Spending on compensation of employees is expected to increase at an average annual rate of 7.1 per cent over the MTEF period, from R333.2 million in 2017/18 to R409.2 million in 2020/21, in line with adjustments related to inflation. The department's staff complement is expected to decrease by 28 over the medium term, from 595 in 2017/18 to 567 in 2020/21. However, the department expects to fill some critical posts at senior management level in the *Energy Policy and Planning, Petroleum and Petroleum Products Regulation and Electrification and Energy Programme and Project Management* programmes. The department's total spending on goods and services is expected to increase at an average annual rate of 7.4 per cent over the MTEF period, from R239.4 million in 2017/18 to R296.9 million in 2020/21. Expenditure in this regard mainly comprises servicing operating leases as the department's regional offices are relocated, as well as costs related to the inspection of 4 500 petroleum retail sites and the solar water heater programme over the medium term.

Extending access to electricity and enhancing energy efficiency

Despite reductions to the department's budget, an additional 625 000 households are expected to be connected to the electricity grid and 9 additional substations upgraded over the MTEF period. A further 20 000 households per year will be provided with non-grid (mainly solar) electrification. Transfers to municipalities for the integrated national electrification programme are expected to increase at an average annual rate of 2.5 per cent, from R2.1 billion in 2017/18 to R2.2 billion in 2020/21. Transfers to Eskom for the indirect component of the integrated national electrification programme are expected to decrease at an average annual rate of 2 per cent, from R3.8 billion in 2017/18 to R3.6 billion in 2020/21, as a result of Cabinet approved reductions of R2.2 billion over the medium term.

As a result of reductions effected on allocations for the solar water heater programme, expenditure in the *Clean Energy* programme is expected to decrease at an average annual rate of 15.8 per cent, from R742.5 million in 2017/18 to R442.7 million in 2020/21. Despite this decrease, 57 000 solar water heaters are expected to be manufactured over the medium term. To realise 1.5 terawatt hours of energy savings over the MTEF period, allocations to the *energy efficiency and demand side management grant* increase at an average annual rate of 5.6 per cent, from R203.2 million in 2017/18 to R239.6 million in 2020/21. This will enable municipalities to undertake initiatives such as replacing street and traffic signal lights with energy efficient technology, and to retrofit and replace municipal infrastructure that is energy inefficient.

Creating an enabling policy environment for a sustainable and diversified energy mix

Although spending in the *Energy Policy and Planning* programme accounts for 0.7 per cent of the department's total estimated spending over the MTEF period, it is the fastest growing programme, increasing at an average annual rate of 8.9 per cent, from R46.7 million in 2017/18 to R60.3 million in 2020/21. This increase in expenditure is expected to enable the department to focus on finalising and implementing legislation and policy frameworks over the medium term, including the drafting of the National Energy Regulator Amendment Bill, and the Electricity Regulation Second Amendment Bill. In addition, the Gas Amendment Bill is expected to be processed and published for public comment in 2018/19. This legislation will assist in defining the policy and regulatory framework to support the rollout of gas infrastructure and the development of a gas industry.

Nuclear energy

To subsidise the operational costs of the South African Nuclear Energy Corporation and for the decommissioning and decontamination of past nuclear assets, transfers to entities form the bulk of expenditure in the *Nuclear Energy* programme over the MTEF period. Spending in this programme is expected to increase at an average annual rate of 4.9 per cent, from R790.9 million in 2017/18 to R912.1 million in 2020/21. The increase in transfers to departmental agencies and accounts, from R68.6 million in 2017/18 to R84.9 million in 2020/21, is mainly driven by increased allocations to the National Radioactive Waste Disposal Institute to operationalise the public entity. The National Radioactive Waste Disposal Institute Bill, which is expected to be approved in 2018/19, provides for a sustainable funding mechanism for the institute.

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	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	244.1	257.3	257.2	242.6	246.6	277.8	240.1	244.8	282.8	239.5	263.6	263.6	111.9%	106.8%
Programme 2	52.6	57.6	41.7	45.1	44.1	38.1	46.7	43.5	39.9	46.7	46.7	46.7	87.1%	86.7%
Programme 3	82.7	84.5	64.5	74.4	73.4	69.0	77.9	77.5	79.0	81.8	81.8	81.8	92.9%	92.8%
Programme 4	4 199.2	4 208.6	4 181.0	5 778.3	5 813.8	5 820.5	5 699.9	5 705.2	5 678.7	6 184.0	6 220.0	6 220.0	100.2%	99.8%
Programme 5	850.5	843.8	845.4	654.4	653.9	655.0	863.6	880.1	872.5	786.9	790.9	790.9	100.3%	99.8%
Programme 6	1 986.5	1 986.0	830.3	687.3	435.8	281.8	616.9	599.4	560.1	774.5	742.5	742.5	59.4%	64.2%
Total	7 415.6	7 437.8	6 220.1	7 482.1	7 267.6	7 142.1	7 545.2	7 550.6	7 512.8	8 113.5	8 145.4	8 145.4	95.0%	95.5%
Change to 2017 Budget estimate											32.0			
Economic classification														
Current payments	518.3	530.7	473.6	492.6	508.8	509.3	739.0	714.5	682.0	557.9	572.6	572.6	97.0%	96.2%
Compensation of employees	291.9	286.0	264.3	289.5	289.5	296.0	310.8	318.3	321.5	318.2	333.2	333.2	100.4%	99.0%
Goods and services	226.4	244.7	209.3	203.1	219.3	213.3	428.2	396.2	360.5	239.7	239.4	239.4	93.2%	93.0%
Transfers and subsidies	6 892.1	6 901.9	5 742.7	6 985.5	6 754.8	6 628.4	6 802.1	6 832.0	6 816.1	7 551.2	7 568.5	7 568.5	94.8%	95.4%
Provinces and municipalities	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	2 290.3	2 290.3	2 290.3	100.0%	100.0%
Departmental agencies and accounts	196.4	197.3	197.2	87.3	87.1	87.1	38.2	62.5	72.5	129.4	129.4	129.4	–	–
Foreign governments and international organisations	12.1	12.1	21.3	16.6	19.6	29.6	17.4	17.4	25.0	17.9	17.9	17.9	146.6%	140.0%
Public corporations and private enterprises	5 441.7	5 450.6	4 278.7	4 723.0	4 489.5	4 349.8	4 612.4	4 617.8	4 583.7	5 111.2	5 126.2	5 126.2	92.2%	93.2%
Households	0.4	0.4	4.0	0.4	0.4	3.7	2.2	2.4	3.0	2.4	4.7	4.7	284.5%	195.7%
Payments for capital assets	5.2	5.2	3.8	4.0	4.0	4.4	4.1	4.1	14.7	4.3	4.3	4.3	154.5%	154.5%
Machinery and equipment	5.2	5.2	3.8	4.0	4.0	4.4	4.1	4.1	14.7	4.3	4.3	4.3	154.5%	154.5%
Total	7 415.6	7 437.8	6 220.1	7 482.1	7 267.6	7 142.1	7 545.2	7 550.6	7 512.8	8 113.5	8 145.4	8 145.4	95.0%	95.5%

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	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Programme 1	263.6	0.8%	3.7%	282.6	299.1	314.8	6.1%	3.8%
Programme 2	46.7	-6.7%	0.6%	53.1	56.2	60.3	8.9%	0.7%
Programme 3	81.8	-1.1%	1.0%	87.1	92.7	99.3	6.7%	1.2%
Programme 4	6 220.0	13.9%	75.5%	5 435.4	5 845.4	6 168.4	-0.3%	76.9%
Programme 5	790.9	-2.1%	10.9%	816.6	870.3	912.1	4.9%	11.0%
Programme 6	742.5	-28.0%	8.3%	370.2	409.9	442.7	-15.8%	6.4%
Total	8 145.4	3.1%	100.0%	7 045.0	7 573.6	7 997.6	-0.6%	100.0%
Change to 2017 Budget estimate				(1 424.9)	(2 377.1)	(2 507.6)		
Economic classification								
Current payments	572.6	2.6%	7.7%	612.8	656.4	706.1	7.2%	8.3%
Compensation of employees	333.2	5.2%	4.2%	360.5	384.3	409.2	7.1%	4.8%
Goods and services	239.4	-0.7%	3.5%	252.3	272.1	296.9	7.4%	3.4%
Transfers and subsidies	7 568.5	3.1%	92.2%	6 427.7	6 912.5	7 286.4	-1.3%	91.7%
Provinces and municipalities	2 290.3	22.6%	27.0%	2 119.5	2 355.0	2 484.5	2.8%	30.1%
Departmental agencies and accounts	129.4	-13.1%	1.7%	133.4	161.9	164.3	8.3%	1.9%
Foreign governments and international organisations	17.9	14.1%	0.3%	27.9	29.5	31.1	20.2%	0.3%
Public corporations and private enterprises	5 126.2	-2.0%	63.2%	4 146.4	4 365.6	4 606.0	-3.5%	59.3%
Households	4.7	132.3%	0.1%	0.5	0.5	0.5	-52.4%	0.0%
Payments for capital assets	4.3	-6.2%	0.1%	4.5	4.8	5.0	5.6%	0.1%
Machinery and equipment	4.3	-6.2%	0.1%	4.5	4.8	5.0	5.6%	0.1%
Total	8 145.4	3.1%	100.0%	7 045.0	7 573.6	7 997.6	-0.6%	100.0%

Expenditure trends and estimates for significant spending items

Table 26.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Electrification programmes	4 180 973	5 820 485	5 678 659	6 219 980	14.2%	75.5%	5 435 400	5 845 439	6 168 407	-0.3%	76.9%
Clean Energy	830 257	281 783	560 101	742 510	-3.7%	8.3%	370 183	409 901	442 701	-15.8%	6.4%
Total	5 011 230	6 102 268	6 238 760	6 962 490	10.5%	83.8%	5 805 583	6 255 340	6 611 108	-16.1%	83.3%

Goods and services expenditure trends and estimates

Table 26.5 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 (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Administrative fees	4 453	5 663	4 650	3 771	-5.4%	1.8%	3 764	3 975	4 192	3.6%	1.5%
Advertising	8 652	13 785	8 362	8 525	-0.5%	3.8%	6 774	7 298	7 645	-3.6%	2.9%
Minor assets	367	1 036	833	2 177	81.0%	0.4%	451	486	524	-37.8%	0.3%
Audit costs: External	3 578	4 233	3 805	4 472	7.7%	1.6%	3 909	4 129	4 356	-0.9%	1.6%
Bursaries: Employees	761	610	555	785	1.0%	0.3%	821	867	915	5.2%	0.3%
Catering: Departmental activities	1 032	1 961	2 546	1 992	24.5%	0.7%	1 630	1 721	1 819	-3.0%	0.7%
Communication	7 846	7 613	8 517	6 307	-7.0%	3.0%	6 155	6 499	6 859	2.8%	2.4%
Computer services	10 264	9 839	10 658	6 523	-14.0%	3.6%	7 795	8 221	8 658	9.9%	2.9%
Consultants: Business and advisory services	43 780	25 828	189 849	83 681	24.1%	33.6%	93 799	106 366	122 022	13.4%	38.3%

Table 26.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average: Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
Legal services	846	924	2 451	458	-18.5%	0.5%	2 190	517	545	6.0%	0.3%
Contractors	1 743	2 560	2 206	1 871	2.4%	0.8%	1 547	1 634	1 723	-2.7%	0.6%
Agency and support/outsourced services	270	3 305	1 096	8 763	219.0%	1.3%	10 308	10 886	11 484	9.4%	3.9%
Entertainment	22	1	8	173	98.9%	-	184	195	206	6.0%	0.1%
Fleet services (including government motor transport)	1 130	1 586	1 275	706	-14.5%	0.5%	571	605	639	-3.3%	0.2%
Consumable supplies	1 582	1 042	1 032	2 357	14.2%	0.6%	2 125	2 246	2 371	0.2%	0.9%
Consumables: Stationery, printing and office supplies	4 119	4 653	4 722	4 260	1.1%	1.7%	3 939	4 160	4 385	1.0%	1.6%
Operating leases	27 145	34 063	38 955	35 348	9.2%	13.3%	45 097	47 538	50 152	12.4%	16.8%
Rental and hiring	15	93	-	349	185.5%	-	-	-	-	-100.0%	-
Property payments	3 849	4 082	8 851	2 718	-11.0%	1.9%	4 934	5 210	5 497	26.5%	1.7%
Transport provided: Departmental activity	1	238	294	-	-100.0%	0.1%	-	-	-	-	-
Travel and subsistence	56 344	65 249	52 019	42 158	-9.2%	21.1%	39 226	41 485	43 779	1.3%	15.7%
Training and development	5 665	4 664	4 041	3 973	-11.2%	1.8%	4 086	4 315	4 552	4.6%	1.6%
Operating payments	6 171	4 898	3 988	6 721	2.9%	2.1%	3 844	4 059	4 282	-14.0%	1.8%
Venues and facilities	19 706	15 373	9 818	11 312	-16.9%	5.5%	9 157	9 686	10 274	-3.2%	3.8%
Total	209 341	213 299	360 531	239 400	4.6%	100.0%	252 306	272 098	296 879	7.4%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 26.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average: Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
Households											
Social benefits											
Current	3 253	2 945	2 001	2 468	-8.8%	-	389	411	434	-44.0%	-
Employee Social Benefits	3 253	2 945	2 001	2 468	-8.8%	-	389	411	434	-44.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	85 828	86 762	72 148	128 976	14.5%	1.4%	132 949	161 449	163 820	8.3%	2.1%
Energy and Water Sector	812	792	985	1 047	8.8%	-	1 108	1 170	1 234	5.6%	-
Education and Training Authority											
National Nuclear Regulator	33 331	21 109	40 538	38 155	4.6%	0.5%	16 068	42 629	44 974	5.6%	0.5%
National Radioactive Waste Disposal Institute	-	-	10 000	30 000	-	0.1%	45 532	43 499	39 397	9.5%	0.6%
South African National Energy Development Institute	51 685	64 861	20 625	59 774	5.0%	0.7%	70 241	74 151	78 215	9.4%	1.0%
Capital	111 366	378	398	418	-84.5%	0.4%	442	467	493	5.7%	-
National Nuclear Regulator	366	378	398	418	4.5%	-	442	467	493	5.7%	-
South African National Energy Development Institute	111 000	-	-	-	-100.0%	0.4%	-	-	-	-	-
Households											
Other transfers to households											
Current	710	711	977	2 220	46.2%	-	65	69	73	-68.0%	-
Employee social benefits	-	-	164	-	-	-	-	-	-	-	-
Employee ex-gratia payments	710	711	58	61	-55.9%	-	65	69	73	6.2%	-
Bursaries for non-employees	-	-	755	2 059	-	-	-	-	-	-100.0%	-
Households: Bursaries (non-employees)	-	-	-	100	-	-	-	-	-	-100.0%	-
Provinces and municipalities											
Municipal bank accounts											
Current	136 905	177 899	185 625	203 236	14.1%	2.6%	215 024	227 065	239 554	5.6%	3.1%
Energy efficiency and demand side management grant	136 905	177 899	185 625	203 236	14.1%	2.6%	215 024	227 065	239 554	5.6%	3.1%
Capital	1 104 658	1 980 340	1 946 246	2 087 048	23.6%	26.6%	1 904 477	2 127 928	2 244 964	2.5%	29.7%
Integrated national electrification programme grant	1 104 658	1 980 340	1 946 246	2 087 048	23.6%	26.6%	1 904 477	2 127 928	2 244 964	2.5%	29.7%

Table 26.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
Foreign governments and international organisations												
Current	21 275	29 565	25 003	17 907	-5.6%	0.4%	27 915	29 478	31 099	20.2%	0.4%	
International Energy Forum	282	366	3 034	–	-100.0%	–	–	–	–	–	–	
African Petroleum Producers Association	2 312	–	–	–	-100.0%	–	2 878	3 038	3 205	–	–	
International Atomic Energy Agency	17 003	27 886	19 753	17 207	0.4%	0.3%	21 549	22 756	24 007	11.7%	0.3%	
Generation IV International Forum	–	–	–	700	–	–	741	782	825	5.6%	–	
International Renewable Energy Agency	1 678	1 313	2 216	–	-100.0%	–	1 137	1 201	1 267	–	–	
International Energy Forum	–	–	–	–	–	–	337	356	376	–	–	
International Partnership for Energy Efficiency Cooperation	–	–	–	–	–	–	1 273	1 345	1 419	–	–	
Public corporations and private enterprises												
Subsidies on products and production												
Capital	570 000	156 179	458 047	615 891	2.6%	6.7%	201 649	212 941	224 653	-28.5%	4.5%	
Various institutions: Integrated national electrification programme	70 000	156 179	137 733	221 800	46.9%	2.2%	201 649	212 941	224 653	0.4%	3.1%	
Various institutions: Solar water heater project	500 000	–	320 314	394 091	-7.6%	4.5%	–	–	–	-100.0%	1.4%	
Public corporations and private enterprises												
Subsidies on products and production												
Current	491 881	498 777	513 461	574 000	5.3%	7.8%	587 313	619 481	653 567	4.4%	8.6%	
South African Nuclear Energy Corporation	491 881	498 777	513 461	574 000	5.3%	7.8%	587 313	619 481	653 567	4.4%	8.6%	
Capital	3 216 834	3 694 824	3 612 211	3 936 325	7.0%	54.0%	3 357 432	3 533 196	3 727 772	-1.8%	51.6%	
Eskom	2 948 037	3 613 243	3 526 334	3 846 154	9.3%	52.1%	3 262 031	3 432 453	3 621 488	-2.0%	50.2%	
South African Nuclear Energy Corporation	268 797	81 581	85 877	90 171	-30.5%	2.0%	95 401	100 743	106 284	5.6%	1.4%	
Total	5 742 710	6 628 380	6 816 117	7 568 489	9.6%	100.0%	6 427 655	6 912 485	7 286 429	-1.3%	100.0%	

Personnel information

Table 26.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
Energy	551	21	589	321.5	0.5	595	333.2	0.6	582	360.5	0.6	574	384.3	0.7	567	409.2	0.7	-1.6%	100.0%
1 – 6	137	2	138	32.1	0.2	140	30.9	0.2	125	30.4	0.2	122	32.0	0.3	119	33.9	0.3	-5.3%	21.8%
7 – 10	250	8	267	118.1	0.4	265	116.8	0.4	260	123.7	0.5	256	131.4	0.5	253	140.5	0.6	-1.5%	44.6%
11 – 12	90	8	96	72.7	0.8	99	80.7	0.8	102	89.1	0.9	101	95.4	0.9	101	103.0	1.0	0.7%	17.4%
13 – 16	72	3	86	94.3	1.1	89	100.4	1.1	93	112.3	1.2	93	120.1	1.3	92	126.1	1.4	1.1%	15.8%
Other	2	–	2	4.3	2.2	2	4.5	2.3	2	5.0	2.5	2	5.4	2.7	2	5.8	2.9	–	0.3%
Programme	551	21	589	321.5	0.5	595	333.2	0.6	582	360.5	0.6	574	384.3	0.7	567	409.2	0.7	-1.6%	100.0%
Programme 1	256	14	284	149.8	0.5	291	152.9	0.5	279	164.2	0.6	273	174.2	0.6	266	183.0	0.7	-2.9%	47.8%
Programme 2	51	1	52	32.8	0.6	52	35.3	0.7	54	41.6	0.8	53	44.2	0.8	53	47.6	0.9	0.6%	9.1%
Programme 3	111	3	118	58.9	0.5	119	60.9	0.5	115	63.4	0.6	114	67.6	0.6	114	72.8	0.6	-1.4%	19.9%
Programme 4	78	2	79	43.8	0.6	78	45.2	0.6	79	49.6	0.6	79	53.5	0.7	79	57.6	0.7	0.4%	13.6%
Programme 5	32	–	31	19.8	0.6	31	21.2	0.7	31	21.8	0.7	31	23.4	0.8	31	25.2	0.8	–	5.3%
Programme 6	23	1	25	16.3	0.7	24	17.7	0.7	24	19.9	0.8	24	21.4	0.9	24	23.1	1.0	–	4.1%

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

2. Rand million.

Departmental receipts

Table 26.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate 2017/18	Revised estimate	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
R thousand												
Departmental receipts	5 277	805 987	956 905	6 002	6 002	4.4%	100.0%	6 170	6 309	6 560	3.0%	100.0%
Sales of goods and services produced by department	3 132	3 885	4 209	3 822	3 822	6.9%	0.8%	3 914	4 027	4 249	3.6%	63.9%
Sales by market establishments	139	141	144	146	146	1.7%	–	149	156	165	4.2%	2.5%
<i>of which:</i>												
<i>Sales by market establishment: Parking</i>	139	141	144	146	146	1.7%	–	149	156	165	4.2%	2.5%
Administrative fees	2 896	3 631	3 944	3 550	3 550	7.0%	0.8%	3 650	3 750	3 956	3.7%	59.5%
<i>of which:</i>												
<i>Administrative fees: Petroleum licence fees</i>	2 896	3 631	3 944	3 550	3 550	7.0%	0.8%	3 650	3 750	3 956	3.7%	59.5%
Other sales	97	113	121	126	126	9.1%	–	115	121	128	0.5%	2.0%
<i>of which:</i>												
<i>Other sales: Garnishee, photocopy, faxes</i>	97	113	121	126	126	9.1%	–	115	121	128	0.5%	2.0%
Sales of scrap, waste, arms and other used current goods	1	–	–	–	–	-100.0%	–	2	2	2	–	–
<i>of which:</i>												
<i>Sales: Waste paper</i>	1	–	–	–	–	-100.0%	–	2	2	2	–	–
Transfers received	1 587	1 059	1 745	1 750	1 750	3.3%	0.3%	1 750	1 750	1 750	–	28.0%
Interest, dividends and rent on land	47	489	649	45	45	-1.4%	0.1%	30	32	34	-8.9%	0.6%
Interest	47	489	649	45	45	-1.4%	0.1%	30	32	34	-8.9%	0.6%
Sales of capital assets	–	111	–	–	–	–	–	–	–	–	–	–
Transactions in financial assets and liabilities	510	800 443	950 302	385	385	-8.9%	98.7%	474	498	525	10.9%	7.5%
Total	5 277	805 987	956 905	6 002	6 002	4.4%	100.0%	6 170	6 309	6 560	3.0%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 26.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Ministry	41.8	42.3	39.3	39.3	-2.0%	15.0%	33.3	35.4	37.3	-1.7%	12.5%
Departmental Management	45.8	52.6	72.7	63.6	11.6%	21.7%	73.2	77.8	82.1	8.9%	25.6%
Finance Administration	29.4	33.3	34.7	36.1	7.0%	12.3%	39.3	41.8	44.1	7.0%	13.9%
Audit Services	6.8	6.7	6.9	6.1	-3.5%	2.4%	8.5	9.0	9.5	16.0%	2.8%
Corporate Services	109.1	110.8	98.5	82.8	-8.8%	37.1%	79.2	83.3	87.1	1.7%	28.6%
Office Accommodation	24.4	32.1	30.6	35.8	13.6%	11.4%	49.2	51.8	54.7	15.2%	16.5%
Total	257.2	277.8	282.8	263.6	0.8%	100.0%	282.6	299.1	314.8	6.1%	100.0%
Change to 2017 Budget estimate				24.0			36.7	35.1	33.2		

Table 26.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
R million												
Current payments	248.4	268.6	272.3	253.6	0.7%	96.4%	276.5	292.7	308.0	6.7%	97.5%	
Compensation of employees	131.5	138.8	149.8	152.9	5.2%	53.0%	164.2	174.2	183.0	6.2%	58.1%	
Goods and services ¹	116.9	129.8	122.5	100.7	-4.8%	43.5%	112.3	118.5	125.0	7.5%	39.4%	
<i>of which:</i>												
Computer services	10.2	9.8	10.7	6.4	-14.5%	3.4%	7.8	8.2	8.7	10.7%	2.7%	
Consultants: Business and advisory services	5.1	4.0	4.7	4.3	-5.5%	1.7%	5.3	5.6	5.9	11.0%	1.8%	
Operating leases	26.7	33.2	38.1	35.3	9.7%	12.3%	45.1	47.5	50.2	12.4%	15.4%	
Property payments	3.8	4.1	8.8	2.0	-19.3%	1.7%	4.9	5.2	5.5	39.6%	1.5%	
Travel and subsistence	27.8	32.5	26.1	20.6	-9.6%	9.9%	17.3	18.3	19.3	-2.2%	6.5%	
Training and development	5.6	4.6	4.0	3.8	-11.9%	1.7%	4.1	4.3	4.6	5.8%	1.4%	
Transfers and subsidies¹	5.0	4.8	6.8	5.6	4.0%	2.1%	1.6	1.7	1.7	-32.4%	0.9%	
Departmental agencies and accounts	0.8	0.8	1.0	1.0	8.8%	0.3%	1.1	1.2	1.2	5.6%	0.4%	
Foreign governments and international organisations	0.3	0.4	3.0	-	-100.0%	0.3%	-	-	-	-	-	
Households	3.9	3.6	2.8	4.6	5.4%	1.4%	0.5	0.5	0.5	-52.0%	0.5%	
Payments for capital assets	3.8	4.4	3.6	4.3	4.4%	1.5%	4.5	4.8	5.0	5.6%	1.6%	
Machinery and equipment	3.8	4.4	3.6	4.3	4.4%	1.5%	4.5	4.8	5.0	5.6%	1.6%	
Payments for financial assets	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-	
Total	257.2	277.8	282.8	263.6	0.8%	100.0%	282.6	299.1	314.8	6.1%	100.0%	
Proportion of total programme expenditure to vote expenditure	4.1%	3.9%	3.8%	3.2%	-	-	4.0%	3.9%	3.9%	-	-	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	0.8	0.8	1.0	1.0	8.8%	0.3%	1.1	1.2	1.2	5.6%	0.4%	
Energy and Water Sector Education and Training Authority	0.8	0.8	1.0	1.0	8.8%	0.3%	1.1	1.2	1.2	5.6%	0.4%	

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

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 generation capacity by implementing the integrated resource plan through determinations under section 34 of the Energy Regulation Act (2006), when applicable.

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 security of energy supply; conducts research and analyses policies in relation to other countries; and conducts research and analyses national and international trends or developments that impact on 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; a transformed energy sector; and 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, a transformed energy sector, and energy regulation and competition that improves 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 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15	2017/18	2018/19	2019/20	2020/21	2017/18	2020/21
R million											
Policy Analysis and Research	0.5	1.6	2.1	2.5	74.7%	4.0%	2.6	2.8	3.0	5.5%	5.0%
Energy Planning	23.1	18.4	18.8	22.7	-0.6%	49.9%	25.6	27.0	29.0	8.5%	48.2%
Hydrocarbon Policy	11.7	11.4	11.5	12.8	3.0%	28.5%	15.2	16.1	17.3	10.7%	28.4%
Electricity, Energy Efficiency and Environmental Policy	6.4	6.7	7.5	8.6	10.3%	17.6%	9.7	10.3	11.0	8.3%	18.3%
Total	41.7	38.1	39.9	46.7	3.8%	100.0%	53.1	56.2	60.3	8.9%	100.0%
Change to 2017				-			3.6	3.8	4.1		
Budget estimate											
Economic classification											
Current payments	41.7	38.1	39.9	46.7	3.8%	100.0%	53.1	56.2	60.3	8.9%	100.0%
Compensation of employees	28.8	31.5	32.8	35.3	7.1%	77.1%	41.6	44.2	47.6	10.5%	78.0%
Goods and services ¹	13.0	6.6	7.1	11.4	-4.2%	22.8%	11.4	12.0	12.7	3.7%	22.0%
of which:											
Administrative fees	0.2	0.2	0.4	0.5	25.3%	0.8%	0.5	0.5	0.5	6.0%	0.9%
Communication	0.4	0.3	0.3	0.5	6.2%	0.9%	0.5	0.6	0.6	6.9%	1.0%
Consultants: Business and advisory services	8.1	0.3	1.1	4.4	-18.3%	8.4%	4.3	4.5	4.7	2.0%	8.3%
Travel and subsistence	2.9	4.1	3.2	3.8	8.5%	8.4%	3.8	4.0	4.3	4.2%	7.3%
Operating payments	0.8	0.7	0.7	0.5	-18.3%	1.6%	0.5	0.5	0.6	7.9%	1.0%
Venues and facilities	0.2	0.7	0.8	0.6	44.5%	1.4%	1.1	1.1	1.2	23.7%	1.9%
Transfers and subsidies¹	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Households	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Total	41.7	38.1	39.9	46.7	3.8%	100.0%	53.1	56.2	60.3	8.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.5%	0.5%	0.6%	-	-	0.8%	0.7%	0.8%	-	-

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

Programme 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 with legislation, specifications, standards and licence conditions annually.
- Facilitate the orderly development of the petroleum sector through the analysis and efficient adjudication of licences for manufacturing, wholesaling and retailing 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 appropriate returns 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. This 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 and ensuring the supply of hydrocarbons and compliance with permits and the 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. Fuel price administration 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 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 26.11 Petroleum and Petroleum Products Regulation expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R million											
Petroleum Compliance, Monitoring and Enforcement	13.5	13.8	14.2	12.7	-2.0%	18.5%	18.6	19.7	20.8	17.8%	19.9%
Petroleum Licensing and Fuel Supply	19.4	20.7	24.2	26.9	11.6%	31.0%	27.4	29.2	31.1	4.9%	31.8%
Fuel Pricing	9.2	6.8	7.4	8.5	-2.6%	10.8%	6.2	6.6	7.0	-6.2%	7.8%
Regional Petroleum Regulation Offices	22.4	27.5	33.3	33.7	14.5%	39.7%	35.0	37.3	40.4	6.2%	40.6%
Total	64.5	69.0	79.0	81.8	8.2%	100.0%	87.1	92.7	99.3	6.7%	100.0%
Change to 2017 Budget estimate				-			1.6	1.8	2.0		

Table 26.11 Petroleum and Petroleum Products Regulation expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
R million											
Current payments	62.2	69.0	78.8	81.8	9.6%	99.2%	84.3	89.7	96.1	5.5%	97.5%
Compensation of employees	41.9	52.6	58.9	60.9	13.3%	72.8%	63.4	67.6	72.8	6.1%	73.3%
Goods and services ¹	20.3	16.4	19.9	20.9	1.0%	26.3%	20.9	22.1	23.3	3.6%	24.1%
of which:											
Advertising	0.5	0.4	0.8	0.8	18.7%	0.8%	1.0	1.1	1.2	14.0%	1.1%
Communication	0.3	0.7	0.4	0.5	20.1%	0.6%	0.6	0.7	0.7	12.8%	0.7%
Consultants: Business and advisory services	9.1	10.0	10.4	10.1	3.6%	13.4%	12.6	13.3	14.0	11.8%	13.9%
Travel and subsistence	5.7	4.3	6.2	4.3	-8.8%	7.0%	4.1	4.3	4.5	1.6%	4.8%
Operating payments	3.0	0.3	0.5	2.3	-9.4%	2.0%	0.5	0.6	0.6	-35.7%	1.1%
Venues and facilities	0.4	0.2	0.6	1.3	53.7%	0.9%	1.3	1.4	1.4	2.2%	1.5%
Transfers and subsidies¹	2.3	-	0.1	-	-100.0%	0.8%	2.9	3.0	3.2	-	2.5%
Foreign governments and international organisations	2.3	-	-	-	-100.0%	0.8%	2.9	3.0	3.2	-	2.5%
Households	-	-	0.1	-	-	-	-	-	-	-	-
Total	64.5	69.0	79.0	81.8	8.2%	100.0%	87.1	92.7	99.3	6.7%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	1.0%	1.1%	1.0%	-	-	1.2%	1.2%	1.2%	-	-
Details of selected transfers and subsidies											
Foreign governments and international organisations											
Current	2.3	-	-	-	-100.0%	0.8%	2.9	3.0	3.2	-	2.5%
African Petroleum Producers Association	2.3	-	-	-	-100.0%	0.8%	2.9	3.0	3.2	-	2.5%

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

Programme 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 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 on an ongoing basis by:
 - enhancing the application of project management business principles to assist programme and project managers
 - 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.

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 mainstreaming, uplifting and empowering 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 26.12 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 (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R million											
Integrated National Electrification Programme	4 142.6	5 775.7	5 630.6	6 177.7	14.2%	99.2%	5 392.5	5 799.3	6 118.8	-0.3%	99.2%
Energy Regional Offices	17.6	20.3	19.7	16.6	-1.9%	0.3%	18.1	19.8	21.6	9.2%	0.3%
Programme and Project Management Office	7.2	9.1	13.5	11.3	16.1%	0.2%	11.4	12.0	12.8	4.1%	0.2%
Electricity Infrastructure/Industry Transformation	6.6	8.6	9.3	7.7	5.5%	0.1%	8.1	8.6	9.2	6.1%	0.1%
Community Upliftment Programmes and Projects	7.0	6.8	5.6	6.7	-1.7%	0.1%	5.3	5.6	6.0	-3.4%	0.1%
Total	4 181.0	5 820.5	5 678.7	6 220.0	14.2%	100.0%	5 435.4	5 845.4	6 168.4	-0.3%	100.0%
Change to 2017 Budget estimate				36.0			(997.0)	(1 946.3)	(2 052.9)		
Economic classification											
Current payments	58.2	70.7	68.3	65.0	3.7%	1.2%	67.2	72.1	77.3	6.0%	1.2%
Compensation of employees	36.2	41.8	43.8	45.2	7.7%	0.8%	49.6	53.5	57.6	8.4%	0.9%
Goods and services ¹	22.0	28.9	24.5	19.8	-3.5%	0.4%	17.6	18.6	19.7	-0.1%	0.3%
of which:											
Administrative fees	1.0	1.3	1.2	0.8	-6.4%	-	0.9	0.9	1.0	5.8%	-
Catering: Departmental activities	0.3	1.4	1.4	0.7	36.4%	-	0.7	0.7	0.7	4.2%	-
Communication	0.5	0.4	0.7	0.7	9.3%	-	0.7	0.8	0.8	5.9%	-
Consultants: Business and advisory services	0.0	0.0	0.2	3.5	420.0%	-	4.1	4.3	4.6	9.2%	0.1%
Travel and subsistence	14.3	15.7	12.2	7.0	-21.1%	0.2%	8.9	9.5	10.0	12.7%	0.1%
Venues and facilities	4.4	7.2	4.6	5.1	4.9%	0.1%	1.7	1.8	1.9	-28.5%	-
Transfers and subsidies¹	4 122.7	5 749.8	5 610.4	6 155.0	14.3%	98.8%	5 368.2	5 773.3	6 091.1	-0.3%	98.8%
Provinces and municipalities	1 104.7	1 980.3	1 946.2	2 087.0	23.6%	32.5%	1 904.5	2 127.9	2 245.0	2.5%	35.3%
Public corporations and private enterprises	3 018.0	3 769.4	3 664.1	4 068.0	10.5%	66.3%	3 463.7	3 645.4	3 846.1	-1.9%	63.5%
Households	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	0.0	0.0	-	-	-100.0%	-	-	-	-	-	-
Total	4 181.0	5 820.5	5 678.7	6 220.0	14.2%	100.0%	5 435.4	5 845.4	6 168.4	-0.3%	100.0%
Proportion of total programme expenditure to vote expenditure	67.2%	81.5%	75.6%	76.4%	-	-	77.2%	77.2%	77.1%	-	-
Details of selected transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Capital	1 104.7	1 980.3	1 946.2	2 087.0	23.6%	32.5%	1 904.5	2 127.9	2 245.0	2.5%	35.3%
Integrated National electrification programme grant	1 104.7	1 980.3	1 946.2	2 087.0	23.6%	32.5%	1 904.5	2 127.9	2 245.0	2.5%	35.3%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Capital	70.0	156.2	137.7	221.8	46.9%	2.7%	201.6	212.9	224.7	0.4%	3.6%
Various institutions: Integrated National Electrification Programme	70.0	156.2	137.7	221.8	46.9%	2.7%	201.6	212.9	224.7	0.4%	3.6%

Table 26.12 Electrification and Energy Programme and Project Management expenditure trends and estimates by subprogramme and economic classification

Details of selected transfers and subsidies		Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)		
					2014/15	2015/16	2016/17			2018/19	2019/20
R million											
	Audited outcome	2017/18	2014/15 - 2017/18								
Public corporations and private enterprises											
Public corporations											
Public corporations (subsidies on products and production)											
Capital	2 948.0	3 613.2	3 526.3	3 846.2	9.3%	63.6%	3 262.0	3 432.5	3 621.5	-2.0%	59.8%
Eskom	2 948.0	3 613.2	3 526.3	3 846.2	9.3%	63.6%	3 262.0	3 432.5	3 621.5	-2.0%	59.8%

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

Programme 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.
- Contribute to ensuring the security of energy supply over the medium term 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.
- 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 26.13 Nuclear Energy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R million											
Nuclear Safety and Technology	832.3	641.5	859.0	770.7	-2.5%	98.1%	796.2	850.2	890.9	4.9%	97.6%
Nuclear Non-proliferation and Radiation Security	6.2	7.2	8.3	9.3	14.5%	1.0%	9.1	9.6	10.2	3.3%	1.1%
Nuclear Policy	7.0	6.4	5.1	10.9	16.0%	0.9%	11.4	10.4	11.0	0.4%	1.3%
Total	845.4	655.0	872.5	790.9	-2.2%	100.0%	816.6	870.3	912.1	4.9%	100.0%
Change to 2017 Budget estimate				4.0			(4.8)	(11.9)	(19.0)		
Economic classification											
Current payments	34.0	25.3	191.4	40.1	5.6%	9.2%	49.5	39.9	42.6	2.0%	5.1%
Compensation of employees	13.4	17.0	19.8	21.2	16.4%	2.3%	21.8	23.4	25.2	6.0%	2.7%
Goods and services ¹	20.6	8.2	171.6	18.9	-2.7%	6.9%	27.7	16.5	17.4	-2.8%	2.4%
of which:											
Advertising	0.5	1.6	0.5	3.2	89.5%	0.2%	1.3	1.6	1.6	-20.9%	0.2%
Consultants: Business and advisory services	11.8	0.8	165.8	10.8	-3.0%	6.0%	21.1	11.0	11.6	2.4%	1.6%
Legal services	-	0.1	0.1	-	-	-	1.7	-	-	-	0.1%
Consumables: Stationery, printing and office supplies	0.5	0.1	0.6	0.5	-0.2%	0.1%	0.5	0.5	0.5	5.0%	0.1%
Travel and subsistence	3.4	3.2	2.2	3.1	-2.6%	0.4%	1.6	1.7	1.8	-17.3%	0.2%
Venues and facilities	3.4	1.8	1.6	0.8	-38.2%	0.2%	1.1	1.2	1.3	17.6%	0.1%
Transfers and subsidies¹	811.4	629.8	670.0	750.8	-2.6%	90.5%	767.0	830.4	869.5	5.0%	94.9%
Departmental agencies and accounts	33.7	21.5	50.9	68.6	26.7%	5.5%	62.0	86.6	84.9	7.4%	8.9%
Foreign governments and international organisations	17.0	27.9	19.8	17.9	1.7%	2.6%	22.3	23.5	24.8	11.5%	2.6%
Public corporations and private enterprises	760.7	580.4	599.3	664.2	-4.4%	82.3%	682.7	720.2	759.9	4.6%	83.4%
Households	-	0.0	-	0.1	-	-	-	-	-	-100.0%	-
Payments for capital assets	-	-	11.0	-	-	0.3%	-	-	-	-	-
Machinery and equipment	-	-	11.0	-	-	0.3%	-	-	-	-	-
Total	845.4	655.0	872.5	790.9	-2.2%	100.0%	816.6	870.3	912.1	4.9%	100.0%
Proportion of total programme expenditure to vote expenditure	13.6%	9.2%	11.6%	9.7%	-	-	11.6%	11.5%	11.4%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	33.3	21.1	50.5	68.2	26.9%	5.5%	61.6	86.1	84.4	7.4%	8.9%
National Nuclear Regulator	33.3	21.1	40.5	38.2	4.6%	4.2%	16.1	42.6	45.0	5.6%	4.2%
National Radioactive Waste Disposal Institute	-	-	10.0	30.0	-	1.3%	45.5	43.5	39.4	9.5%	4.7%
Capital	0.4	0.4	0.4	0.4	4.5%	-	0.4	0.5	0.5	5.7%	0.1%
National Nuclear Regulator	0.4	0.4	0.4	0.4	4.5%	-	0.4	0.5	0.5	5.7%	0.1%
Foreign governments and international organisations											
Current	17.0	27.9	19.8	17.9	1.7%	2.6%	22.3	23.5	24.8	11.5%	2.6%
International Atomic Energy Agency	17.0	27.9	19.8	17.2	0.4%	2.6%	21.5	22.8	24.0	11.7%	2.5%
Generation IV International Forum	-	-	-	0.7	-	-	0.7	0.8	0.8	5.6%	0.1%
Public corporations and private enterprises											
Public corporations (subsidies on products and production)											
Current	491.9	498.8	513.5	574.0	5.3%	65.7%	587.3	619.5	653.6	4.4%	71.8%
South African Nuclear Energy Corporation	491.9	498.8	513.5	574.0	5.3%	65.7%	587.3	619.5	653.6	4.4%	71.8%
Capital	268.8	81.6	85.9	90.2	-30.5%	16.6%	95.4	100.7	106.3	5.6%	11.6%
South African Nuclear Energy Corporation	268.8	81.6	85.9	90.2	-30.5%	16.6%	95.4	100.7	106.3	5.6%	11.6%

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

Programme 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 over the medium term.
- Promote and facilitate energy efficiency and demand management on an ongoing basis by:
 - monitoring and reporting on energy savings
 - coordinating, monitoring and reporting on the progress and impact of energy efficiency and demand management strategies
 - reviewing the energy efficiency tax incentive and energy conservation schemes.
- Improve energy demand side management by facilitating the development of an annual energy management plan.

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 environment response measures, in terms of mitigation and adaptation, are implemented within the energy sector. This subprogramme 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 26.14 Clean Energy 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18					2017/18 - 2020/21	
Energy Efficiency	658.7	206.2	527.1	668.7	0.5%	85.3%	285.7	320.6	348.2	-19.5%	82.6%
Renewable Energy	167.4	69.8	25.2	65.8	-26.8%	13.6%	75.8	80.0	84.5	8.7%	15.6%
Climate Change and Designated National Authority	4.2	5.8	7.7	8.1	24.4%	1.1%	8.7	9.3	10.0	7.4%	1.8%
Total	830.3	281.8	560.1	742.5	-3.7%	100.0%	370.2	409.9	442.7	-15.8%	100.0%
Change to 2017 Budget estimate				(32.0)			(465.0)	(459.6)	(475.0)		

Table 26.14 Clean Energy 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Current payments	29.0	37.7	31.3	85.4	43.4%	7.6%	82.2	105.8	121.9	12.6%	20.1%
Compensation of employees	12.4	14.3	16.3	17.7	12.7%	2.5%	19.9	21.4	23.1	9.1%	4.2%
Goods and services ¹	16.6	23.4	15.1	67.7	59.8%	5.1%	62.3	84.4	98.8	13.4%	15.9%
<i>of which:</i>											
Advertising	0.6	4.6	1.9	1.0	22.8%	0.3%	0.8	0.9	0.9	-3.9%	0.2%
Consultants: Business and advisory services	9.6	10.7	7.6	50.6	74.0%	3.3%	46.5	67.7	81.2	17.1%	12.5%
Agency and support/outsourced services	–	1.1	1.1	8.0	–	0.4%	9.5	10.1	10.6	9.9%	1.9%
Consumables: Stationery, printing and office supplies	0.0	0.1	0.1	0.2	322.7%	–	0.2	0.2	0.2	10.7%	–
Travel and subsistence	2.2	5.6	2.1	3.4	15.1%	0.5%	3.5	3.7	3.9	5.4%	0.7%
Venues and facilities	3.7	0.4	0.7	1.3	-29.5%	0.3%	1.3	1.4	1.4	3.5%	0.3%
Transfers and subsidies¹	801.3	244.1	528.8	657.1	-6.4%	92.4%	288.0	304.1	320.8	-21.3%	79.9%
Provinces and municipalities	136.9	177.9	185.6	203.2	14.1%	29.1%	215.0	227.1	239.6	5.6%	45.0%
Departmental agencies and accounts	162.7	64.9	20.6	59.8	-28.4%	12.8%	70.2	74.2	78.2	9.4%	14.4%
Foreign governments and international organisations	1.7	1.3	2.2	–	-100.0%	0.2%	2.7	2.9	3.1	–	0.4%
Public corporations and private enterprises	500.0	–	320.3	394.1	-7.6%	50.3%	–	–	–	-100.0%	20.1%
Total	830.3	281.8	560.1	742.5	-3.7%	100.0%	370.2	409.9	442.7	-15.8%	100.0%
Proportion of total programme expenditure to vote expenditure	13.3%	3.9%	7.5%	9.1%	–	–	5.3%	5.4%	5.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	51.7	64.9	20.6	59.8	5.0%	8.2%	70.2	74.2	78.2	9.4%	14.4%
South African National Energy Development Institute	51.7	64.9	20.6	59.8	5.0%	8.2%	70.2	74.2	78.2	9.4%	14.4%
Capital	111.0	–	–	–	-100.0%	4.6%	–	–	–	–	–
South African National Energy Development Institute	111.0	–	–	–	-100.0%	4.6%	–	–	–	–	–
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	136.9	177.9	185.6	203.2	14.1%	29.1%	215.0	227.1	239.6	5.6%	45.0%
Energy efficiency and demand side management grant	136.9	177.9	185.6	203.2	14.1%	29.1%	215.0	227.1	239.6	5.6%	45.0%
Public corporations and private enterprises											
Private enterprises											
Private enterprises (subsidies on products and production)											
Capital	500.0	–	320.3	394.1	-7.6%	50.3%	–	–	–	-100.0%	20.1%
Various institutions: Solar water heater project	500.0	–	320.3	394.1	-7.6%	50.3%	–	–	–	-100.0%	20.1%

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

Entities¹

Central Energy Fund

Mandate

The Central Energy Fund is listed in schedule 2 of 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 entity 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

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

products. It is also mandated to acquire, generate, manufacture, market, distribute or research any other form of energy. The subsidiaries are: the Petroleum Oil and Gas Corporation of South Africa (PetroSA); the South African Gas Development Company; the Petroleum Agency of South Africa; Oil Pollution Control South Africa; the Strategic Fuel Fund Association; African Exploration Mining Finance Corporation; ETA Energy; and CCE Solutions. The Petroleum Agency of South Africa and the African Exploration Mining and Finance Corporation are in the process of being transferred to the Department of Mineral Resources.

Selected performance indicators

Table 26.15 Central Energy Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Volume of liquid fuel supplied to South African market per year	Oil and gas, national oil company	Entity mandate	4.4 million	4.7 million	2.5 million	2.5 million	2.6 million	2.7 million	2.9 million
Number of reportable environmental incidents at PetroSA per year	Oil and gas, national oil company		7	8	11	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	-1	-1	10.3 million	10.3 million	10.3 million
Number of tons (measured per thousand) of coal produced at Vlakfontein by the African Exploration Mining and Finance Corporation per year	Mining, coal		1 150	1 565	1 389	1 500	2 300	2 500	2 500

1. Stocks were sold in December 2015 and no data is available on the number of barrels replenished.

Expenditure analysis

The Central Energy Fund manufactures liquid fuels and provides access to other forms of energy, supporting the National Development Plan's vision that, by 2030, South Africa should have an adequate supply of electricity and liquid fuels. Over the medium term, the fund intends to continue focusing on implementing the Vision 2025 strategic roadmap, which is aimed at returning it to commercial viability.

Measures to improve the fund's liquidity and solvency over the MTEF period will focus on PetroSA, the fund's largest entity. Steps include the relocation of PetroSA's head office from Cape Town to Mossel Bay (Western Cape), where its gas to liquid refinery is located, to share services and reduce operational duplications. Securing feedstock for the refinery is a priority as PetroSA has had to contend with decreasing revenues due to a decrease in production. To further contain costs at PetroSA, the fund intends to defer the costs of PetroSA's rehabilitation. Other measures to stabilise its financial position include the disposing of non-core assets. The Petroleum Agency of South Africa is expected to be transferred to the Department of Mineral Resources while the components of the fund's biomass to electricity generation power plant are expected to be disposed of. In addition, the fund plans to expand its Vlakfontein coal mine to supply Eskom's Kusile power station.

As a result of these initiatives, expenditure in the mining, coal programme is expected to increase at an average annual rate of 43.7 per cent, from R581.6 million in 2017/18 to R1.7 billion in 2020/21. During the same period, the acquisition of assets is expected to amount to R4.5 billion. Expenditure in the administration programme is projected to increase at an average annual rate of 2.9 per cent, from R268.8 million in 2017/18 to R293 million in 2020/21, due to the implementation of cost containment measures.

Spending on goods and services is also expected to increase, at an average annual rate of 5.9 per cent, from R16.8 billion in 2017/18 to R19.9 billion in 2020/21, as the fund expands its infrastructure for mining activities, refurbishes the storage tanks of the strategic fuel fund and undertakes activities through Operation Phakisa to develop oil and gas drilling in South Africa. As a result, the fund's total expenditure is expected to increase from R18.8 billion in 2017/18 to R23.4 billion in 2020/21. The number of personnel in the fund decreased from 1 976 in 2016/17 to 1 886 in 2017/18 due to voluntary severance packages and resignations, and vacancies not being filled as the fund attempted to stabilise its financial position. This number is expected to remain constant over the medium term. Spending on compensation of employees is expected to increase at an average annual rate of 8.8 per cent, from R1.6 billion in 2017/18 to R2.1 billion in 2020/21, due to increased spending on voluntary severance packages, cost of living adjustments and additional capacity, such as

engineers, required for the expansion of the Vlakfontein coal mine.

Revenue is expected to increase from R18.1 billion in 2017/18 to R24.2 billion in 2020/21, mostly due to increased production capacity in PetroSA's Mossel Bay refinery.

Programmes/Objectives/Activities

Table 26.16 Central Energy Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	207.9	222.2	280.9	268.8	9.0%	1.3%	262.0	277.7	293.0	2.9%	1.3%
Clean and renewable energy	6.0	17.0	114.6	68.8	125.0%	0.3%	71.3	75.6	79.8	5.0%	0.3%
Oil and gas, national oil company	33 856.4	16 963.1	12 088.2	17 329.6	-20.0%	88.1%	18 064.2	20 277.3	20 701.9	6.1%	90.2%
Strategic stock and pollution control	315.6	4 873.7	679.7	324.6	0.9%	7.3%	328.9	348.7	367.9	4.3%	1.6%
Mining, coal	265.5	383.2	424.6	581.6	29.9%	2.2%	880.7	1 634.4	1 724.3	43.7%	5.5%
Gas and gas infrastructure	20.7	20.3	41.8	33.7	17.6%	0.2%	40.6	35.7	37.7	3.8%	0.2%
Promotion, licensing and regulation	89.2	108.2	153.0	161.9	22.0%	0.7%	180.5	198.1	209.0	8.9%	0.9%
Total	34 761.3	22 587.8	13 782.9	18 769.1	-18.6%	100.0%	19 828.4	22 847.5	23 413.5	7.6%	100.0%

Statements of historical financial performance and position

Table 26.17 Central Energy Fund statements of historical financial performance and position

Statement of financial performance									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2017/18 - 2017/18	
Revenue									
Non-tax revenue	19 289.0	19 719.5	19 936.4	22 393.8	18 213.9	13 183.4	23 676.9	18 104.1	90.5%
Sale of goods and services other than capital assets	18 481.3	18 515.2	19 187.2	21 379.5	17 344.3	11 940.1	22 780.9	17 261.5	88.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	18 481.3	18 515.2	19 187.2	21 379.5	17 344.3	11 940.1	22 780.9	17 261.5	88.8%
Other non-tax revenue	807.7	1 204.4	749.2	1 014.3	869.6	1 243.3	895.9	842.6	129.6%
Transfers received	-	-	-	-	-	-	157.1	-	-
Total revenue	19 289.0	20 562.8	19 960.9	22 393.8	18 213.9	13 183.4	23 834.0	18 104.1	91.3%
Expenses									
Current expenses	117 272.1	34 761.3	19 348.7	22 219.4	17 788.5	13 451.9	21 624.5	18 703.6	50.6%
Compensation of employees	1 629.2	1 408.6	1 013.4	1 377.6	1 080.3	1 221.1	1 157.8	1 620.3	115.3%
Goods and services	115 515.5	29 661.9	18 139.6	18 816.4	15 566.4	11 450.4	19 565.5	16 789.7	45.5%
Depreciation	83.5	2 360.3	73.3	1 913.1	1 007.4	103.7	768.3	91.8	231.2%
Interest, dividends and rent on land	43.9	1 330.5	122.4	112.4	134.4	676.7	132.8	201.9	535.5%
Total expenses	117 506.3	34 761.3	19 470.6	22 587.8	17 816.4	13 782.9	21 677.3	18 769.1	50.9%
Surplus/(Deficit)	(98 217.0)	(14 198.0)	490.0	(194.0)	398.0	(599.0)	2 157.0	(665.0)	
Statement of financial position									
Carrying value of assets	25 561.0	11 237.5	14 678.8	12 494.4	14 031.2	10 695.1	17 390.7	17 390.7	72.3%
<i>of which:</i>									
<i>Acquisition of assets</i>	(6 399.9)	(5 975.9)	(3 883.2)	(2 152.9)	(2 382.2)	(853.3)	(4 079.1)	(4 079.1)	78.0%
Investments	12 066.6	3 656.3	7 768.2	1 989.4	5 636.4	2 217.5	5 775.3	5 775.3	43.6%
Inventory	2 163.9	2 213.2	2 290.7	1 992.4	1 986.1	1 880.9	2 216.9	2 216.9	95.9%
Loans	1 410.0	165.9	-	236.1	-	32.8	-	-	30.8%
Receivables and prepayments	3 417.2	3 664.4	2 080.6	2 507.1	1 575.9	2 201.2	1 964.2	1 964.2	114.4%
Cash and cash equivalents	5 000.3	10 364.0	8 085.8	16 153.6	8 799.1	15 694.8	8 667.4	8 667.4	166.5%
Non-current assets held for sale	-	60.7	-	50.0	36.0	88.6	-	-	554.1%
Taxation	5.3	-	5.5	392.2	4.9	349.7	5.5	5.5	3 513.9%
Total assets	49 624.2	31 362.0	34 909.6	35 815.0	32 069.6	33 160.7	36 020.1	36 020.1	89.3%
Accumulated surplus/(deficit)	28 370.9	13 094.8	18 314.5	12 950.3	13 866.2	12 413.6	16 012.8	16 012.8	71.1%
Capital and reserves	2 123.9	1 700.3	276.0	2 071.0	1 704.1	1 844.8	1 704.1	1 704.1	126.0%
Borrowings	4 219.0	1 153.0	1 330.0	1 618.9	1 022.3	866.8	2 196.3	2 196.3	66.6%
Finance lease	-	0.3	-	-	-	-	-	-	-
Accrued interest	-	-	0.4	-	-	-	-	-	-
Deferred income	2.3	0.7	-	-	-	-	-	-	30.1%
Trade and other payables	3 435.4	4 016.4	2 880.4	5 463.4	1 525.4	5 527.8	1 599.3	1 599.3	175.9%
Taxation	1 419.8	1 021.6	1 654.5	1 774.6	1 838.9	1 888.8	1 838.9	1 838.9	96.6%
Provisions	10 052.9	10 327.9	9 882.6	11 865.0	11 555.1	10 431.2	12 104.1	12 104.1	102.6%
Derivatives financial instruments	-	46.8	571.2	71.9	557.5	187.7	564.5	564.5	51.4%
Total equity and liabilities	49 624.2	31 362.0	34 909.6	35 815.0	32 069.6	33 160.7	36 020.1	36 020.1	89.3%

Statements of estimates of financial performance and position

Table 26.18 Central Energy Fund 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							
R million	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	18 104.1	-2.8%	99.0%	21 220.8	23 924.1	24 247.7	10.2%	100.0%
Sale of goods and services other than capital assets	17 261.5	-2.3%	92.9%	19 883.3	22 899.1	22 985.9	10.0%	94.9%
<i>of which:</i>								
<i>Sales by market establishment</i>	17 261.5	-2.3%	92.9%	19 883.3	22 899.1	22 985.9	10.0%	94.9%
Other non-tax revenue	842.6	-11.2%	6.1%	1 337.5	1 025.0	1 261.8	14.4%	5.1%
Total revenue	18 104.1	-4.2%	100.0%	21 220.8	23 924.1	24 247.7	10.2%	100.0%
Expenses								
Current expenses	18 703.6	-18.7%	98.9%	19 630.9	22 599.0	23 255.8	7.5%	99.2%
Compensation of employees	1 620.3	4.8%	6.9%	1 855.2	1 977.8	2 086.6	8.8%	8.9%
Goods and services	16 789.7	-17.3%	85.3%	16 483.4	19 440.5	19 923.5	5.9%	85.7%
Depreciation	91.8	-66.1%	4.1%	1 064.0	960.9	1 013.7	122.7%	3.6%
Interest, dividends and rent on land	201.9	-46.7%	2.6%	228.3	219.8	231.9	4.7%	1.0%
Total expenses	18 769.1	-18.6%	100.0%	19 828.4	22 847.5	23 413.5	7.6%	100.0%
Surplus/(Deficit)	(665.0)			1 392.0	1 077.0	834.0		
Statement of financial position								
Carrying value of assets	17 390.7	15.7%	37.8%	20 526.3	20 577.8	19 764.1	4.4%	49.4%
<i>of which:</i>								
<i>Acquisition of assets</i>	(4 079.1)	-12.0%	-9.7%	(3 081.5)	(1 190.8)	(200.0)	-63.4%	-5.6%
Investments	5 775.3	16.5%	10.0%	5 925.6	6 068.9	6 068.9	1.7%	15.1%
Inventory	2 216.9	0.1%	6.1%	2 468.5	2 605.1	2 605.1	5.5%	6.2%
Receivables and prepayments	1 964.2	-18.8%	7.7%	2 196.0	2 385.6	2 385.6	6.7%	5.6%
Cash and cash equivalents	8 667.4	-5.8%	37.4%	8 120.6	10 295.8	10 295.8	5.9%	23.6%
Taxation	5.5	-	0.5%	5.5	5.5	5.5	-	0.0%
Total assets	36 020.1	4.7%	100.0%	39 242.6	41 938.7	41 125.0	4.5%	100.0%
Accumulated surplus/(deficit)	16 012.8	6.9%	40.0%	17 439.3	19 218.0	20 052.3	7.8%	45.9%
Capital and reserves	1 704.1	0.1%	5.4%	1 704.1	1 704.1	1 704.1	-	4.3%
Borrowings	2 196.3	24.0%	4.2%	3 177.4	3 358.7	2 446.1	3.7%	7.0%
Trade and other payables	1 599.3	-26.4%	12.3%	1 806.1	1 894.4	1 894.4	5.8%	4.5%
Taxation	1 838.9	21.6%	4.8%	1 838.9	1 838.8	1 838.8	-0.0%	4.7%
Provisions	12 104.1	5.4%	32.8%	12 685.4	13 306.6	12 571.2	1.3%	32.1%
Derivatives financial instruments	564.5	129.3%	0.6%	591.5	618.0	618.0	3.1%	1.5%
Total equity and liabilities	36 020.1	4.7%	100.0%	39 242.6	41 938.7	41 125.0	4.5%	100.0%

Personnel information

Table 26.19 Central Energy Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)							
		2016/17		2017/18		2018/19		2019/20		2020/21				2017/18 - 2020/21						
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost									
Central Energy Fund		1 886	1 886	1 976	1 221.1	0.6	1 886	1 620.3	0.9	1 886	1 855.2	1.0	1 886	1 977.8	1.0	1 886	2 086.6	1.1	8.8%	100.0%
7 - 10	418	418	618	111.2	0.2	418	118.1	0.3	418	125.4	0.3	418	132.9	0.3	418	140.3	0.3	5.9%	22.2%	
11 - 12	661	661	481	288.4	0.6	661	470.6	0.7	661	507.0	0.8	661	542.6	0.8	661	572.2	0.9	6.7%	35.0%	
13 - 16	799	799	869	801.1	0.9	799	1 007.0	1.3	799	1 196.8	1.5	799	1 274.7	1.6	799	1 344.9	1.7	10.1%	42.4%	
17 - 22	8	8	8	20.4	2.6	8	24.6	3.1	8	26.1	3.3	8	27.6	3.5	8	29.3	3.7	6.0%	0.4%	

1. Rand million.

South African Nuclear Energy Corporation

Mandate

The South African Nuclear Energy Corporation is listed as a schedule 2 public entity, and derives its mandate from the Nuclear Energy Act (1999), the 2008 nuclear energy policy 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.

The corporation is also responsible for operating the SAFARI-1 research nuclear reactor, 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 26.20 South African Nuclear Energy Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of product and process innovations per year	Administration	Entity mandate	17	12	15	15	15	15	15
Number of scientific articles published per year	Administration		31	55	43	31	31	31	31
Number of days per year that the reactor is operationally available out of the days scheduled for operation	Radiation products and services		303	287	289	287	287	287	287
Maximum allowable annual radiation dose (microsievert) in terms of licence conditions	Radiation products and services		6µSv	6µSv	5.6µSv	5µSv	5µSv	5µSv	5µSv

Expenditure analysis

The South African Nuclear Energy Corporation's activities are geared towards innovation. As such, over the medium term, the corporation intends to continue focusing on radioisotope production, radiation applications, and research and development for new products. The corporation also plans to focus on specialised nuclear manufacturing, the nuclear fuel cycle, and the provision of support for nuclear power generation. This will allow the corporation to align its activities with the 2010-2030 integrated resource plan for electricity, as well as the requirements for the building of new nuclear power reactors.

The corporation aims to strengthen the global market position of NTP Radioisotopes through the production and sale of medical radioisotopes used locally and internationally for the diagnosis and treatment of cancer. As a result, expenditure in the radiation products and services programme is expected to increase at an average annual rate of 8.1 per cent, from R1.3 billion in 2017/18 to R1.6 billion in 2020/21, accounting for 49.5 per cent (R4.5 billion) of the corporation's total expenditure of R9.2 billion over the MTEF period. This programme also enables the SAFARI-1 reactor to be operational for 287 days per year, ensuring the corporation complies with international safety requirements and maintains radiation doses within acceptable levels.

To carry out these activities, the corporation's staff complement is expected to remain constant at 2 033 over the MTEF period. Spending on compensation of employees is expected to increase at an average annual rate of 7.4 per cent, from R990 million in 2017/18 to R1.2 billion in 2020/21, due to adjustments related to the cost of living.

The sale of nuclear technology products, chemical products and nuclear engineering services contributes an estimated 66 per cent (R6.3 billion) of the corporation's total revenue over the MTEF period. The majority of the balance, R2.6 billion, is received through transfers from the department and other entities to fund operations and specific activities such as the decommissioning of plants, waste management at all disused nuclear facilities, the production and conversion of low enriched uranium fuel and nuclear safety.

Cabinet has approved reductions to the corporation's transfers amounting to R64.8 million over the medium term. However, total revenue is projected to increase an average annual rate of 6.1 per cent, from R2.8 billion in 2017/18 to R3.3 billion in 2020/21, as sales of nuclear radiation products are expected to increase as market conditions improve.

Programmes/Objectives/Activities

Table 26.21 South African Nuclear Energy Corporation expenditure trends and estimates by programme/ objective/activity

R million	Audited outcome			Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Administration	384.3	386.9	442.7	373.7	-0.9%	14.1%	573.3	662.0	661.8	21.0%	19.2%
Nuclear energy	407.7	391.2	409.8	364.9	-3.6%	14.0%	400.0	426.3	468.2	8.7%	14.2%
Radiation products and services	706.9	3 800.5	1 514.4	1 291.5	22.3%	53.6%	1 346.6	1 504.3	1 633.4	8.1%	49.5%
South African Nuclear Energy Corporation as a host of nuclear programmes	637.7	391.4	509.7	452.2	-10.8%	18.4%	486.7	508.7	540.0	6.1%	17.1%
Total	2 136.6	4 970.0	2 876.6	2 482.2	5.1%	100.0%	2 806.7	3 101.3	3 303.3	10.0%	100.0%

Statements of historical financial performance and position

Table 26.22 South African Nuclear Energy Corporation statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Average: Outcome/ Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17	Budget estimate	2017/18	
Revenue									
Non-tax revenue	1 662.2	1 300.6	1 613.3	4 670.0	1 929.1	2 281.7	2 453.5	1 948.9	133.2%
Sale of goods and services other than capital assets	1 567.7	1 265.5	1 511.7	1 510.0	1 883.4	1 610.9	2 340.7	1 736.1	83.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>1 567.7</i>	<i>1 265.5</i>	<i>1 511.7</i>	<i>1 510.0</i>	<i>1 883.4</i>	<i>1 610.9</i>	<i>2 340.7</i>	<i>1 736.1</i>	<i>83.8%</i>
Other non-tax revenue	94.5	35.1	101.6	3 160.0	45.6	670.9	112.8	212.8	1 150.5%
Transfers received	992.3	793.5	650.5	614.3	649.4	637.1	712.9	837.5	95.9%
Total revenue	2 654.5	2 094.1	2 263.7	5 284.3	2 578.4	2 918.9	3 166.4	2 786.4	122.7%
Expenses									
Current expenses	1 947.2	2 100.4	2 382.4	4 888.2	2 598.1	2 805.8	2 869.4	2 395.8	124.4%
Compensation of employees	795.1	797.4	916.9	864.0	916.1	989.4	971.4	990.0	101.1%
Goods and services	1 044.9	1 175.0	1 387.9	3 923.7	1 611.9	1 740.8	1 737.9	1 313.2	141.0%
Depreciation	101.8	63.3	77.7	94.8	65.5	70.8	155.1	87.4	79.1%
Interest, dividends and rent on land	5.3	64.7	-	5.8	4.5	4.9	5.0	5.1	543.8%
Total expenses	2 014.1	2 136.6	2 430.4	4 970.0	2 663.6	2 876.6	2 933.5	2 482.2	124.1%
Surplus/(Deficit)	640.0	(43.0)	(167.0)	314.0	(85.0)	42.0	233.0	304.0	
Statement of financial position									
Carrying value of assets	1 245.8	1 068.6	1 391.4	1 338.2	1 463.4	1 376.6	1 541.2	1 603.0	95.5%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(247.6)</i>	<i>(134.9)</i>	<i>(174.4)</i>	<i>(398.7)</i>	<i>(110.0)</i>	<i>(166.2)</i>	<i>(52.6)</i>	<i>(244.4)</i>	<i>161.5%</i>
Investments	265.9	478.0	294.8	3 327.8	3 340.5	3 172.0	3 420.4	3 333.6	140.8%
Inventory	298.7	264.0	221.7	231.9	256.4	238.1	323.8	343.4	97.9%
Loans	-	-	-	-	-	-	-	36.6	-
Receivables and prepayments	316.2	311.1	212.4	407.6	279.9	205.1	382.7	397.5	110.9%
Cash and cash equivalents	621.5	671.8	594.0	781.5	598.3	1 065.3	617.3	531.9	125.5%
Taxation	42.8	31.4	1.3	59.2	15.7	41.0	15.7	32.1	216.7%
Total assets	2 790.8	2 824.8	2 715.5	6 146.1	5 954.3	6 098.1	6 301.2	6 278.2	120.2%
Accumulated surplus/(deficit)	734.7	349.0	482.1	509.3	267.1	502.2	459.0	763.2	109.3%
Capital and reserves	316.9	372.7	367.9	545.7	422.4	602.2	485.4	145.4	104.6%
Capital reserve fund	515.0	-	703.3	-	601.6	-	664.2	198.9	8.0%
Borrowings	72.8	66.2	31.5	82.7	85.2	123.7	99.9	128.0	138.4%
Finance lease	6.8	8.2	10.9	8.2	4.6	5.3	3.8	4.4	99.8%
Deferred income	-	188.1	-	446.3	-	594.4	-	594.4	-
Trade and other payables	331.4	236.7	321.7	252.1	226.9	196.1	255.5	361.4	92.1%
Benefits payable	-	-	-	-	-	23.8	-	-	-
Taxation	1.4	0.2	-	20.0	-	1.1	-	22.3	3 079.2%
Provisions	779.7	611.6	748.5	691.2	992.7	739.3	1 046.5	972.4	84.5%
Managed funds (e.g. poverty alleviation fund)	21.3	52.4	-	33.0	-	-	-	-	401.6%
Derivatives financial instruments	10.8	939.7	49.6	3 557.6	3 353.7	3 310.1	3 286.9	3 087.8	162.6%
Total equity and liabilities	2 790.8	2 824.8	2 715.5	6 146.1	5 954.3	6 098.1	6 301.2	6 278.2	120.2%

Statements of estimates of financial performance and position

Table 26.23 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	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
R million								
Revenue								
Non-tax revenue	1 948.9	14.4%	74.6%	2 041.5	2 305.8	2 425.4	7.6%	71.9%
Sale of goods and services other than capital assets	1 736.1	11.1%	51.6%	1 875.5	2 138.2	2 256.6	9.1%	66.0%
<i>of which:</i>								
<i>Sales by market establishment</i>	1 736.1	11.1%	51.6%	1 875.5	2 138.2	2 256.6	9.1%	66.0%
Other non-tax revenue	212.8	82.3%	23.0%	166.0	167.6	168.8	-7.4%	6.0%
Transfers received	837.5	1.8%	25.4%	793.1	856.3	904.6	2.6%	28.1%
Total revenue	2 786.4	10.0%	100.0%	2 834.6	3 162.1	3 330.0	6.1%	100.0%
Expenses								
Current expenses	2 395.8	4.5%	97.7%	2 741.0	3 009.7	3 219.8	10.4%	97.2%
Compensation of employees	990.0	7.5%	32.2%	1 066.0	1 142.1	1 225.8	7.4%	38.0%
Goods and services	1 313.2	3.8%	61.8%	1 583.3	1 769.3	1 895.6	13.0%	55.9%
Depreciation	87.4	11.3%	2.7%	87.8	91.9	90.6	1.2%	3.1%
Interest, dividends and rent on land	5.1	-57.0%	0.9%	4.0	6.4	7.7	14.4%	0.2%
Total expenses	2 482.2	5.1%	100.0%	2 806.7	3 101.3	3 303.3	10.0%	100.0%
Surplus/(Deficit)	304.0			28.0	61.0	27.0		
Statement of financial position								
Carrying value of assets	1 603.0	14.5%	26.9%	1 758.6	1 811.4	1 892.6	5.7%	27.4%
<i>of which:</i>								
<i>Acquisition of assets</i>	(244.4)	21.9%	-4.5%	(160.2)	(58.4)	(86.8)	-29.2%	-2.2%
Investments	3 333.6	91.1%	44.0%	3 455.8	3 550.0	3 657.5	3.1%	54.3%
Inventory	343.4	9.2%	5.6%	336.6	449.1	474.6	11.4%	6.2%
Loans	36.6	-	0.1%	36.6	36.6	36.6	-	0.6%
Receivables and prepayments	397.5	8.5%	6.8%	586.7	614.4	641.5	17.3%	8.7%
Cash and cash equivalents	531.9	-7.5%	15.6%	32.9	19.4	9.1	-74.2%	2.4%
Taxation	32.1	0.7%	0.8%	32.0	32.0	32.0	-0.0%	0.5%
Total assets	6 278.2	30.5%	100.0%	6 239.2	6 512.8	6 743.9	2.4%	100.0%
Accumulated surplus/(deficit)	763.2	29.8%	10.3%	791.1	851.9	878.6	4.8%	12.7%
Capital and reserves	145.4	-26.9%	8.6%	152.6	216.4	264.1	22.0%	3.0%
Capital reserve fund	198.9	-	0.8%	207.0	301.4	367.8	22.7%	4.1%
Borrowings	128.0	24.6%	1.9%	153.5	238.5	425.0	49.2%	3.6%
Finance lease	4.4	-18.7%	0.1%	4.1	3.9	4.1	-2.4%	0.1%
Deferred income	594.4	46.7%	8.3%	575.5	546.9	516.8	-4.6%	8.7%
Trade and other payables	361.4	15.1%	5.4%	519.8	572.3	557.2	15.5%	7.8%
Taxation	22.3	379.2%	0.2%	22.3	22.3	22.3	-	0.3%
Provisions	972.4	16.7%	15.1%	1 028.2	1 088.6	1 152.6	5.8%	16.4%
Derivatives financial instruments	3 087.8	48.7%	48.7%	2 785.1	2 670.7	2 555.4	-6.1%	43.2%
Total equity and liabilities	6 278.2	30.5%	100.0%	6 239.2	6 512.8	6 743.9	2.4%	100.0%

Personnel information

Table 26.24 South African Nuclear Energy Corporation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost
South African Nuclear Energy Corporation		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21	
Salary level	2 033	2 033	916.9	0.5	2 033	990.0	0.5	2 033	1 066.0	0.5	2 033	1 142.1	0.6	2 033	1 225.8	0.6	7.4%	100.0%
1 – 6	551	551	119.4	0.2	551	127.8	0.2	551	137.7	0.2	551	147.5	0.3	551	158.3	0.3	7.4%	27.1%
7 – 10	1 069	1 069	413.9	0.4	1 069	441.9	0.4	1 069	475.8	0.4	1 069	509.7	0.5	1 069	547.1	0.5	7.4%	52.6%
11 – 12	234	234	186.3	0.8	234	194.2	0.8	234	209.1	0.9	234	224.0	1.0	234	240.4	1.0	7.4%	11.5%
13 – 16	168	168	169.9	1.0	168	197.7	1.2	168	212.9	1.3	168	228.1	1.4	168	244.8	1.5	7.4%	8.3%
17 – 22	11	11	27.3	2.5	11	28.4	2.6	11	30.6	2.8	11	32.8	3.0	11	35.2	3.2	7.4%	

1. Rand million.

Other entities

Comprehensive coverage of the following public entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **National Energy Regulator of South Africa** is the regulatory authority for electricity, piped gas and petroleum pipelines. The regulator's total budget for 2018/19 is R343.5 million.
- The **National Nuclear Regulator** is responsible for safety standards and regulatory practices for the protection of people, property and the environment against nuclear damage. The regulator's total budget for 2018/19 is R228.5 million.
- The **National Radioactive Waste Disposal Institute** is mandated to fulfil an institutional obligation of the Minister of Energy relating to the management of radioactive waste disposal on a national level, and is empowered to develop and implement a management approach for the long-term care and disposal of radioactive waste that is safe, technically sound, socially acceptable, environmentally responsible and economically feasible. The institute's total budget for 2018/19 is R46.9 million.
- The **South African National Energy Development Institute** is mandated to stimulate innovation in energy research and development, transform the gender and race profile of researchers in the sector, and improve South Africa's competitiveness in energy research internationally. The institute's total budget for 2018/19 is R174 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project cycle)										
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	–	2 948.0	3 613.2	3 526.3	3 846.2	3 262.0	3 432.5	3 621.5
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	–	1 104.7	1 980.3	1 946.2	2 087.0	1 904.5	2 127.9	2 245.0
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)										
Integrated national electrification programme: Non-grid	Provision of capital subsidies to non-grid electrification service providers to address electrification backlogs	Ongoing	–	70.0	156.2	137.7	189.8	201.6	212.9	224.7
Total			–	4 122.7	5 749.8	5 610.3	6 123.0	5 368.2	5 773.3	6 091.1

